

**BOARD OF TRUSTEES
DOWNERS GROVE FIREFIGHTERS PENSION FUND MEETING
Downers Grove Fire Department Station 2, 5420 Main,
Fire Station 102 (Primary) and Electronic Conference
November 20, 2021 – 1700 hrs.**

Agenda Item – 1

Trustee Campbell called the meeting to order at 1701 hrs.

Agenda Item – 2

Trustee Campbell made a motion requesting consent by each participant in the meeting to be recorded during the August 5, 2021 Downers Grove Firefighter Pension Board Quarterly meeting. Seconded by Trustee Bacidore.

Members

Trustee Kuchta	Consents
Trustee Bacidore,	Consents
Trustee Campbell	Consents
Trustee Moy	Consents
Trustee Ludwig	Consents
Non-voting Downers Grove Finance Director Judy Buttny	Consents

Member Absent

None

Guests

Paul Marchese – Marquette Associates (electronically)	Consents
Trinette - Lauterbach & Amend, LLP (electronically)	Consents
Richard Reimer, Attorney - Reimer & Karlson LLC (electronically)	Consents

Trustee Campbell made a recommendation that a motion be made to allow electronic attendance.

MOTION: A motion was made by Trustee Campbell to conduct the August February 18, 2021 Quarterly Pension Board meeting electronically. Seconded by Trustee Bacidore.

Roll Call vote:

Trustee Kuchta Aye

Trustee Bacidore, Aye

Trustee Campbell Aye

Trustee Moy Aye

Trustee Ludwig Aye

Motion carried by a vote of 5-0.

Agenda Item – 3

Approval of Minutes

Trustee Campbell advised that Trustee Bacidore had sent out an amended copy of the Quarterly Meeting Minutes of May 6, 2021.

MOTION: A motion was made by Trustee Moy to approve as amended Quarterly Meeting Minutes of May 6, 2021. Seconded by Trustee Bacidore.

Roll Call vote: Trustee Moy Aye

Trustee Kuchta Aye

Trustee Bacidore Aye

Trustee Campbell Aye

Trustee Ludwig Aye

Motion carried by a vote of 5-0.

Agenda Item – 4

Report from Marquette Associates

Handout

Marquette Associates DGFDP Pension Fund
November 30, 2021 Third Quarter Report

As most of the assets are no longer under the Board's supervision, therefore, he will present a quick 3rd quarter update. He advised that the most important matter is to have the Plan in place for when everything transpires for the January 4, 2022 consolidation. Documentation has been sent out so he is hoping to have that approved, formalize the cash management policy to get through the freeze period and similarly get a motion at some point to have the "Stop Trading Orders" together for CS McKee so they can be notified to stop trading when they receive the Certified Asset List. Principal with regard to Real-estate will just be reregistered in the Consolidated Funds' name so nothing will need to be done.

Mr. Marchese reviewed page 3, Exhibit 2 which shows how the Fund stood at the end of September with total market value just south of \$75mil. Repayment balancing has been pulled from Equities either through Fixed Income or Cash for benefits alone. The Policy percent is at 33% for Fixed Income, more than made up by excess cash that likely came in via the Levy as of late. At this point in time there is approximately \$2.7 mil sitting in Cash or roughly 3.7% of the Fund which will be available to reinvest. The other side is that it could be used as Cash to bring the Fund through 3 months of cash flow which is what the Consolidated Fund is looking for at this point. This Fund is pretty closely aligned. He has no formal recommendation to liquidate investments. He asked for Ms. Buttney's thoughts on the \$1.5 that came in recently through 5th/3rd and what should be maintained for November, December and January.

Ms. Buttney advised that approximately \$500,000 per month to pay pensions.

He advised that the 5th/3rd account will cover funds needed for the three months – approximately 1.8 mil. and excess plus the Money Market Fund. Could reinvest in Fixed Income or the Board can decide to leave the excess as Cash.

Trustee Campbell asked that once the Board has their Certified Asset List and they can no longer trade, how does the Fund raise cash? Mechanisms are in place as to how that can take place. A motion would probably be needed to get to probably through March. It should be a significantly small tranche.

Atty. Reimer advised that the document "Global Cash New Set up authorization" so you can designate who the Board authorizes to log on to their portal to facilitate transferring funds. It will be roughly 60-90 days after signing that funds can be accessed.

The nuance will be that the Board may be out of compliance with their guidelines but will allow 5% in cash. He does not feel that the Board will be in violation of how much cash needs to be kept on the side for benefit payments.

Ms. Buttny queried what the trend as far as how many months are being kept by other departments as cash to pay benefits. They advised 3-5 months.

MOTION: A motion was made by Trustee Campbell to accept the 3rd Quarter Report from Marquette & Associates. Seconded by Trustee Bacidore.

Motion carried by a vote of 5-0.

Roll Call vote: Trustee Moy Aye
 Trustee Kuchta Aye
 Trustee Bacidore Aye
 Trustee Campbell Aye
 Trustee Ludwig Aye

Agenda Item 5 - A

Report from Lauterbach & Amen, LLP

ATTACHMENT
Lauterbach & Amen, LLP
Monthly Financial Report
For the Month Ended September 30, 2021

Ms. Trinette of Lauterbach & Amen, reviewed the Monthly Financial Report for month ended September 30, 2021. Total cash and cash equivalent at \$2,199,000. Adding in the investment mix we have total cash invested at \$74,778,000. Accrued interest including annual dues paid which are included with the audit as of September 30 the Funds net position was \$74,869,000.

With nine months of activity, Municipal contributions were \$4,727,00 and active member contributions were at \$525,000. Administrative expenses were \$41,000 and Pension benefits of \$4,099,000. Ending September 30, 2022, the Fund was up \$6,410,000.

She then reviewed the Cash Analysis Report showing all the non-investment cash flow for a rolling 12-month period. Reviewing current tax deposits and when they are received.

Pages 11-1 and 11-2 show expenses paid from the Fund from July 1 through September 30.

Municipal Compliance Report:

A packet of information was distributed regarding information of the tax levy which was discussed the prior meeting. Also in the packet was the formal request to the Village to Levy for the taxes that was recommended by the Actuary Department.

On page 1, recommended Municipal contribution as \$4,903,198. Page 3 will need President and Secretary signatures.

Trustee Campbell inquired of Ms. Buttny if this amount has already been approved by Council for the Levy. Ms. Buttny advised that it had not yet been approved, that the Budget would be approved in December 2021. Council has seen the paperwork but not yet approved it.

Atty. Reimer advised that at the August meeting a motion was passed recommending a certain Municipal Contribution which was \$4,903,198. That was sent to the Village Manager. Today's document is a redundancy but needs to be signed.

MOTION: A motion was made by Trustee Campbell to authorize the President and Secretary to sign the Municipal Compliance Report. Seconded by Trustee Moy.

Motion carried by a vote of 5-0.

Roll call was taken:

Trustee Campbell	Aye
Trustee Bacidore	Aye
Trustee Kuchta	Aye
Trustee Moy	Aye
Trustee Ludwig	Aye

One copy of the signed Municipal Compliance Report to be given to Atty. Reimer to submit (as a follow-up) to the Village Manager.

MOTION: A motion was made by Trustee Campbell to approve the monthly report from Lauterbach & Amen. Seconded by Trustee Bacidore,

Motion carried by a vote of 5-0.

Roll call was taken:

Trustee Campbell	Aye
Trustee Bacidore	Aye
Trustee Kuchta	Aye
Trustee Moy	Aye
Trustee Ludwig	Aye

TREASURER’S REPORT

Agenda Item 6 - A

Payment of Bills

Finance Director Buttny requested that the DGFDP Pension Fund Board approve as reported by Marquette & Assoc. on Pages 11-1 and 11-2 the Vendor Check Report July 1, 2021 through September 30, 2021 in the amount of \$215,807.58. The charges are standard such as the ODOI payment for \$8,000.00 and all the typical other monthly payments.

MOTION: A motion was made by Trustee Campbell to approve the Vendor Check Report of July 1, 2021 through September 30, 2021 in the amount of \$215,807.58. Seconded by Trustee Bacidore.

Motion carried by a vote of 5-0.

Roll call was taken:

Trustee Campbell	Aye
Trustee Bacidore	Aye
Trustee Kuchta	Aye
Trustee Moy	Aye
Trustee Ludwig	Aye

Agenda Item 6 – B

New Employee’s / Retirees / Issuance of a refund

Trustee Campbell advised the Fund has not received a request for issuance of a refund.

Resigned Employee – Michael Baldwin

FF/PM M Baldwin has enough time of the job to be a deferred pensioner. He is making the decision between a deferred pensioner and or just taking his contributions. The Pension Fund Board will hold back those contributions until he makes the decision to be a deferred pensioner or take back his contributions. No action at this time until the Pension Board is notified by Mr. Baldwin of his decision.

New Employee – Nicholas Cassidy

Trustee Campbell advised of a new employee, Nicholas Cassidy, birth date October 10th, 1998, and his hire date is April 5, 2021. He will be a Tier II pension member

MOTION: A motion was made by Trustee Campbell to accept Nicholas Cassidy into the Pension Fund. Seconded by Trustee Bacidore.

Motion carried by a vote of 5-0.

Roll call was taken:

Trustee Campbell	Aye
Trustee Bacidore	Aye
Trustee Kuchta	Aye
Trustee Moy	Aye
Trustee Ludwig	Aye

New Employee – Nicholas McKinney

Trustee Campbell advised of a new employee, Nicholas McKinney, birth date October 2, 1995, and his hire date is June 14, 2021. He will be a Tier II pension member

MOTION: A motion was made by Trustee Campbell to accept Nicholas McKinney into the Pension Fund. Seconded by Trustee Bacidore.

Motion carried by a vote of 5-0.

Roll call was taken:

Trustee Campbell	Aye
Trustee Bacidore	Aye
Trustee Kuchta	Aye
Trustee Moy	Aye
Trustee Ludwig	Aye

New Employee – Tyler Thiessen

Trustee Campbell advised of a new employee, Tyler Thiessen, birth date July 27th, 1995, and his hire date is August 23, 2021. He will be a Tier II pension member

MOTION: A motion was made by Trustee Campbell to accept Tyler Thiessen into the Pension Fund. Seconded by Trustee Bacidore.

Motion carried by a vote of 5-0.

Roll call was taken:

Trustee Campbell	Aye
Trustee Bacidore	Aye
Trustee Kuchta	Aye
Trustee Moy	Aye
Trustee Ludwig	Aye

Resigned Employee – Matthew Hossfeld

Matthew Hossfeld did request a refund of his contributions. As he had less than a full year of service with DGFD he is by statute entitled to request. Does not require any Pension Board action and the refund has been paid.

Ms. Buttny advised that this will be her last meeting with the DGFF Pension Board as she will be retiring in January 2022. Robin Leahy is in attendance at this meeting as Assistant Finance Director who will be attending these meetings.

Trustee Campbell asked Ms. Buttny to discuss Cash Reserve Balances and New Funding Guidelines.

Ms. Buttny presented a form to be used through Lauterbach making the suggestion that the Pension Board have Lauterbach do the Pension Board cash balancing. The Pension Board would tell Lauterbach how much money they want in reserve and Lauterbach would facilitate the request. Currently the VDG Finance Department is doing that. The Pension Fund account is currently at 5th/3rd Bank and the Finance Department does monitor it. Due to the turnover in positions within VDG Finance Department it would make it easier on all parties if Lauterbach took over this task.

To facilitate this:

- 1) The VDG Finance Department in conjunction with the Pension Board needs to advise Lauterbach that as previously suggested a 3–5-month balance to pay pensions and bills is needed in their Cash Account. Lauterbach will also need to know how much of a reserve the Pension Board wants to leave in their Cash Account on an ongoing basis. Lauterbach will monitor this account for accuracy.
- 2) The operating Cash Account will have to be moved from 5th/3rd (which is the current account used for paying pensions) to BMO Harris. If the Pension Fund does hold reserve cash in this account, the new BMO Cash Account will need to be collateralized as the account will only be insured up to \$250,000 by FDIC. To protect cash in that fund, Lauterbach will work with BMO to collateralize it through Bank of America Government Bonds.
- 3) Lauterbach will need to contact DuPage County to change the bank to BMO. Currently the County deposits directly into 5th/3rd into the Fire Pension Account.
- 4) The VDG Finance Department will need to change the payroll so that when contributions are received from current members, they will be directed to the Fire Pension Account at BMO.
- 5) Lauterbach will consolidate to one account with both deposits of funds and payments of funds

from the same account.

When the tax deposit is received from DuPage County, Lauterbach will facilitate sending the appropriate funds to IPTATH. (The custodian wants a Trustee, Treasurer (or Third Party) and a resolution will be needed.) Atty. Reimer advised that he has the form needed.

Trustee Campbell inquired if no action was taken and the Fund went through their tranche date, would it be correct that the Village Finance Department would continue to facilitate the Fire Pension Fund as in the current manner. Ms. Buttny advised that was correct and if the Board decides not to change the Finance Department will continue as they are currently handling the accounts. They would need the paperwork completed to show how much funding and cash reserve the Pension Board wants held in the accounts. This issue could be talked over and brought up again at the February meeting and if wanted a change could take place then.

Trustee Campbell would like Lauterbach to come back at the First Quarter 2022 meeting and present this issue again. Trustee Kuchta requested a full disclosure of where the collateralized money is being held and on fees associated with this.

Trustee Campbell then queried as to how much cash did the Board want to hold over the freeze period. Standard working number has been roughly \$500,000 in benefits per month. The guidance from IPATH is 3-5 months. COLAs come up in January and some people may be retiring within the 3-5-month frame so there is some change. Also, how much cash reserve should there be? It was also mentioned that refunds, e.g., Mike Baldwin if he decides to cash out is at 111,000+. The Board does expect that he will request a refund.

Trustee Kuchta reviewed the Cash Analysis document presented. Currently there is \$2.4 in cash with \$500,000 going out shortly for monthly pensions (November, December and January).

Trustee Campbell advised if January 4, 2022 is the Fund's tranche date, then the next date to request cash is April 4. Guidance is that it takes 30 days to receive the funds.

Trustee Kuchta stated he would prefer to stay over on equities, as we have been, and then it would be an off-set. Then we would still be within policy.

Lauterbach suggested taking \$1.1 from CS McGee in cash and roughly \$500,000 cash (balance of Money Market in 5th / 3rd Bank account).

Trustee Campbell recapped – the Fund currently has \$2.4 mil in cash. It will not be able to infuse an account in cash until May 6 because the Board cannot request cash until April 5, and there is a 30-day turn-around. Therefore, 7 months and at \$500,000 a month in benefits (slightly over) that would put the Fund at \$3.5 mil. The Fund is looking to raise an additional \$1.1 mil in cash from the

Fixed Income account.

Trustee Ludwig questioned whether any additional cushion of cash is needed? This would cover through the May 6 timeline. Trustee Campbell advised that there is a “cushion”

MOTION: A motion was made by Trustee Campbell to liquate \$1.1 million from CS McKee and transfer it to the 5th / 3rd account. Seconded by Trustee Kuchta.

Motion carried by a vote of 5-0.

Roll call was taken:

Trustee Campbell	Aye
Trustee Bacidore	Aye
Trustee Kuchta	Aye
Trustee Moy	Aye
Trustee Ludwig	Aye

MOTION: A motion was made by Trustee Campbell to “sweep” the balance of the money from the Money Market Fund at U.S. Bank to 5th / 3rd Bank. Seconded by Trustee Kuchta.

Motion carried by a vote of 5-0.

Roll call was taken:

Trustee Campbell	Aye
Trustee Bacidore	Aye
Trustee Kuchta	Aye
Trustee Moy	Aye
Trustee Ludwig	Aye

MOTION: A motion was made by Trustee Campbell to set-up a temporary cash management policy which initially will have \$3.5 million which is an average of \$500,000 a month for payment of benefits and expenses for 7 months for the \$3.5 million to be kept in the 5th / 3rd Bank account. Seconded by Trustee Moy.

Motion carried by a vote of 5-0.

Roll call was taken:

Trustee Campbell	Aye
Trustee Bacidore	Aye
Trustee Kuchta	Aye
Trustee Moy	Aye
Trustee Ludwig	Aye

Agenda Item 6 – C

IPTHA Update

The Pension Fund is waiting for its certified asset list. Once the list is received trading will be halted and the Board can take no further action.

Lauterbach advised that once the Certified Asset List is received, they would need a letter to notify CS McKee to stop trading the account.

Trustee Campbell advised that a motion has already been passed for authorized representatives. Does an authorized representative need to do this or is a special meeting needed?

Atty. Reimer advised that the Authorized Representative has the authority to notify the vendors to stop trading.

Lauterbach asked if the Board wanted a letter in advance to sign so that the letter is ready to go to the vendor. At the appropriate time, Lauterbach will forward the letter and send copies to the Board that action has been taken.

Principal U.S. Property Account transfer.

We have received a request from Principal to provide them with Exhibit C of the original documents which notified them that they had the ability to transfer are assets as it is our Real-estate Fund as opposed to a standard asset. We decided as a Board, under Council's advice, to table and to consider that we did not yet have a Certified Asset List as we do not have the exact value to date.

MOTION: A motion was made by Trustee Campbell that upon receipt of the Certified Asset List, authorized represents may execute Exhibit C Form of Notice to Principal Life
Seconded by Trustee Kuchta.

Motion carried by a vote of 5-0.

Roll call was taken:

Trustee Campbell	Aye
Trustee Bacidore	Aye
Trustee Kuchta	Aye
Trustee Moy	Aye
Trustee Ludwig	Aye

Northern Trust Bank as new Custodian of the New IPATH Account

The Pension Board will need to be able to transfer cash into the account. Northern Trust has sent the Board a form to declare who the account representatives are and also a request for participating Pension Fund for wire instructions.

Ms. Buttny advised that they are looking for two authorized members of the Board along with the

Treasurer we would need a resolution to have this approved.

MOTION: A motion was made by Trustee Campbell to designate 3 authorized signers for Northern Trust Global Cash Movement Set Up Authorization Form and to execute the form. Seconded by Trustee Moy.

Motion carried by a vote of 5-0.

Roll call was taken:

Trustee Campbell	Aye
Trustee Bacidore	Aye
Trustee Kuchta	Aye
Trustee Moy	Aye
Trustee Ludwig	Aye

Agenda 7

Scheduling of Quarter Board Meetings

MOTION: A motion was made by Trustee Campbell to schedule February 17 quarterly meeting Seconded by Trustee Bacidore.

Motion carried by a vote of 5-0.

Roll call was taken:

Trustee Campbell	Aye
Trustee Bacidore	Aye
Trustee Kuchta	Aye
Trustee Moy	Aye
Trustee Ludwig	Aye

OLD BUSINESS

Agenda Item7 - A

NONE

PUBLIC COMMENT

(Did not hear person's name.)

Publically thanked Earl Moy and Judy Buttny for their service to the Village.

Atty. Reimer advised that there were several lawsuits being pursued regarding consolidation of the Pension Funds.

ADJOURN

MOTION: Trustee Campbell made a motion to adjourn.

Trustee Kuchta seconded the motion.

Motion carried 5-0.

Roll call was taken:

Trustee Campbell	Aye
Trustee Bacidore	Aye
Trustee Kuchta	Aye
Trustee Moy	Aye
Trustee Ludwig	Aye

The meeting adjourned at 1840 hrs.

Respectfully submitted.

Firefighter/Paramedic Anthony Bacidore, Secretary

AB: pp All Files/Pension/2021 – 11-20-21 Quarterly Meeting Minutes