



# DES PLAINES FIREFIGHTERS' PENSION FUND

405 S. River Road ■ Des Plaines, Illinois 60016

*William Rice*  
President

*Jeff Vallee*  
Secretary

*Paul Birger*  
Trustee

*Nicholas Chiaro*  
Trustee

*Jeffery Rozovics*  
Trustee

## MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE DES PLAINES FIREFIGHTERS' PENSION FUND FEBRUARY 5, 2019

A regular meeting of the Board of Trustees of the Des Plaines Firefighters' Pension Fund was held on Tuesday, February 5, 2019 at 8:30 a.m., at City Hall located at 1420 Miner Street in Room 101, Des Plaines, IL, pursuant to notice, to conduct regular business.

**CALL TO ORDER:** President Rice called the meeting to order at 8:32 a.m.

### ROLL CALL:

**PRESENT:** President Bill Rice, Secretary Jeff Vallee, Trustees Paul Birger, Nicholas Chiaro, and Jeffery Rozovics

**ABSENT:** None

**ALSO PRESENT:** Attorney Laura Goodloe, Puchalski Goodloe Marzullo, LLP (PGM); Thomas McShane and Patrick Donnelly, MSSB/Graystone Consulting; Michelle Rice, Lauterbach & Amen, LLP (L&A); Dorothy Wisniewski, City of Des Plaines; Chief Alan Wax, Des Plaines Fire; HR Director John Light, City of Des Plaines

**PUBLIC COMMENT:** There was no public comment.

**APPROVAL OF MEETING MINUTES:** *August 21, 2018 Special Meeting:* The minutes from the August 21, 2018 special meeting were reviewed by the Board. A motion was made by Trustee Vallee and seconded by Trustee Birger to approve the August 21, 2018 special meeting minutes as written. Motion carried unanimously by voice vote.

*August 21, 2018 Closed Session Meeting:* The minutes from the August 21, 2018 closed session meeting were reviewed by the Board. A motion was made by Trustee Birger and seconded by Trustee Rozovics to approve the August 21, 2018 closed session meeting minutes as written and to not release them due to pending matters. Motion carried unanimously by voice vote.

*November 13, 2018 Regular Meeting Minutes:* The minutes from the November 13, 2018 regular meeting were reviewed by the Board. A motion was made by Trustee Vallee and seconded by Trustee Birger to approve the November 13, 2018 regular meeting minutes as written. Motion carried unanimously by voice vote.

*Semi-Annual Review of Closed Session Meeting Minutes:* The Board discussed the closed session minutes and will not release them at this time due to pending matters.

**ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP:** *Monthly Financial Report:* The Board reviewed the Monthly Financial Report prepared by Lauterbach & Amen, LLP. As of December 31, 2018, the plan net assets held in trust for pension benefits is \$71,977,755.18 with a change in position of (\$8,680,316.13) for the twelve-month period ending December 31, 2018. The Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal were provided in the Monthly Financial Report for the Board to review. A motion was made by Trustee Birger and seconded by Trustee Vallee to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

*Presentation and Approval of Bills:* The Board reviewed the Vendor Check Report for the period 10/01/2018 through 12/31/2018 for total disbursements of \$373,229.60. A motion was made by Trustee Vallee and seconded by Trustee Birger to approve the disbursements listed on the Vendor Check Report in the amount of \$373,229.60. Motion carried by roll call vote.

AYES: Trustees Rice, Vallee, Birger, Chiaro, and Rozovics  
NAYS: None  
ABSENT: None

*Additional Bills, if any:* There were no additional bills presented for approval.

**INVESTMENT REPORT – GRAYSTONE CONSULTING:** *Quarterly Performance Report:* Mr. McShane presented the Quarterly Performance Report for the period ended December 31, 2018. As of 12/31/2018, the ending market value of the fund is \$72,030,275. The total return is (10%) for the quarter, 4.48% for the last 3 years, 3.63% for the last 5 years, and 5.11% since inception. The portfolio asset allocation is 63.07% Equity, 36.82% Fixed Income, and 0.11% Cash & Cash Equivalent. Mr. McShane provided the Fund's performance as of 01/31/2019 and noted that the investment earnings for the month of January were \$4,300,000. All questions were answered by Mr. McShane.

*Potential Purchase and/or Sale of Securities:* The Board discussed rebalancing cash to be within the target portfolio allocation. A motion was made by Trustee Chiaro and seconded by Trustee Birger to transfer \$750,000 from Great Lakes Large Cap Equity and \$750,000 from TCW Large Cap Value and reallocate the proceeds to cash, based on the recommendation of Graystone Consulting. Motion carried by roll call vote.

AYES: Trustees Rice, Vallee, Birger, Chiaro, and Rozovics  
NAYS: None  
ABSENT: None

*Allocations and Hiring/Termination of Investment Managers:* Mr. McShane apprised the Board that McDonnell Investments was acquired by Loomis Sayles and presented the Board with a Fixed Income Manager Comparison for Intermediate Gov/Credit. A motion was made by Trustee Birger and seconded by Trustee Chiaro to terminate Loomis Sayles and reallocate the proceeds to Garcia Hamilton Intermediate, based on the recommendation of Graystone Consulting. Motion carried by roll call vote.

AYES: Trustees Rice, Vallee, Birger, Chiaro, and Rozovics  
NAYS: None  
ABSENT: None

*Review Updated Investment Policy Statement:* No changes are needed to the Investment Policy at this time.

**COMMUNICATIONS OR REPORTS:** *Statements of Economic Interest:* The Board noted that the List of Filers was submitted to the County by L&A by February 1, 2019. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2019.

*2019 IRS Mileage Rate:* The Board noted that the IRS standard business mileage rate used for reimbursement increased to \$0.58 per mile effective January 1, 2019.

*Review/Approve – Death Audit Service Authorization:* The Board tabled this discussion until the next scheduled meeting.

**APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND:** *Applications for Membership – Nicholas P. Altman, Michael A. Cangelosi and Colin P. Leahy:* The Board reviewed the Applications for Membership submitted by Nicholas P. Altman, Michael A. Cangelosi, and Colin P. Leahy. A motion was made by Trustee Vallee and seconded by Trustee Birger to accept Nicholas P. Altman with a date of hire of 01/02/2019,

Michael A. Cangelosi with a date of hire of 01/03/2019, and Colin P. Leahy with a date of hire of 01/02/2019 as Tier II participants into the Des Plaines Firefighters' Pension Fund. Motion carried unanimously by voice vote.

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS:** There were no applications for retirement or disability benefits.

**OLD BUSINESS:** There was no old business to discuss.

**NEW BUSINESS:** *Review Trustee Term Expirations and Election Procedures:* The Board noted that the active member term currently held by Trustee Vallee is expiring in April 2019 and he wishes to remain on the Board if nominated. The Board will conduct an election for one of the two active member positions.

*Approve Annual Cost of Living Adjustments (COLAs) for Pensioners:* The Board reviewed the 2019 Cost of Living Adjustments (see attached) as calculated by L&A. A motion was made by Trustee Birger and seconded by Trustee Vallee to approve the 2019 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Rice, Vallee, Birger, Chiaro, and Rozovics

NAYS: None

ABSENT: None

*IDOI Annual Statement:* The Board noted that completion of the IDOI Annual Statement is currently in process. Updates will be provided to the Board as they become available.

*Revised Lauterbach & Amen, LLP Engagement Letter:* The Board reviewed the revised Lauterbach & Amen, LLP three-year engagement letter with updated independence language. A motion was made by Trustee Birger and seconded by Trustee Rozovics to approve the revised engagement letter with Lauterbach & Amen, LLP as presented. Motion carried unanimously by voice vote.

**TRUSTEE TRAINING UPDATE:** The Board discussed upcoming training opportunities and was reminded to send all training certificates to L&A for recordkeeping.

**ATTORNEY'S REPORT:** *Status of Remand – Michael G. King:* Attorney Goodloe discussed the Michael G. King matter with the Board. A status update will be provided at the next scheduled meeting.

*Status of Carroll Disability Pension Claim:* Attorney Goodloe apprised the Board that one medical documentation request remains outstanding and discussed dates to hold the intervention hearing. Updates will be provided to the Board as they become available.

Attorney Goodloe informed the Board that a FOIA request was received and a response was provided. No further action is needed.

*Updated Board Rules and Regulations:* Attorney Goodloe noted she provided the revised Rules and Regulations to the Board for review. Further discussion will be held at the next scheduled meeting.

Attorney Goodloe will begin the process to send Michael J. Carey for his final annual independent medical examination prior to Mr. Carey turning 50 in May 2019.

**INVESTMENT REPORT (CONTINUED):** *Discussion/Possible Action – Chicago Clearing Contract:* Mr. McShane apprised the Board of the process that Chicago Clearing uses to monitor holdings and trades. A motion was made by Trustee Vallee and seconded by Trustee Chiaro to authorize Chicago Clearing read only access to the Pension Fund's holdings. Motion carried unanimously by voice vote.

**CLOSED SESSION, IF NEEDED:** There were no items to be discussed in closed session.

**ADJOURNMENT:** A motion was made by Trustee Vallee and seconded by Trustee Rozovics to adjourn the meeting at 10:22 a.m. Motion carried unanimously by voice vote.

The next regular meeting of the Des Plaines Firefighters' Pension Fund will be held on **Tuesday, May 7, 2019 at 8:30 a.m.** in Room 101.

Respectfully submitted,

  
William Rice, Pension Board President

Date approved:

5-7-19

*Minutes prepared by Michelle Rice, Pension Services Administrator, Lauterbach & Amen, LLP*