



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 DES PLAINES FIREFIGHTERS' PENSION FUND BOARD OF TRUSTEES FEBRUARY 2, 2021

A regular meeting of the Des Plaines Firefighters' Pension Fund Board of Trustees was held on Tuesday, February 2, 2021 at 8:30 a.m. via videoconference without a quorum of the public body physically present and without any singular member of the public body present at the Board's regular meeting location because of a disaster declaration related to COVID-19 public health concerns affecting the City of Des Plaines. The City of Des Plaines Firefighters' Pension Fund Board President has determined that an in-person meeting with all participants is not practical, prudent or feasible because of the disaster, pursuant to notice.

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

ROLL CALL:

PRESENT: Trustees Bill Rice, Jeff Vallee, Paul Birger and Nicholas Chiaro

ABSENT: Trustee Jeffery Rozovics

ALSO PRESENT: Attorney Laura Goodloe, Puchalski Goodloe Marzullo, LLP (PGM); Thomas McShane, Graystone Consulting; Michelle Rice, Elizabeth Adelman and Allison Barrett, Lauterbach & Amen, LLP (L&A); Treasurer Dorothy Wisniewski, City of Des Plaines

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *November 10, 2020 Regular Meeting:* The Board reviewed the November 10, 2020 regular meeting minutes. A motion was made by Trustee Birger and seconded by Trustee Vallee to approve the November 10, 2020 regular meeting minutes as written. Motion carried by roll call vote.

AYES: Trustees Rice, Vallee, Birger and Chiaro

NAYS: None

ABSENT: Trustee Rozovics

Semi-Annual Review of Closed Session Meeting Minutes: The Board discussed the closed session meeting minutes. A motion was made by Trustee Vallee and seconded by Trustee Birger to release the closed session minutes from the following meetings: November 3, 2009; August 2, 2011; December 7, 2015; January 4, 2016; September 22, 2017; November 15, 2017; November 17, 2017; January 12, 2018; April 17, 2019; and July 2, 2020 and to not release the remaining closed session meeting minutes due to pending matters. Motion carried by roll call vote.

AYES: Trustees Rice, Vallee, Birger and Chiaro

NAYS: None

ABSENT: Trustee Rozovics

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* The Board was provided the Monthly Financial Report for the twelve-month period ending December 31, 2020 prepared

by L&A. As of December 31, 2020, the net position held in trust for pension benefits is \$92,856,399.62 for a change in position of \$8,538,236.17. The Board also was provided the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal. A motion was made by Trustee Chiaro and seconded by Trustee Birger to accept the Monthly Financial Report as prepared. Motion carried by roll call vote.

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

Presentation and Approval of Bills and Additional Bills, if any: The Board reviewed the Vendor Check Report for the period October 1, 2020 through December 31, 2020 for total disbursements of \$466,89.73 and the additional bill from Eric Palm Media Productions in the amount of \$1,025 for 2021 website hosting and maintenance. A motion was made by Trustee Birger and seconded by Trustee Vallee to approve the disbursements shown on the Vendor Check Report in the amount of \$466,896.73 and the additional bill as presented. Motion carried by roll call vote.

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

INVESTMENT REPORT – GRAYSTONE CONSULTING: *Quarterly Performance Report:* Mr. McShane presented the Quarterly Performance Report for the period ending December 31, 2020. As of December 31, 2020, the quarter-to-date net return is 10.54% and the ending market value is \$92,912,518.68. The current asset allocation is as follows: fixed income at 30.04%, equities at 69.05% and cash and cash equivalents at 0.91%. Mr. McShane reviewed the recent transactions and discussed cash flow needs for the upcoming quarter.

Review/Update Monthly Funding Amount: The Board discussed the monthly transfer amount. A motion was made by Trustee Birger and seconded by Trustee Vallee to increase the monthly transfer amount from \$750,000 to \$800,000 for the purpose of funding benefit payments and pension fund expenses. Motion carried by roll call vote.

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

Potential Purchase and/or Sale of Securities: The Board discussed rebalancing the portfolio to be in compliance with statutory requirements. A motion was made by Trustee Vallee and seconded by Trustee Birger to transfer \$2,000,000 from the S&P 500 Index and reallocate \$1,000,000 to Cash and \$1,000,000 to Garcia Hamilton, based on the recommendation of Graystone Consulting. Motion carried by roll call vote.

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

Allocations and Hiring/Termination of Investment Managers: There were no recommendations at this time.

Review/Update Investment Policy, if needed: The Board discussed the Investment Policy and determined that no changes are required at this time.

COMMUNICATIONS AND REPORTS: *Affidavits of Continued Eligibility:* The Board noted that L&A mailed Affidavits of Continued Eligibility to all pensioners with the December payroll cycle with a due date

of January 29, 2021. To date, twelve affidavits remain outstanding. L&A will mail second request affidavits to the outstanding pensioners and status updates will be provided to the Board as they become available.

The Board discussed an affidavit that was received without a notary. The Board directed L&A to reach out to the pensioner's daughter to request a notarized copy. Updates will be provided to the Board as they become available.

The Board discussed a reimbursement request from a pensioner for a notary fee. The Board directed L&A to reach out to the pensioner and advise that any cost associated with completing the annual Affidavit of Continued Eligibility is not reimbursable.

2021 IRS Mileage Rate: The Board noted that the IRS standard business mileage rate used for reimbursement decreased to \$0.56 per mile effective January 1, 2021.

Statements of Economic Interest: The Board noted that the List of Filers was submitted to the County by February 1, 2021. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2021.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE FUND: *Applications for Membership – Mariusz Czerwiec and William Lehnert:* The Board reviewed the Applications for Membership submitted by Mariusz Czerwiec and William Lehnert. A motion was made by Trustee Vallee and seconded by Trustee Birger to accept Mariusz Czerwiec effective January 25, 2021 and William Lehnert effective January 4, 2021 into the Des Plaines Firefighters' Pension Fund as Tier II participants. Motion carried by roll call vote.

AYES: Trustees Rice, Vallee, Birger and Chiaro

NAYS: None

ABSENT: Trustee Rozovics

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Deceased Pensioner – Arthur Reider/Approve Surviving Spouse Benefit – Diane Reider:* The Board noted that pensioner Arthur Reider passed away November 15, 2020 and reviewed the surviving spouse benefit for Diane Reider for a monthly amount of \$5,293.74 with no additional increases. A motion was made by Trustee Vallee and seconded by Trustee Birger to approve the surviving spouse benefit for Diane Reider as calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Rice, Vallee, Birger and Chiaro

NAYS: None

ABSENT: Trustee Rozovics

Deceased Pensioner – Dennis Schielie/Approve Surviving Spouse Benefit – Janis Brush: The Board noted that pensioner Dennis Schielie passed away December 18, 2020 and reviewed the surviving spouse benefit for Janis Brush for a monthly amount of \$9,036.95 with no additional increases. A motion was made by Trustee Vallee and seconded by Trustee Birger to approve the surviving spouse benefit for Janis Brush calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Rice, Vallee, Birger and Chiaro

NAYS: None

ABSENT: Trustee Rozovics

OLD BUSINESS: There was no old business to discuss.

NEW BUSINESS: *Approve Annual Cost of Living Adjustments (COLAs) for Pensioners:* The Board reviewed the 2021 Cost of Living Adjustments provided by L&A. A motion was made by Trustee Vallee and seconded by Trustee Birger to approve the 2021 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Rice, Vallee, Birger and Chiaro

NAYS: None

ABSENT: Trustee Rozovics

Discussion/Possible Action – Lauterbach & Amen, LLP Engagement Letter Renewal: The Board reviewed the L&A three-year engagement. A motion was made by Trustee Birger and seconded by Trustee Chiaro to engage L&A in the annual amounts as follows: \$26,680 for the year ended December 31, 2021; \$27,250 for the year ended December 31, 2022; and \$27,885 for the year ended December 31, 2023. Motion carried by roll call vote.

AYES: Trustees Rice, Vallee, Birger and Chiaro

NAYS: None

ABSENT: Trustee Rozovics

Review Trustee Term Expirations and Election Procedures: The Board noted that the retired member term currently held by Trustee Birger is expiring in April 2021 and he is interested in remaining on the Board. L&A will conduct an election on behalf of the Pension Fund for the retired member position. The Board also noted that the appointed member term currently held by Trustee Chiaro is expiring in April 2021 and he is interested in remaining on the Board. Treasurer Wisniewski will contact the City and seek reappointment of Trustee Chiaro to the Board.

Discussion/Possible Action – PGM Fee Increase: Attorney Goodloe discussed the PGM fee increases with the Board. A motion was made by Trustee Vallee and seconded by Trustee Chiaro to approve the new fees with PGM in the amount of \$190 per hour and the quarterly retainer fee in the amount of \$725. Motion carried by roll call vote.

AYES: Trustees Rice, Vallee, Birger and Chiaro

NAYS: None

ABSENT: Trustee Rozovics

IDOI Annual Statement: The Board noted that the IDOI Annual Statement is currently in process and the final report will be sent to the Board for review upon completion.

Break in Service Calculation – Kyle Blank: The Board reviewed the break in service calculation for Kyle Blank to purchase 8 days of unpaid service time due to military leave in the amount of \$146.48. The Board directed L&A to provide the calculation to Kyle Blank for review and consideration. Further discussion will be held at the next meeting.

FPIF Vendor Authorization: The Board reviewed the FPIF Vendor Authorization Letter requesting the authorization to share data and information from the Des Plaines Firefighters' Pension Fund to the Firefighters' Pension Investment Fund. The Board noted that the requested information has been provided to FPIF and the Vendor Authorization Letter was signed by Trustee Rice.

TRUSTEE TRAINING UPDATE: The Board reviewed the upcoming training opportunities. Trustees were reminded to submit any certificates of completion to L&A for recordkeeping.

Approval of Trustee Training Registration Fees and Reimbursable Expenses: There were no trustee training registrations or reimbursable expenses presented for approval.

Mr. McShane left the meeting at 9:59 a.m.

ATTORNEY'S REPORT – PUCHALSKI GOODLOE MARZULLO, LLP: *Application for Disability Benefit – George Hidalgo:* Attorney Goodloe apprised the Board on the status of the application for duty disability benefits for George Hidalgo. Attorney Goodloe noted that all medical records have been received and the three independent medical examinations will be scheduled. Attorney Goodloe also noted that the City of Des Plaines plans to file a petition to intervene. Further discussion will be held at the next regular meeting.

Status of Remand – Michael King: Attorney Goodloe reviewed the status of the Michael King matter and noted that the post hearing briefs are due by February 3, 2021. Dates to schedule a hearing to deliberate and potentially adjudicate the application will be discussed. Further discussion will be held at the next regular meeting.

CLOSED SESSION, IF NEEDED: There was no need for closed session.

ADJOURNMENT: A motion was made by Trustee Birger and seconded by Trustee Vallee to adjourn the meeting at 10:05 a.m. Motion carried by roll call vote.

AYES: Trustees Rice, Vallee, Birger and Chiaro

NAYS: None

ABSENT: Trustee Rozovics

The next regular meeting is scheduled for May 4, 2021 at 8:30 a.m.


Board President or Secretary

Minutes approved by the Board on _____

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