



# 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 NOVEMBER 12, 2019

A regular meeting of the Des Plaines Firefighters' Pension Fund Board of Trustees was held on Tuesday, November 12, 2019 at 8:30 a.m. in City Hall in Room 101 located at 1420 Miner Street, Des Plaines, Illinois 60016, pursuant to notice.

**CALL TO ORDER:** Trustee Rice called the meeting to order at 8:36 a.m.

### ROLL CALL:

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

**ABSENT:** None

**ALSO PRESENT:** Attorney Laura Goodloe, Puchalski Goodloe Marzullo, LLP (PGM); Thomas McShane (*arrived via teleconference at 8:42 a.m.*), Graystone Consulting; Michelle Rice, Lauterbach & Amen, LLP (L&A); Treasurer Dorothy Wisniewski (*arrived at 8:40 a.m.*), City of Des Plaines

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

**APPROVAL OF MEETING MINUTES:** *August 6, 2019 Regular Meeting:* The Board reviewed the August 6, 2019 regular meeting minutes. A motion was made by Trustee Vallee and seconded by Trustee Chiaro to approve the August 6, 2019 regular meeting minutes as written. Motion carried unanimously by voice vote.

**ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP:** *Monthly Financial Report:* The Board was provided the Monthly Financial Report for the nine-month period ending September 30, 2019 prepared by L&A. As of September 30, 2019, the net position held in trust for pension benefits is \$81,389,105.05 for a change in position of \$9,390,705.03. 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 Vallee and seconded by Trustee Birger to accept the Monthly Financial Report as prepared. Motion carried unanimously by voice vote.

*Presentation and Approval of Bills:* The Board reviewed the Vendor Check Report for the period July 1, 2019 through September 30, 2019 for total disbursements of \$437,883.72. A motion was made by Trustee Birger and seconded by Trustee Rozovics to approve the disbursements shown on the Vendor Check Report in the amount of \$437,883.72. Motion carried by roll call vote.

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

**NAYS:** None

**ABSENT:** None

*Ms. Wisniewski arrived at 8:40 a.m.*

*Additional Bills, if any:* The Board reviewed IPPFA invoice #2273 in the amount of \$795 for 2020 Membership Dues. A motion was made by Trustee Birger and seconded by Trustee Rozovics to approve payment of the invoice as presented. Motion carried by roll call vote.

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

*Mr. McShane arrived via teleconference at 8:42 a.m.*

**INVESTMENT REPORT – GRAYSTONE CONSULTING:** *Quarterly Performance Report:* Mr. McShane presented the Quarterly Performance Report for the period ending September 30, 2019. As of September 30, 2019, the quarter-to-date net return is 0.44% and the ending market value is \$81,385,376. The current asset allocation is as follows: fixed income at 34.31%, equities at 63.12% and cash management at 2.57%. Mr. McShane reviewed the recent transactions and discussed cash flow needs for the upcoming quarter.

The Board discussed rebalancing the portfolio. A motion was made by Trustee Vallee and seconded by Trustee Rozovics to transfer \$500,000 from Weaver Barksdale and reallocate the proceeds to cash for the purpose of funding benefit payments and pension fund expenses through February 2020. Motion carried by roll call vote.

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

Mr. McShane presented the Asset Allocation and Performance Flash for the period ending October 31, 2019. As of October 31, 2019, the month-to-date net return is 2.05% and the ending market value is \$82,412,029. The current asset allocation is as follows: fixed income at 33.95%, equities at 64.29% and cash management at 1.76%.

*Potential Purchase and/or Sale of Securities:* There were no potential purchases or sales of securities.

*Allocations and Hiring/Termination of Investment Managers:* The Board was provided copies of the Emerging Market Manager Search for their review. A motion was made by Trustee Chiaro and seconded by Trustee Vallee to liquidate Vanguard FTSE EM ETF and reallocate the proceeds to be split evenly between JP Morgan Emerging Markets and American Funds New World, 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/Update Investment Policy, if needed:* The Board discussed the Investment Policy and determined no changes were required.

*Mr. McShane left at 9:11 a.m.*

**COMMUNICATIONS AND REPORTS:** *Affidavits of Continued Eligibility:* The Board noted that all 2019 Affidavits of Continued Eligibility have been received by L&A. The originals were provided to the Board for their records.

*Active Member File Maintenance:* Trustee Vallee noted that the active member file maintenance is still in process. Further discussion will be held at the next regular meeting.

**APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE FUND:** *Contribution Refund – Paul Miller:* The Board noted that L&A issued Paul Miller's contribution refund to his estate in the amount of \$45,603.32 on November 5, 2019.

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS:** *Approve Regular Retirement Benefit – Richard Gross:* The Board reviewed the regular retirement benefit calculation for Richard Gross prepared by L&A. Lieutenant Gross had an entry date of May 9, 1988, retirement date of November 21, 2019, effective date of pension of November 22, 2019, 57 years of age at date of retirement, 31 years and 6 months of creditable service, applicable salary of \$119,806, applicable pension percentage of 75%, amount of originally granted monthly pension of \$7,487.88 and amount of originally granted annual pension of \$89,854.56. A motion was made by Trustee Vallee and seconded by Trustee Birger to approve Richard Gross's regular retirement benefit calculated by L&A. Motion carried by roll call vote.

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

*Approve Regular Retirement Benefit – Alan Wax:* The Board reviewed the regular retirement benefit calculation for Alan Wax prepared by L&A. Chief Wax had an entry date of October 5, 2009, retirement date of October 18, 2019, effective date of pension of October 19, 2019, 60 years of age at date of retirement, 10 years of creditable service, applicable salary of \$165,134.73, applicable pension percentage of 15%, amount of originally granted monthly pension of \$2,064.18 and amount of originally granted annual pension of \$24,770.16. A motion was made by Trustee Rozovics and seconded by Trustee Vallee to approve Alan Wax's regular retirement benefit calculated by L&A. Motion carried by roll call vote.

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

*Deceased Pensioners – Donald Corey and Donald Lechner:* The Board noted that pensioner Donald Corey passed away on September 27, 2019 with no surviving spouse. The Board also noted that pensioner Donald Lechner passed away August 21, 2019 with no surviving spouse. Donald Corey's and Donald Lechner's pension benefits have ceased. No further action is required.

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

**NEW BUSINESS:** *Establish 2020 Board Meeting Dates:* The Board discussed establishing the 2020 meeting dates as February 4, 2020; May 5, 2020; August 4, 2020; and November 10, 2020 at 8:30 a.m. in City Hall in Room 101 located at 1420 Miner Street, Des Plaines, Illinois 60016. A motion was made by Trustee Vallee and seconded by Trustee Birger to establish the 2020 meeting dates as discussed. Motion carried unanimously by voice vote.

**TRUSTEE TRAINING UPDATE:** The Board discussed upcoming training opportunities and 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.

**ATTORNEY'S REPORT – PUCHALSKI GOODLOE MARZULLO, LLP:** *Review/Adopt – Resolution Regarding Consolidation of Pension Funds:* Attorney Goodloe apprised the Board on the current legislation regarding consolidation of Pension Funds for investment purposes.

*Discussion/Possible Action – Secondary Employment:* Attorney Goodloe discussed the Secondary Employment Act and the notification requirement for a member that is injured through secondary employment. No action is required by the Board at this time.

*Annual Independent Medical Examination – Michael J. Carey:* Attorney Goodloe apprised the Board that Michael J. Carey's additional medical records have been received and his annual independent medical examination is scheduled for November 25, 2019. Further discussion will be held at the next regular meeting.

*Updated Board Rules and Regulations and Forms:* Attorney Goodloe presented the updated Rules and Regulations to the Board. A motion was made by Trustee Vallee and seconded by Trustee Chiaro to adopt the Rules and Regulations as presented. Motion carried unanimously by voice vote.

*Status of Remand – Michael G. King:* Attorney Goodloe apprised the Board that the deposition with Dr. Butler was cancelled and a \$2,500 cancellation fee invoice was issued. A motion was made by Trustee Vallee and seconded by Trustee Chiaro to authorize payment of 1/3 of the cancellation fee and to direct Attorney Goodloe to issue correspondence to the additional parties directing them to pay their respective portions. Motion carried unanimously by voice vote.

*Status of Carroll Disability Pension Claim:* Attorney Goodloe informed the Board that she is awaiting the signed medical authorization to be received by Ian Carroll before a deposition of Dr. McFaul can be scheduled. 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 10:23 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for February 4, 2020 at 8:30 a.m.

  
Board President or Secretary

Minutes approved by the Board on 2-4-20

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