



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 AUGUST 1, 2017

A regular meeting of the Board of Trustees of the Des Plaines Firefighters' Pension Fund was held on Tuesday, August 1, 2017 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 8:30 a.m.

ROLL CALL:

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

ABSENT: None

ALSO PRESENT: Laura Goodloe, Puchalski Goodloe Marzullo, LLP; Thomas McShane, MSSB/Graystone Consulting; Michelle Hawkins, Lauterbach & Amen, LLP (L&A); Alan Wax, Des Plaines Fire Chief; Wendell Whitted, Des Plaines Police Retiree

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *May 2, 2017 Regular Meeting Minutes:* The minutes of the May 2, 2017 regular meeting were reviewed by the Board. A motion was made by Trustee Vallee and seconded by Trustee Birger to approve the May 2, 2017 minutes as written. Motion carried unanimously by voice vote.

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 Chiaro to release the following closed session meeting minutes: August 2, 2011, December 7, 2015, and January 4, 2016 and to keep the remaining closed session minutes closed due to pending matters. Motion carried unanimously by voice vote.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* The Board reviewed the Monthly Financial Report prepared by Lauterbach & Amen, LLP. As of June 30, 2017, the plan net assets held in trust for pension benefits is \$75,473,842.47 with a change in position of \$4,704,524.51 for the six-month period ending June 30, 2017. 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 Rozovics to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

Presentation and Approval of Additional Bills: The Board reviewed the Vendor Checks Report for the period 04/1/2017 through 06/30/2017, showing total disbursements in the amount of \$413,862.72. A motion was made by Trustee Vallee and seconded by Trustee Birger to approve the disbursements listed on the Vendor Checks Report as presented. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

INVESTMENT REPORT: Quarterly Performance Report: *[Potential purchase and/or sale of securities, re-balancing of asset allocations and hiring/termination of investment managers:]* Mr. McShane presented the Quarterly Performance Report for the period ended June 30, 2017. As of 06/30/17, the ending market value of the fund is \$75,484,678. The total return is 3.02% for the 2nd quarter; 4.85% for the last 3 years, 7.64% for the last 5 years and 5.61% since inception. The portfolio asset allocation is 38.04% Domestic Equity; 24.73% International Equity; 29.71% Domestic Fixed Income; 2.04% Alternative Investment and 5.48% Cash Equivalent. All questions were answered by Mr. McShane.

The Board discussed rebalancing Equities to 65% in order to comply with the Investment Policy. A motion was made by Trustee Rozovics and seconded by Trustee Birger to move \$1,000,000 from the Russell 1000 Growth Index Fund and transfer \$500,000 to the Cash account and \$500,000 to McDonnell Fixed Income, as recommended by Mr. McShane. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

Review Updated Investment Policy: Mr. McShane reviewed the changes made to the current Investment Policy with the Board. An updated copy will be available at the next regular meeting for the Board's review and approval.

Discussion/Possible Action Regarding Investment Contract/Services Agreement Amendment – Graystone Consulting: Mr. McShane discussed with the Board the amendments made to the fee structure for the Investment Consultants and Managers in the Investment Contract/Services Agreement. A motion was made by Trustee Birger and seconded Trustee Vallee to approve the amendments made to the Investment Contract/Services Agreement as stated. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

COMMUNICATIONS OR REPORTS: *Affidavits of Continued Eligibility:* The Board noted that Lauterbach & Amen mailed Affidavits of Continued Eligibility to all pensioners with the June payroll cycle and a due date of July 31, 2017. To date, seventeen Affidavits remain outstanding. Lauterbach & Amen will mail second request Affidavits to the outstanding pensioners and status updates will be provided to the Board as they become available.

Active Member File Maintenance: Trustee Vallee informed the Board that the Active Member File Maintenance letters for 2017 have been completed.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Application for Membership – George Hidalgo:* The Board reviewed the Application for Membership submitted by George Hidalgo. A motion was made by Trustee Vallee and seconded by Trustee Birger to accept George Hidalgo into the Des Plaines Firefighters' Pension Fund, effective July 3, 2017, as a Tier II participant. Motion carried unanimously by voice vote.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Deceased Pensioner/Approval of Surviving Spouse Benefits – Jean J. Freise:* The Board noted that William E. Freise passed away on April 25, 2017. The Board reviewed the surviving spouse benefit calculation for Jean J. Freise with an effective date of April 26, 2017 for a monthly benefit of \$1,979.39 with no additional increases. A motion was made by Trustee Vallee and seconded by Trustee Birger to approve the surviving spouse benefits of Jean J. Freise as calculated by L&A. Motion carried by roll call vote.

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

OLD BUSINESS: There was no old business to discuss at this time.

NEW BUSINESS: *Review and Approve Actuarial Valuation and Tax Levy Request:* The Board reviewed the finalized Actuarial Valuation as prepared by the Illinois Department of Insurance and discussed requesting a tax levy in the amount of \$4,760,036. A motion was made by Trustee Birger and seconded by Trustee Vallee to request a tax levy in the amount of \$4,760,036 from the City of Des Plaines, based on the recommendation of the Illinois Department of Insurance. Motion carried by roll call vote.

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

TRUSTEE TRAINING UPDATE: The Board reviewed the Trustee Training Summary and list of upcoming training opportunities. The Board was reminded to send all training certificates to L&A for recordkeeping.

ATTORNEY'S REPORT: *Status of Disability Application – Eric Chipman:* Ms. Goodloe informed the Board that the City of Des Plaines has filed a petition to intervene in Eric Chipman's disability matter. Ms. Goodloe has contacted Mr. Chipman's legal counsel to set a date for the intervention hearing. An update will be provided at the next regular meeting.

Status of Disability Application – Michael Shaughnessy: Ms. Goodloe informed the Board that she is in the process of scheduling Mr. Shaughnessy's independent medical examinations with Exam Works. Ms. Goodloe also noted that the City of Des Plaines has filed a petition to intervene in Michael Shaughnessy's disability case. An update will be provided at the next regular meeting.

Status of Remand - Michael King: Ms. Goodloe apprised the Board that she has contacted the City's legal counsel for the draft stipulation. An update will be provided at the next regular meeting.

Annual Independent Medical Examinations – Michael Carey & Christopher Moran: The Board directed Ms. Goodloe to send Michael Carey and Christopher Moran for their annual independent medical examinations. A status update will be provided at the next scheduled meeting.

Pension Fund's Rules and Regulations: The Board noted that Ms. Goodloe submitted the revised Pension Fund's Rules and Regulations to the Board and the revisions were approved at the February 7, 2017 Board meeting. Ms. Goodloe will revise the Board Forms and have them available for review at the next regular meeting.

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 Birger to adjourn the meeting at 10:15 a.m. Motion carried unanimously by voice vote.

The next regular meeting of the Des Plaines Firefighters' Pension Fund will be held on **Tuesday, November 14, 2017 at 8:30 a.m.** in Room 101.

Respectfully submitted, _____ Date approved: _____
William Rice, Pension Board President

Minutes prepared by Michelle Hawkins, Pension Services Administrator