



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 THE REGULAR MEETING OF THE BOARD OF TRUSTEES May 2, 2017

A regular meeting of the Board of Trustees of the Des Plaines Firefighters' Pension Fund was held on Tuesday, May 2, 2017 at 8:30 a.m., at City Hall located at 1420 Miner Street in Room 101, Des Plaines, IL, in Room 101, 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: Laura Goodloe, Puchalski Goodloe Marzullo, LLP; Thomas McShane, MSSB/Graystone Consulting; Stacie Woodill and Michelle Hawkins, Lauterbach & Amen, LLP (L&A); Dorothy Wisniewski, City of Des Plaines; Wendell Whitted, Des Plaines Police Retiree

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *February 7, 2017 Regular Meeting Minutes:* The minutes of the February 7, 2017 regular meeting were reviewed by the Board. A motion was made by Trustee Birger and seconded by Trustee Vallee to approve the February 7, 2017 minutes as written. Motion carried unanimously by voice vote.

ATTORNEY'S REPORT: *Review/Possible Update Investment Policy:* The Board reviewed the Investment Policy with Ms. Goodloe and Mr. McShane. Mr. McShane and Ms. Goodloe will discuss and revise the wording of the Investment Policy. An update will be provided at the next regular meeting.

Renewal of Fiduciary Liability Insurance: The Board and Ms. Goodloe reviewed the two proposals for the Fiduciary Liability Insurance Policy through Mesirow Insurance Company. A motion was made by Trustee Birger and seconded by Trustee Vallee to approve the annual expenditure of \$9,595.00 for renewal of the Fiduciary Liability Insurance and the annual expenditure of \$3,832.00 for renewal of the Officers Employment Practices Liability Insurance with Mesirow Insurance Company. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

Status of Disability Application – Eric Chipman: Ms. Goodloe informed the Board that she has received all three of Mr. Chipman's Independent Medical Examination reports. Ms. Goodloe has contacted Mr. Chipman's legal counsel and is waiting to receive possible hearing dates. An update will be provided at the next regular meeting.

Status of Remand - Michael King Remand Update: Ms. Goodloe apprised the Board that she has received the three supplemental reports and has contacted the City of Des Plaines legal counsel and Mr. King's legal counsel to clarify if either will be requesting subpoenas for depositions of the Independent Medical Examination providers. An update will be provided at the next regular meeting.

Status of Disability Application – Michael Shaughnessy: Ms. Goodloe informed the Board that she is waiting for two medical records, once received Ms. Goodloe will begin scheduling independent medical examinations with Exam Works. An update will be provided at the next regular meeting.

Pension Fund's Rules and Regulations: Ms. Goodloe submitted the revised Pension Fund's Rules and Regulations for Board review. Ms. Goodloe also reviewed each Pension Fund form with the Board, after discussion, Ms. Goodloe and the Board will make the necessary revisions to the forms and will discuss at the next regular meeting.

ACCOUNTANT'S REPORT: *Monthly Financial Report:* The Board reviewed the Monthly Financial Report prepared by Lauterbach & Amen, LLP. As of March 31, 2017, the plan net assets held in trust for pension benefits is \$74,845,018.25 with a change in position of \$1,851,159.98 for the three month period ending March 31, 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 1/1/2017 through 3/31/2017, showing total disbursements in the amount of \$322,387.30. A motion was made by Trustee Vallee and seconded by Trustee Chiaro 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

The Board noted that the Illinois Department of Insurance Compliance Fee invoice will be issued and payment is due by June 30th. A motion was made by Trustee Birger and seconded by Trustee Rozovics to approve payment of the statutory IDOI Compliance Fee in the amount of \$8,000.00. Motion carried by roll call vote.

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

INVESTMENT REPORT: *Quarterly Investment 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 March 31, 2017. As of 03/31/17, the ending market value of the fund is \$74,834,968. The total return is 4.79% for the 1st quarter; 4.97% for last 3 years, 6.81% for the last 5 years and 5.77% since inception. The portfolio asset allocation is 38.02% Domestic Equity; 23.94% International Equity; 30.06% Domestic Fixed Income; 1.93% Alternative Investment and 6.05% Cash Equivalent. All questions were answered by Mr. McShane.

Mr. McShane informed the Board that their Equity Portfolio is currently overweight by 1% based on the state statute maximum of 65%. A motion was made by Trustee Birger and seconded by Trustee Chiaro to transfer \$750,000 from iShares Russell 1000 Growth and transfer \$375,000 into Cash Management and \$375,000 into McDonnell Fixed Income for rebalancing purposes. Motion carried by roll call vote.

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

Review/Possible Update Investment Policy: The Board reviewed the Investment Policy with Mr. McShane. Mr. McShane noted revisions to the Board and will communicate with Ms. Goodloe regarding these revisions to verify compliance with state statute. An update will be reviewed at the next regular meeting.

Discussion/Possible Action Regarding Trading Platform for Managers: Mr. McShane discussed a new platform for trading amongst two managers within the Pension Fund's portfolio.

Mr. McShane informed the Board of a new billing process for Graystone Consulting services.

COMMUNICATIONS OR REPORTS: *Statements of Economic Interest:* The Board was reminded that Statements of Economic Interest were due May 1, 2017.

Affidavits of Continued Eligibility: The Board noted that Lauterbach & Amen will mail Affidavits of Continued Eligibility to all pensioners with the June payroll cycle. A status update will be provided at the next scheduled meeting.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: There were no applications for membership or withdrawals from the fund.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Regular Retirement Benefits – John Foy:* The Board was presented with the regular retirement benefit calculation for John Foy as follows: entry date of 05/05/1995; retirement date of 05/18/2017; effective date of pension 05/19/2017; 52 years of age; 22 years and 0 months of creditable service; applicable salary of \$97,484.00; applicable pension percentage of 55.00%; originally granted monthly pension of \$4,468.02; and amount of annual pension of \$53,616.24. A motion was made by Trustee Birger and seconded by Trustee Chiaro to approve the regular retirement benefits for John Foy as calculated by L&A. Motion carried by roll call vote.

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

Deceased Pensioner – Daniel Laffey/Approval of Surviving Spouse Benefits – Linda Laffey: The Board noted that Daniel Laffey passed away on March 19, 2017. The Board reviewed the surviving spouse benefit calculation for Linda Laffey with an effective date of March 20, 2017 for a monthly benefit of \$4,389.39 with no additional increases. A motion was made by Trustee Vallee and seconded by Trustee Birger to approve the surviving spouse benefit of Linda Laffey as calculated by L&A. Motion carried by roll call vote.

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

The Board noted that pensioner William Friese passed away on April 25, 2017. A surviving spouse benefit packet has been sent to Jean Freise. Surviving spouse benefits will be reviewed and approved at the next regular meeting.

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

NEW BUSINESS: *Certify Board Election Results – Active Member Position:* Secretary Vallee conducted an election on behalf of the Pension Fund for one of the Active Member Trustee positions. Trustee Rice ran

unopposed and was reelected by acclamation for a three-year term expiring April 30, 2020. A motion was made by Trustee Vallee and seconded by Trustee Birger to certify the Active Member election results. Motion carried unanimously by voice vote.

Annual Board Officer Election: The Board discussed the Board Officer positions for election. A motion was made by Trustee Vallee and seconded by Trustee Rice to elect Trustee Vallee as Board Secretary. Motion carried unanimously by voice vote.

A motion was made by Trustee Birger and seconded by Trustee Vallee to elect Trustee Rice as Board President. Motion carried unanimously by voice vote.

Trustee Vallee is the Open Meetings Act (OMA) and Freedom of Information Officer (FOIA) designee. Trustee Rice is the alternate OMA and FOIA designee. Trustee Vallee and Trustee Rice will complete the OMA and FOIA training online.

TRUSTEE TRAINING UPDATE: The Board reviewed the training summary and was presented with upcoming training opportunities. The Board was reminded to send all training certificates to L&A for recordkeeping.

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 10:26 a.m. Motion carried unanimously by voice vote.

The next regular meeting of the Des Plaines Firefighters' Pension Fund will be held on **Tuesday, August 1, 2017 at 8:30 a.m.** in Room 101.

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

Minutes prepared by Stacie Woodill, Pension Services Administrator