



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 MAY 7, 2019

A regular meeting of the Des Plaines Firefighters' Pension Fund Board of Trustees was held on Tuesday, May 7, 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 8:33 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 and Patrick Donnelly, Graystone Consulting; Michelle Rice, Lauterbach & Amen, LLP (L&A); Treasurer Dorothy Wisniewski, City of Des Plaines; Pensioner Wendell Whitted, Des Plaines Police Department

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *February 5, 2019 Regular Meeting:* The Board reviewed the February 5, 2019 regular meeting minutes. A motion was made by Trustee Birger and seconded by Trustee Chiaro to approve the February 5, 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 three-month period ending March 31, 2019 prepared by L&A. As of March 31, 2019, the net position held in trust for pension benefits is \$79,248,060.16 for a change in position of \$7,249,660.14. 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 Rozovics 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 January 1, 2019 through March 31, 2019 for total disbursements of \$396,217.38. 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 \$396,217.38. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

Additional Bills, if any – Illinois Department of Insurance Compliance Fee: The Board noted that the Illinois Department of Insurance Compliance Fee invoice will be issued and payment is due by June 30, 2019. A motion was made by Trustee Birger and seconded by Trustee Chiaro to approve payment of the IDOI Compliance Fee upon receipt of the invoice. Motion carried by roll call vote.

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

INVESTMENT REPORT – GRAYSTONE CONSULTING: *Quarterly Performance Report:* Mr. McShane presented the Quarterly Investment Report for the period ending April 30, 2019. As of April 30, 2019, the month-to-date net return is 2.34% and the ending market value is \$80,482,849.89. The current asset allocation is as follows: fixed income at 33.09%, equities at 63.78% and cash management at 3.13%. Mr. McShane reviewed the recent transactions and discussed cash flow needs for the upcoming quarter.

Potential Purchase and/or Sale of Securities: The Board discussed rebalancing the portfolio. A motion was made by Trustee Birger and seconded by Trustee Chiaro to transfer \$3,000,000 from TCW Large Cap Value and reallocate the proceeds to iShares Core S&P Value, 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: The Board discussed terminating Lazard Emerging Markets due to performance. A motion was made by Trustee Vallee and seconded by Trustee Rozovics to terminate Lazard Emerging Markets and reallocate the proceeds to Vanguard FTSE Emerging Markets Index Fund, 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

Mr. McShane apprised the Board that an active manager search will be brought to the next regular meeting for review.

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

COMMUNICATIONS OR REPORTS: *Statements of Economic Interest:* The Board was reminded that the Statements of Economic Interest were due by May 1, 2019.

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

Review/Approve – Death Audit Service Authorization: The Board discussed the Death Audit Service offered through IPPFA and L&A. A motion was made by Trustee Birger and seconded by Trustee Rozovics to direct Attorney Goodloe to draft a notice to all pensioners apprising them that the Pension Fund will be engaging in this service and that their information will be provided to LifeStatus360. Motion carried unanimously by voice vote.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE FUND: *Applications for Membership – Ryan S. Lomen and George O. Trikolos:* The Board reviewed the Applications for Membership submitted by Ryan S. Lomen and George O. Trikolos. A motion was made by Trustee Vallee and seconded by Trustee Chiaro to accept Ryan S. Lomen and George O. Trikolos into the Des Plaines Firefighters' Pension Fund effective April 1, 2019 as Tier II participants. Motion carried unanimously by voice vote.

The Board noted that active member Paul Miller passed away on April 23, 2019. L&A will reach out to the family to issue a refund of his contributions. Further discussion will be held at the next regular meeting.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Regular Retirement Benefit – Bradley Butler:* The Board reviewed the regular retirement benefit calculation for Bradley Butler prepared by L&A. Lieutenant Butler had an entry date of May 11, 1987, retirement date of March 16, 2019, effective date of pension of March 1, 2019, 55 years of age at date of retirement, 31 years and 10 months of creditable service, applicable salary of \$122,306, applicable pension percentage of 75%, amount of originally granted monthly pension of \$7,644.13 and amount of originally granted annual pension of \$91,729.56. A motion was made by Trustee Birger and seconded by Trustee Rozovics to approve Bradley Butler'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 – James Hall: The Board reviewed the regular retirement benefit calculation for James Hall prepared by L&A. Lieutenant Hall had an entry date of May 11, 1987, retirement date of May 20, 2019, effective date of pension of May 21, 2019, 59 years of age at date of retirement, 32 years of creditable service, applicable salary of \$123,256, applicable pension percentage of 75%, amount of originally granted monthly pension of \$7,703.50 and amount of originally granted annual pension of \$92,442. A motion was made by Trustee Birger and seconded by Trustee Vallee to approve James Hall'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 Pensioner – Charles Provenzano: The Board noted that pensioner Charles Provenzano passed away March 7, 2019 with no surviving spouse and his pension benefit has ceased.

Deceased Pensioner – James Streu/Approval of Surviving Spouse Benefit – Helga Streu: The Board noted that pensioner James Streu passed away on March 15, 2019. The Board reviewed the surviving spouse benefit calculation for Helga Streu with an effective date of March 16, 2019 for a monthly benefit of \$4,227.81 with no additional increases. A motion was made by Trustee Vallee and seconded by Trustee Birger to approve the surviving spouse benefit of Helga Streu calculated by L&A. Motion carried by roll call vote.

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

OLD BUSINESS: *IDOI Annual Statement:* The Board noted that the IDOI Annual Statement has been filed with the IDOI prior to the June 30, 2019 deadline.

NEW BUSINESS: *Certify Board Election Results – Active Member Position:* The Board conducted an election for one of the active member positions on the Des Plaines Firefighters' Pension Fund Board of Trustees. Jeff Vallee ran unopposed and was reelected for a three-year term expiring April 30, 2022. A motion was made by Trustee Birger and seconded by Trustee Rozovics to certify the election results. Motion carried unanimously by voice vote.

The Board noted that they will maintain the Board Officer and FOIA and OMA Designee positions until the August 6, 2019 regular meeting.

TRUSTEE TRAINING UPDATE: The Board discussed upcoming training opportunities and was reminded to send all training certificates 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: *Annual Independent Medical Examination – Michael J. Carey:* Attorney Goodloe provided the Board with the status of the independent medical examinations for Michael J. Carey and pensioners receiving a disability benefit under age 50. Further discussion will be held at the next regular meeting.

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 regular meeting.

Status of Remand – Michael G. King: Attorney Goodloe discussed the Michael G. King matter with the Board. A motion was made by Trustee Birger and seconded by Trustee Vallee to send Michael G. King for a functional capacity test. Motion carried unanimously by voice vote.

Status of Carroll Disability Pension Claim: Attorney Goodloe apprised the Board that the City's petition to intervene has been granted and Ian Carroll's independent medical examinations have been scheduled. Further discussion will be held at next regular meeting.

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

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

The next regular meeting is scheduled for August 6, 2019 at 8:30 a.m.


Board President or Secretary

Minutes approved by the Board on 8-6-19

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