



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 AUGUST 3, 2021

A regular meeting of the Des Plaines Firefighters' Pension Fund Board of Trustees was held on Tuesday, August 3, 2021 at 8:30 a.m. in City Hall in Room 101 located at 1402 Miner Street, Des Plaines, Illinois 60016, pursuant to notice.

CALL TO ORDER: Trustee Rice called the meeting to order at 8:34 a.m.

ROLL CALL:

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

ABSENT: None

ALSO PRESENT: Attorney Laura Goodloe, Puchalski Goodloe LLC; Thomas McShane, Graystone Consulting; Michelle Rice and Jacquie Ondras, Lauterbach & Amen, LLP (L&A); Treasurer Dorothy Wisniewski and Wendall Whitted (*arrived at 8:54 a.m.*), City of Des Plaines; Greg Kieseewetter, Cook Castle Associates; City Attorney Andrew Fisk, Elrod Friedman LLP

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *May 4, 2021 Regular Meeting:* The Board reviewed the May 4, 2021 regular meeting minutes. A motion was made by Trustee Birger and seconded by Trustee Vallee to approve the May 4, 2021 regular meeting minutes as written. Motion carried unanimously by voice vote.

June 1, 2021 Special Meeting – Open and Closed Session: The Board reviewed the June 1, 2021 open session special meeting minutes. A motion was made by Trustee Vallee and seconded by Trustee Rozovics to approve the June 1, 2021 open session special meeting minutes as written. Motion carried unanimously by voice vote.

The Board reviewed the June 1, 2021 closed session meeting minutes. A motion was made by Trustee Vallee and seconded by Trustee Birger to approve the June 1, 2021 closed session meeting 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 and will not release them at this time due to pending matters.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* The Board was provided the Monthly Financial Report for the six-month period ending June 30, 2021 prepared by L&A. As of June 30, 2021, the net position held in trust for pension benefits is \$99,900,437.22 for a change in position of \$7,042,237.29. 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 Chiaro to accept the Monthly Financial Report as prepared. Motion carried by roll call vote.

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

Presentation and Approval of Bills: The Board reviewed the Vendor Check Report for the period April 1, 2021 through June 30, 2021 for total disbursements of \$502,728.94. 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 \$502,728.94. Motion carried by roll call vote.

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

Additional Bills, if any: There were no additional bills presented for approval.

INVESTMENT REPORT – GRAYSTONE CONSULTING: *Quarterly Performance Report:* Mr. McShane presented the Quarterly Performance Report for the period ending June 30, 2021. As of June 30, 2021, the quarter-to-date net return is 5.13% and the ending market value is \$99,907,921. The current asset allocation is as follows: fixed income at 28.94%, equities at 69.59% and cash and cash equivalents at 1.47%. Mr. McShane reviewed the recent transactions and discussed cash flow needs for the upcoming quarter.

Wendall Whitted arrived at 8:54 a.m.

Potential Purchase and/or Sale of Securities: The Board discussed rebalancing the portfolio. A motion was made by Trustee Vallee and seconded by Trustee Birger to liquidate \$1,500,000 from Great Lakes and \$1,500,000 from the S&P 500 and reallocate the proceeds to cash. Motion carried by roll call vote.

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

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 \$830,000 to \$850,000 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: None
ABSTAIN: Trustee Rozovics

Dorothy Wisniewski and Andrew Fisk left at 9:00 a.m.

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: The Board noted that Attorney Goodloe's firm name has changed to Puchalski Goodloe LLC.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE FUND: *Application for Membership – Gleb Rudenko:* The Board reviewed the Application for Membership submitted by Gleb Rudenko. A motion was made by Trustee Birger and seconded by Trustee Vallee to accept Gleb Rudenko into the Des Plaines Firefighters' Pension Fund effective July 12, 2021 as a Tier II participant. Motion carried unanimously by voice vote.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Duty Disability Benefit and Decision and Order Michael King:* The Board discussed the draft Decision and Order for Michael King. The Board will hold a special meeting on Monday, August 9, 2021 at 9:00 a.m. to review and approve the Decision and Order.

Approve Regular Retirement Benefits – Gary Despaltro, Peter Dyer and Lance Harm: The Board reviewed the regular retirement benefit for Gary Despaltro prepared by L&A. Lieutenant Despaltro had an entry date of September 11, 1995; retirement date of May 2, 2021; effective date of pension of May 3, 2021; 58 years of age at date of retirement; 25 years and 7 months of creditable service; applicable salary of \$127,664; applicable pension percentage of 63.96%; amount of originally granted monthly pension of \$6,804.31 and amount of originally granted annual pension of \$81,651.72. A motion was made by Trustee Rozovics and seconded by Trustee Vallee to approve the regular retirement benefits for Gary Despaltro calculated by L&A. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

The Board reviewed the regular retirement benefit for Peter Dyer prepared by L&A. Deputy Chief Dyer had an entry date of May 11, 1987; retirement date of June 25, 2021; effective date of pension of June 26, 2021; 59 years of age at date of retirement; 34 years and 1 month of creditable service; applicable salary of \$158,005.41; applicable pension percentage of 75%; amount of originally granted monthly pension of \$9,875.34 and amount of originally granted annual pension of \$118,504.08. A motion was made by Trustee Vallee and seconded by Trustee Birger to approve the regular retirement benefits for Peter Dyer calculated by L&A. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

The Board reviewed the regular retirement benefit for Lance Harm prepared by L&A. FF/PM Harm had an entry date of June 6, 1997; retirement date of August 30, 2021; effective date of pension of August 31, 2021; 50 years of age at date of retirement; 24 years and 2 months of creditable service; applicable salary of \$111,498; applicable pension percentage of 60.42%; amount of originally granted monthly pension of \$5,613.62 and amount of originally granted annual pension of \$67,363.44. A motion was made by Trustee Chiaro and seconded by Trustee Vallee to approve the regular retirement benefits for Lance Harm calculated by L&A. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

OLD BUSINESS: *IDOI Annual Statement:* The Board noted that the IDOI Annual Statement was filed prior to the June 30, 2021 deadline.

Appointed Member Position – Nicholas Chiaro: The Board noted that Trustee Chiaro will not be seeking re-appointment to the Board. Trustee Rice will follow-up with Treasurer Wisniewski on the status of a new appointee. Further discussion will be held at the next regular meeting.

NEW BUSINESS: *Acknowledge FPIF Notice of Transfer Date, Adopt Resolution of Notice and Execute Exhibits:* The Board acknowledged the FPIF Notice of Transfer Date as January 4, 2022. A motion was made by Trustee Birger and seconded by Trustee Chiaro to acknowledge the transfer date, adopt the resolution of notice and authorize Trustee Rice and Treasurer Wisniewski to execute the associated exhibits on behalf of the Fund. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

Review/Approve – Actuarial Valuation and Tax Levy Request: The Board reviewed the finalized Actuarial Valuation prepared by the IDOI. Based on data and assumptions, the recommended municipal contribution is \$6,759,704. A motion was made by Trustee Birger and seconded by Trustee Rozovics to accept the Actuarial Valuation as prepared and to request a tax levy in the amount of \$6,759,704 from the City of Des Plaines. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

Review/Adopt – Municipal Compliance Report: The Board noted that the Municipal Compliance Report will be available for review at the next regular meeting.

Fiduciary Liability Insurance Renewal: The Board reviewed the Fiduciary Liability Insurance renewal provided by Cook Castle Associates through Hudson Insurance Company. A motion was made by Trustee Birger and seconded by Trustee Rozovics to approve the fiduciary liability insurance renewal in the amount of \$12,331 for the period September 1, 2021 through September 1, 2022. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

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.

ATTORNEY'S REPORT – PUCHALSKI GOODLOE LLC: Attorney Goodloe provided updates on recent legislation and investment consolidation. All questions were answered by Attorney Goodloe.

Application for Disability Benefit – George Hidalgo: Attorney Goodloe discussed the status of George Hidalgo's disability application and noted that once his physical therapy has been completed, the six independent medical examinations (three orthopedic and three psychiatric) will be ready to be scheduled. A motion was made by Trustee Rozovics and seconded by Trustee Birger to direct Attorney Goodloe to move forward with scheduling of the six independent medical examinations as discussed. Motion carried by roll call vote.

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

2021 Annual Disability Re-Evaluations: Attorney Goodloe informed the Board that the independent medical examinations for Christopher Moran, Michael Shaughnessy and Ian Carroll are in process and the reports will be available for review 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 10:09 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for November 9, 2021 at 8:30 a.m.


Board President or Secretary

Minutes approved by the Board on 11-9-21

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