



# 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 4, 2020

A regular meeting of the Des Plaines Firefighters' Pension Fund Board of Trustees was held on Tuesday, August 4, 2020 at 8:30 a.m. via videoconference without a quorum of the public body physically present and without any singular member of the public body present at the Board's regular meeting location because of a disaster declaration related to COVID-19 public health concerns affecting the City of Des Plaines. The City of Des Plaines Firefighters' Pension Fund Board President has determined that an in-person meeting with all participants is not practical, prudent or feasible because of the disaster.

**CALL TO ORDER:** Trustee Rice called the meeting to order at 8:39 a.m.

### ROLL CALL:

**PRESENT:** Trustees Bill Rice, Jeff Vallee (*arrived at 8:55 a.m.*), Paul Birger, Nicholas Chiaro (*arrived at 8:45 a.m.*) and Jeffery Rozovics

**ABSENT:** None

**ALSO PRESENT:** Attorney Laura Goodloe, Puchalski Goodloe Marzullo, LLP (PGM); Thomas McShane, Graystone Consulting; Michelle Rice, Lauterbach & Amen, LLP (L&A); Greg Kiesewetter, Cook Castle Associates, LLC

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

**APPROVAL OF MEETING MINUTES:** *May 5, 2020 Regular Meeting:* The Board reviewed the May 5, 2020 regular meeting minutes. A motion was made by Trustee Birger and seconded by Trustee Rozovics to approve the May 5, 2020 regular meeting minutes as written. Motion carried by roll call vote.

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

**NAYS:** None

**ABSENT:** Trustees Vallee and Chiaro

*June 19, 2020 Special Meeting:* The Board reviewed the June 19, 2020 special meeting minutes. A motion was made by Trustee Birger and seconded by Trustee Rozovics to approve the June 19, 2020 special meeting minutes as written. Motion carried by roll call vote.

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

**NAYS:** None

**ABSENT:** Trustees Vallee and Chiaro

*Amended Meeting Minutes per IDOI Findings:* The Board reviewed the amended minutes from the following meetings: February 1, 2011; May 3, 2011; February 7, 2012; November 6, 2012; November 4, 2014; November 1, 2016; and May 2, 2017. A motion was made by Trustee Birger and seconded by Trustee Rozovics to approve the amended minutes to include missing information as outlined in the IDOI Audit Examination Findings. Motion carried by roll call vote.

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

*Semi-Annual Review of Closed Session Meeting Minutes:* The Board reviewed 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, 2020 prepared by L&A. As of June 30, 2020, the net position held in trust for pension benefits is \$80,711,115.51 for a change in position of (\$3,607,047.94). 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 Birger and seconded by Trustee Rozovics to accept the Monthly Financial Report as prepared. Motion carried by roll call vote.

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

*Presentation and Approval of Bills:* The Board reviewed the Vendor Check Report for the period April 1, 2020 through June 30, 2020 for total disbursements of \$440,186.22. A motion was made by Trustee Rozovics and seconded by Trustee Birger to approve the disbursements shown on the Vendor Check Report in the amount of \$440,186.22. Motion carried by roll call vote.

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

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

*Trustee Chiaro arrived at 8:45 a.m.*

*Trustee Vallee arrived at 8:55 a.m.*

**INVESTMENT REPORT – GRAYSTONE CONSULTING:** *Quarterly Performance Report:* Mr. McShane presented the Quarterly Performance Report for the period ending June 30, 2020. As of June 30, 2020, the quarter-to-date net return is 12.93% and the ending market value is \$80,757,224. The current asset allocation is as follows: fixed income at 36.07%, equities at 62.79% and cash and cash equivalents at 1.14%. 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 the buy orders from the May 29, 2020 meeting. A motion was made by Trustee Chiaro and seconded by Trustee Vallee to cancel the buy orders from the May 29, 2020 meeting, based on the recommendation of Graystone Consulting. Motion carried by roll call vote.

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

The Board discussed increasing the equity allocation. A motion was made by Trustee Vallee and seconded by Trustee Chiaro to increase the equity allocation, subject to the Index reaching the target as follows:

- Transfer \$1,000,000 from Garcia Hamilton and reallocate the proceeds to the S&P 500 Index if it reaches 3000
- Transfer \$1,000,000 from Garcia Hamilton and reallocate the proceeds to the S&P 500 Index if it reaches 2900
- Transfer \$2,000,000 from Garcia Hamilton and reallocate the proceeds to the S&P 500 Index if it reached 2800

Motion carried by roll call vote.

AYES: Trustees Rice, Vallee, Birger and Chiaro

NAYS: None

ABSENT: None

ABSTAIN: Trustee Rozovics

*Allocations and Hiring/Termination of Investment Managers:* There were no recommendations at this time.

*Review/Update Investment Policy, if needed:* Mr. McShane presented an updated investment policy prepared by Graystone Consulting. The Board reviewed and discussed the amended policy, which has been updated to include language regarding sustainability consistent with Public Act 101-0473. A motion was made by Trustee Birger and seconded by Trustee Vallee to adopt and execute the updated investment policy as presented and to direct L&A to file the investment policy with the Illinois Department of Insurance within 30 days of execution. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

**COMMUNICATIONS AND REPORTS:** *Active Member File Maintenance:* The Board noted that L&A will prepare Active Member File Maintenance letters for distribution to all active members requesting any additional pension file documents.

**APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE FUND:** *Applications for Membership – Kyle Blank, John Meyer, Ryan Moore and Nathan Oelslager:* The Board reviewed the Applications for Membership submitted by Kyle Blank, John Meyer, Ryan Moore and Nathan Oelslager. A motion was made by Trustee Chiaro and seconded by Trustee Vallee to accept Kyle Blank, John Meyer, Ryan Morre and Nathan Oelslager into the Des Plaines Firefighters' Pension Fund effective April 20, 2020 as Tier II participants. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS:** *Approve Regular Retirement Benefits – Gregory Brown:* The Board reviewed the regular retirement benefits for Gregory Brown prepared by L&A. Lieutenant Brown had an entry date of May 31, 1990; retirement date of September 1, 2020; effective date of pension of September 2, 2020; 53 years of age at date of retirement; 30 years and 3 months of creditable service; applicable salary of \$125,546; applicable pension percentage of 75%; amount of originally granted monthly pension of \$7,846.63; and amount of originally granted annual pension of \$94,159.56. A motion was made by Trustee Vallee and seconded by Trustee Rozovics to approve the regular retirement benefits for Gregory Brown 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 Benefits – Sean Schielie:* The Board reviewed the regular retirement benefits for Sean Schielie prepared by L&A. Firefighter Schielie had an entry date of September 16, 1999; retirement date of June 8, 2020; effective date of pension of June 9, 2020; 53 years of age at date of retirement; 20 years and 8 months of creditable service; applicable salary of \$109,123; applicable pension percentage of 51.67%; amount of originally granted monthly pension of \$4,698.35; and amount of originally granted annual pension of \$56,380.20. A motion was made by Trustee Vallee and seconded by Trustee Birger to approve the regular retirement benefits for Sean Schielie calculated by L&A. Motion carried by roll call vote.

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

*Approve Non-Duty Disability Benefit – Ian Carroll:* The Board noted that Ian Carroll was awarded a non-duty disability benefit. L&A is processing his benefit calculation and the final calculation will be sent to the Board for review upon completion. Further discussion will be held at the next regular meeting.

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

**NEW BUSINESS:** *Fiduciary Liability Insurance Renewal:* The Board reviewed the fiduciary liability insurance renewal provided by Hudson Insurance through Cook Castle Associates, LLC. A motion was made by Trustee Birger and seconded by Trustee Vallee to approve the fiduciary liability insurance renewal in the amount of \$12,016 for the period September 1, 2020 through September 1, 2021, subject to submittal of the amended application. Motion carried by roll call vote.

AYES: Trustees Rice, Vallee, Birger, Chiaro and Rozovics  
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 contribution amount is \$6,583,275. A motion was made by Trustee Chiaro and seconded by Trustee Birger to accept the Actuarial Valuation as prepared and to request a tax levy in the amount of \$6,583,275 from the City of Des Plaines. Motion carried by roll call vote.

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

*Review/Adopt – Municipal Compliance Report:* The Board reviewed the Municipal Compliance Report prepared by L&A. A motion was made by Trustee Vallee and seconded by Trustee Birger to adopt the Municipal Compliance Report as prepared and to authorize signatures by the Board President and Secretary. Motion carried by roll call vote.

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

*Contribution Withholding Matter – Andrew Swierczynski:* The Board noted that contributions were withheld for Andrew Swierczynski on vacation time that was remitted by the City in a lumpsum payment. A motion was made by Trustee Vallee and seconded by Trustee Rozovics to direct the City to refund the excess contributions in the amount of \$544.68 to Andrew Swierczynski. Motion carried by roll call vote.

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

*Contribution Withholding Matter – Steven Berndt:* The Board noted that the City did not withhold the additional 1% for Steven Berndt for the pay periods ending January 11, 2019; February 8, 2019; June 28, 2019; July 12, 2019; and August 9, 2019 resulting in an underpayment to the Pension Fund in the amount of \$69.51. A motion was made by Trustee Birger and seconded by Trustee Vallee to direct L&A to send correspondence to Steven Berndt regarding the underpayment and to direct the City to withhold the payment in the amount of \$69.51 through payroll. Motion carried by roll call vote.

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

**TRUSTEE TRAINING UPDATE: 4 Hour Mandatory Training:** 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:** Attorney Goodloe requested the Board send her correspondence regarding what each Trustee feels Ian Carroll is disabled with in order for her to finalize the Decision and Order. Further discussion will be held at the next regular meeting.

*Status of Remand – Michael King:* Attorney Goodloe reviewed the status of the Michael King matter. Further discussion will be held at the next regular meeting.

*Independent Medical Examinations – Christopher Moran and Michael Shaughnessy:* The Board discussed the annual independent medical examinations for Christopher Moran and Michael Shaughnessy. The Board directed Attorney Goodloe to issue correspondence to Christopher Moran and Michael Shaughnessy notifying them of the self-certification requirement for 2020. 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 Vallee and seconded by Trustee Rozovics to adjourn the meeting at 10:02 a.m. Motion carried by roll call vote.

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

The next regular meeting is scheduled for November 10, 2020 at 8:30 a.m.

\_\_\_\_\_  
Board President or Secretary

Minutes approved by the Board on \_\_\_\_\_