



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 7, 2018

A regular meeting of the Board of Trustees of the Des Plaines Firefighters' Pension Fund was held on Tuesday, August 7, 2018 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 8:32 a.m.

ROLL CALL:

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

ABSENT: Trustee Nicholas Chiaro

ALSO PRESENT: Laura Goodloe, Puchalski Goodloe Marzullo, LLP (PGM); Thomas McShane, MSSB/Graystone Consulting; Michelle Hawkins and Ashley Wraight, Lauterbach & Amen, LLP (L&A); Chief Alan Wax, Des Plaines Fire; and Greg Kiesewetter, Cook Castle Associates

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *May 1, 2018 Regular Meeting Minutes:* The minutes of the May 1, 2018 regular meeting were reviewed by the Board. A motion was made by Trustee Vallee and seconded by Trustee Birger to approve the May 1, 2018 regular 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. A motion was made by Trustee Birger and seconded by Trustee Vallee to release the September 22, 2017 and November 15, 2017 closed session meeting minutes. 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, 2018, the plan net assets held in trust for pension benefits is \$79,230,281.78 with a change in position of (\$1,427,789.53) for the six-month period ending June 30, 2018. 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 Vallee and seconded by Trustee Birger to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

Presentation and Approval of Bills: The Board reviewed the Vendor Check Report for the period 04/01/2018 through 06/30/2018 for total disbursements of \$356,627.87. A motion was made by Trustee Birger and seconded by Trustee Rozovics to approve the disbursements listed on the Vendor Check Report in the amount of \$356,627.87. Motion carried by roll call vote.

AYES: Trustees Rice, Vallee, Birger, and Rozovics

NAYS: None

ABSENT: Trustee Chiaro

INVESTMENT REPORT – GRAYSTONE CONSULTING: *Quarterly Performance Report:* Mr. McShane presented the Quarterly Performance Report for the period ended June 30, 2018. As of 06/30/2018, the ending market value of the fund is \$79,274,818.67. The total return is 0.36% for the second quarter, 6.24% for the last 3 years, 7.25% for the last 5 years, and 6.00% since inception. The portfolio asset allocation is 65.61% Equity, 30.37% Fixed Income, and 4.02% Cash & Cash Equivalent. All questions were answered by Mr. McShane.

Potential purchase and/or sale of securities, re-balancing of asset allocations and hiring/termination of investment managers: The Board discussed transferring two million from the cash account and allocating one million to Weaver Core Risk and one million to McDonnell Fixed Income. A motion was made by Trustee Vallee and seconded by Trustee Rozovics to transfer the funds as stated, based on the recommendation of Graystone Consulting. Motion carried by roll call vote.

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

Review Updated Investment Policy Statement: The Board discussed the Investment Policy Statement and reviewed the updates made by Graystone Consulting. A motion was made by Trustee Vallee and seconded by Trustee Birger to approve the updated Investment Policy Statement as amended. Motion carried by roll call vote.

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

The Board discussed the manner in which the Investment Advisor fees are paid. Further discussion will be held at the next scheduled meeting.

COMMUNICATIONS OR REPORTS: *Affidavits of Continued Eligibility:* The Board noted that L&A mailed Affidavits of Continued Eligibility to pensioners with the June payroll cycle and a due date of July 31st. To date, seven Affidavits remain outstanding. L&A 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: The Board noted that Trustee Vallee will provide letters to active members requesting updates to their pension files required by the IDOI.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Applications for Membership – Matthew R. Glenn and Richard X. Lecaros:* The Board reviewed the Applications for Membership submitted by Matthew R. Glenn and Richard X. Lecaros with a date of hire of 07/02/2018 and as Tier II participants. A motion was made by Trustee Birger and seconded by Trustee Vallee to accept Matthew R. Glenn and Richard X. Lecaros into the Des Plaines Firefighters' Pension Fund effective 07/02/2018 as Tier II participants. Motion carried by roll call vote.

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

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Regular Retirement Benefits – Kenneth K. Palenik:* The Board reviewed the regular retirement benefit calculation for Kenneth K. Palenik prepared by L&A. Battalion Chief Palenik had an entry date of 04/28/1986, retirement date of 07/13/2018, effective date of pension of 07/14/2018, 59 years of age at date of retirement, 32 years and 2 months of creditable service, applicable salary of \$126,996, applicable pension percentage of 75%, amount of originally granted monthly pension of \$7,937.25 and amount of originally granted annual pension of \$95,247. A motion was made by Trustee Birger and seconded by Trustee Vallee to approve Kenneth K. Palenik's regular retirement benefit as calculated by L&A. Motion carried by roll call vote.

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

OLD BUSINESS: *Fiduciary Liability Insurance Renewal:* Greg Kiesewetter from Cook Castle Associates presented the Board with a proposal for fiduciary liability insurance provided by Euclid Specialty through Hudson Insurance Company. A motion was made by Trustee Vallee and seconded by Trustee Birger to engage Cook Castle Associates for fiduciary liability insurance in the amount of \$11,896. Motion carried by roll call vote.

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

Greg Kiesewetter left the meeting at 10:05 a.m.

IDOI Annual Statement: The Board was presented with the updated interrogatories required by the IDOI effective June 1, 2018. The finalized report was filed prior to the June 30, 2018 deadline.

Transfer of Creditable Service – Daniel M. Buganski: The Board noted that L&A has prepared a calculation for Daniel M. Buganski to combine service with Des Plaines Fire and Chicago Fire, and is awaiting the Chicago Fire Actuary's completed calculation. Updates will be provided to the Board as they become available.

NEW BUSINESS: *QILDRO – David M. Bedrich:* Attorney Goodloe apprised the Board that all documentation has been received for David M. Bedrich's QILDRO. A motion was made by Trustee Vallee and seconded by Trustee Birger to approve the QILDRO submitted by David M. Bedrich and noted the alternate payee benefit to Julie Bedrich will take effect with the August payroll cycle. Motion carried by roll call vote.

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

Review/Approve – Actuarial Valuation and Tax Levy Request: The Board reviewed the Actuarial Valuation as prepared by the Illinois Department of Insurance. Based on data and assumptions, the recommended municipal contribution is \$5,627,965. A motion was made by Trustee Vallee and seconded by Trustee Birger to accept the Actuarial Valuation as prepared and to request a tax levy in the amount of \$5,627,965 from the City of Des Plaines, based on the recommended amount stated in the Actuarial Valuation prepared by the Illinois Department of Insurance. Motion carried by roll call vote.

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

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 MCR as prepared and to authorize signatures by the Board President and Secretary. Motion carried by roll call vote.

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

BMO Harris Bank Signature Cards and Resolution Update: L&A provided the Board with the necessary forms to update the signers on the BMO Harris Bank account with the current Board members and municipal representative. The Board will obtain signatures and submit the completed forms to L&A to update with BMO Harris Bank.

TRUSTEE TRAINING UPDATE: The Board discussed recent training opportunities and was reminded to send all training certificates to L&A for recordkeeping.

ATTORNEY'S REPORT: *Status of Remand – Michael G. King:* Attorney Goodloe discussed the Michael King matter with the Board. A status update will be provided at the next scheduled meeting.

Annual Independent Medical Examinations – Michael J. Carey and Christopher A. Moran: Attorney Goodloe apprised the Board that letters will be sent to Michael J. Carey and Christopher A. Moran requesting certification from their physicians that they remain disabled. Further discussion will be held at the next scheduled 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 10:58 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 13, 2018 at 8:30 a.m.** in Room 101.

Respectfully submitted, 
William Rice, Pension Board President

Date approved: 11-13-18

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