



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

November 1, 2016

A regular meeting of the Board of Trustees of the Des Plaines Firefighters' Pension Fund was held on Tuesday, November 1, 2016 at 8:30 a.m., at City Hall located at 407 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 8:35 a.m.

ROLL CALL

PRESENT: President Bill Rice, Secretary Jeff Vallee, Trustees Paul Birger, and Nicholas Chiaro

ABSENT: Trustee Jeffery Rozovics

ALSO PRESENT: Laura Goodloe, Puchalski Goodloe Marzullo, LLP; Thomas McShane, MSSB/Graystone Consulting; Stacie Woodill, 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 MINUTES: The minutes of the August 8, 2016 regular meeting were reviewed by the Board. A motion was made by Trustee Birger and seconded by Trustee Vallee to approve the minutes as written. Motion carried by voice vote.

The minutes of the September 12, 2016 special meeting were reviewed by the Board. A motion was made by Trustee Birger and seconded by Trustee Chiaro to approve the minutes as written. Motion carried by voice vote.

ACCOUNTANT'S REPORT: *Monthly Financial Report:* The Board reviewed the Monthly Financial Report prepared by Lauterbach & Amen, LLP. As of September 30, 2016, the plan net assets held in trust for pension benefits is \$72,586,923.80 with a change in position of \$4,641,832.02 for the nine months ending September 30, 2016. A motion was made by Trustee Vallee and seconded by Trustee Birger to accept the Monthly Financial Report. Motion carried by voice vote.

PRESENTATION AND APPROVAL OF BILLS: *Vendor Checks Report:* The Board reviewed the Vendor Checks Report for the period 7/1/2016 through 9/30/2016 in the amount of \$263,110.85. The Board presented the following additional invoices for review:

- IPPFA 2017 Membership Renewal in the amount of \$795.00
- Verizon Wireless invoice in the amount of \$50.08

A motion was made by Trustee Chiaro and seconded by Trustee Vallee to approve the disbursements listed on the Vendor Checks Report in the amount of \$263,110.85 and the additional invoices for IPPFA 2017

Membership Renewal in the amount of \$795.00, and Verizon Wireless invoice in the amount of \$50.08.
Motion carried by roll call vote.

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

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 September 30, 2016. As of 09/30/16, the ending market value of the fund is \$72,626,267.64. The total return is 4.11% for the 3rd quarter; 5.79% for last 3 years, 8.21% for the last 5 years and 5.62% since inception. The portfolio allocation is 62.90% Equity; 34.82% Fixed Income; and 2.28% Cash & Cash Equivalent. All questions were answered by Mr. McShane.

A motion was made by Trustee Vallee and seconded by Trustee Chiaro to transfer \$1 million from Fixed Income SKBA into the Cash Management Account for anticipated cash flow purposes.

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

COMMUNICATIONS OR REPORTS: *Affidavits of Continued Eligibility:* Lauterbach & Amen, LLP presented the Board with the completed 2016 Affidavits of Eligibility for recordkeeping.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Applications for Membership:* The Board noted that there were five new hires with a date of hire on October 03, 2016, all five new hires at Tier 2 status, as per attached. A motion was made by Trustee Birger and seconded by Trustee Chiaro to accept the five new hires with a date of hire of October 03, 2016, at Tier 2 status. Motion carried by voice vote.

APPLICATIONS FOR RETIREMENT OR DISABILITY BENEFITS: The Board reviewed the Retirement Benefits Calculation for Steven J. Ehas calculated by Lauterbach & Amen, LLP. A motion was made by Trustee Birger and seconded by Trustee Chiaro to approve the Retirement Benefits Calculation for Steven J. Ehas with 30 years and 6 months of creditable service, an effective date of pension as November 17, 2016, for an original monthly benefit of \$7,128.00 which is 75% of his final pensionable salary of \$114,048.00. Motion carried by roll call vote.

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

The Board reviewed the surviving spouse benefit calculation for Sarah L. Hensch. Sarah L. Hensch's late husband, William P. Hensch has an entry date of 02/17/1976, 28 years and 3 months of creditable service, applicable salary of \$72,257.00 and applicable pension percentage of 70.63%. William P. Hensch passed away on 10/13/2016. As of 10/14/2016 Sarah L. Hensch will receive a monthly pension of \$6,136.80 for an annual pension of \$73,641.60 with no cost of living adjustments. A motion was made by Trustee Birger and seconded by Trustee Vallee to approve the surviving spouse benefit calculation for Sarah L. Hensch. Motion carried by roll call vote.

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

OLD BUSINESS: There was no Old Business to discuss at this time.

NEW BUSINESS: *Discussion and Possible Action on Laptops:* Trustee Vallee informed the Board that due to computer malfunctions with their old pension computer, he proposed purchasing two new laptops for the Board President and Secretary to utilize for pension business. A motion was made by Trustee Birger and Seconded by Trustee Chiaro to approve the purchase of two laptops for pension business due to the old computer malfunctioning not to exceed \$6000.00. Motion carried by roll call vote.

AYES: Trustees Rice, Vallee, Birger, and Chiaro

NAYS: None

ABSENT: Trustee Rozovics

Review and Accept Municipal Compliance Report (MCR): The Board reviewed the Municipal Compliance Report (MCR) as prepared by Lauterbach & Amen, LLP. Trustee Rice informed the Board he will be submitting the MCR to the City of Des Plaines. A motion was made by Trustee Vallee and seconded by Trustee Chiaro to approve the Municipal Compliance Report as prepared by Lauterbach & Amen, LLP. Motion carried by roll call vote.

AYES: Trustees Rice, Vallee, Birger, and Chiaro

NAYS: None

ABSENT: Trustee Rozovics

Establish 2017 Meeting Dates: The Board discussed scheduling of the 2017 regular board meeting dates. The Board set the regular meeting dates as February 7th, May 2nd, August 1st, and November 14th, 2017. All meetings will be held at 8:30 a.m. at the Des Plaines City Hall, 1420 Miner Street, Des Plaines, Illinois.

Storage Boxes / Record Retention: The Board was informed that Lauterbach & Amen, LLP is going paperless and boxes containing the pension funds prior accounting records are being held at L&A's office. Trustee Rice apprised the Board that he has requested from the state archivist permission to destroy the contents of the box. The boxes will remain at Lauterbach & Amen, LLP until further notice from the state archivist.

TRUSTEE TRAINING UPDATE: The Board was presented with upcoming training opportunities. The Board was reminded to send any training certificates to L&A for recordkeeping.

ATTORNEY'S REPORT: *Status of Disability Application – Eric Chipman:* Ms. Goodloe informed the Board she is requesting a supplemental subpoena to verify all records have been received before Mr. Chipman's Independent Medical Examinations are scheduled. An update will be provided at the next regular meeting.

Discussion and Possible Action WC – James Brookman: Ms. Goodloe apprised the Board that further research of Mr. Brookman's Worker's Compensation award determined he was receiving TTD payments while receiving his disability pension benefit. Therefore, creating an overpayment of \$23,158.83. A motion was made by Trustee Birger and seconded by Trustee Vallee to authorize Ms. Goodloe to send a letter to Mr. Brookman in attempt to recover the overpaid funds with repayment options. Motion carried by voice vote.

Status of Remand - Michael King Remand Update: The Board was advised that Ms. Goodloe will issue a subpoena in order to obtain the final Independent Medical Examination (IME) report. Once the report is received, new IME's will be scheduled for Mr. King.

Pension Fund's Rules and Regulations: The Board discussed with Ms. Goodloe the amendments and additions to the new Rules and Regulations. Ms. Goodloe will have the amended Rules and Regulations for approval at the next regular meeting.

CLOSED SESSION, IF REQUIRED: There were no items to be discussed in Closed Session.

ADJOURNMENT: A motion was made by Trustee Chiaro and seconded by Trustee Birger to adjourn the meeting at 10:20 a.m. Motion carried by voice vote.

The next regular meeting of the Des Plaines Firefighters' Pension Fund will be held on **Tuesday, February 7, 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

