



# 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 6, 2019

A regular meeting of the Des Plaines Firefighters' Pension Fund Board of Trustees was held on Tuesday, August 6, 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 8:32 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); Chief Alan Wax, Des Plaines Fire Department; Pensioner Wendell Whitted, Des Plaines Police Department; Greg Kiesewetter, Cook Castle Associates

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

**APPROVAL OF MEETING MINUTES:** *April 17, 2019 Special Meeting:* The Board reviewed the April 17, 2019 special meeting minutes. A motion was made by Trustee Vallee and seconded by Trustee Chiaro to approve the April 17, 2019 special meeting minutes as written. Motion carried unanimously by voice vote.

*April 17, 2019 Closed Session Meeting:* The Board reviewed the April 17, 2019 closed session meeting minutes. A motion was made by Trustee Birger and seconded by Trustee Vallee to approve the April 17, 2019 closed session meeting minutes as written. Motion carried unanimously by voice vote.

*May 7, 2019 Regular Meeting:* The Board reviewed the May 7, 2019 regular meeting minutes. A motion was made by Trustee Vallee and seconded by Trustee Rozovics to approve the May 7, 2019 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 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, 2019 prepared by L&A. As of June 30, 2019, the net position held in trust for pension benefits is \$80,054,004.48 for a change in position of \$8,055,604.46. 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 Birger 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 April 1, 2019 through June 30, 2019 for total disbursements of \$390,052.51. A motion was made by Trustee Vallee and

seconded by Trustee Birger to approve the disbursements shown on the Vendor Check Report in the amount of \$390,052.51. Motion carried unanimously by voice vote.

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

**INVESTMENT REPORT – GRAYSTONE CONSULTING:** *Quarterly Performance Report:* Mr. Donnelly presented the Quarterly Investment Report for the period ending June 30, 2019. As of June 30, 2019, the quarter-to-date net return is 3.39% and the ending market value is \$80,020,828. The current asset allocation is as follows: fixed income at 34.24%, equities at 64.38% and cash management at 1.39%.

Mr. McShane presented the Asset Allocation and Performance Flash for the period ending July 31, 2019. As of July 31, 2019, the month-to-date net return is 0.11% and the ending market value is \$80,839,619. The current asset allocation is as follows: fixed income at 33.39%, equities at 63.82% and cash management at 2.24%. Mr. McShane reviewed the recent transactions and discussed cash flow needs for the upcoming quarter.

*Potential Purchase and/or Sale of Securities:* There were no potential purchases or sales of securities.

*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 no changes are needed.

**COMMUNICATIONS AND REPORTS:** *Affidavits of Continued Eligibility:* The Board noted that L&A mailed Affidavits of Continued Eligibility to all pensioners with the June payroll cycle and a due date of July 31, 2019. To date, twelve affidavits remain outstanding. L&A will mail second requests 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 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 – Faizan Khan, Arturo Mora and Michael Rossi:* The Board reviewed the Applications for Membership submitted by Faizan Khan, Arturo Mora and Michael Rossi. A motion was made by Trustee Chiaro and seconded by Trustee Vallee to accept Faizan Khan, Arturo Mora and Michael Rossi into the Des Plaines Firefighters' Pension Fund effective July 1, 2019 as Tier II participants. Motion carried unanimously by voice vote.

*Contribution Refund – Chris Dawson:* The Board reviewed the contribution refund submitted by Chris Dawson in the amount of \$9,148.36 paid directly to himself issued on July 9, 2019.

*Contribution Refund – Paul Miller:* The Board noted that they are awaiting receipt of the signed contribution refund form from Paul Miller's Estate. Further discussion will be held at the next regular meeting.

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS:** *Approve Regular Retirement Benefit – Brian Carmicheal:* The Board reviewed the regular retirement benefit calculation for Brian Carmicheal prepared by L&A. Fire Inspector Carmicheal had an entry date of June 9, 1997, retirement date of July 10, 2019, effective date of pension of July 11, 2019, 51 years of age at date of retirement, 22 years and 1 month of creditable service, applicable salary of \$108,357, applicable pension percentage of 55.21%, amount of originally granted monthly pension of \$4,985.17 and amount of originally granted annual pension of \$59,822.04. A motion was made by Trustee Birger and seconded by Trustee Chiaro to approve Brian Carmicheal'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

**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. A motion was made by Trustee Vallee and seconded by Trustee Birger to approve payment of the fiduciary liability insurance renewal effective September 1, 2019 through September 1, 2020 in the amount of \$11,896. Motion carried by roll call vote.

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

*Board Officer Elections – President and Secretary:* The Board discussed Board Officer Elections and nominated the following slate of Officers: Trustee Rice as President and Trustee Vallee as Secretary. A motion was made by Trustee Vallee and seconded by Trustee Rice to elect the slate of Officers as stated. Motion carried unanimously by voice vote.

*FOIA Officer and OMA Designee:* The Board discussed maintaining Trustee Vallee as the FOIA Officer and Trustee Rice as the OMA Designee. A motion was made by Trustee Chiaro and seconded by Trustee Birger to maintain the FOIA Officer and OMA Designee as stated. Motion carried unanimously by voice vote.

*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 Rozovics 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, 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 \$6,230,584 and the statutory minimum contribution requirement is \$3,914,107. A motion was made by Trustee Birger and seconded by Trustee Vallee to accept the Actuarial Valuation as prepared and to request a tax levy in the amount of \$6,230,584 from the City, based on the recommended amount stated in the Actuarial Valuation prepared by the IDOI. Motion carried by roll call vote.

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

**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:** *Review/Approve Updated Disability Application:* Attorney Goodloe reviewed the updated Disability Application with the Board. A motion was made by Trustee Vallee and seconded by Trustee Rozovics to accept the updated Disability Application as presented. Motion carried unanimously by voice vote.

*Dennis Schielie POA:* Attorney Goodloe discussed Dennis Schielie's Power of Attorney paperwork and apprised the Board that it meets all requirements under the Pension Code. A motion was made by Trustee Birger and seconded by Trustee Rozovics to accept the Power of Attorney paperwork as presented and to place it in Dennis Schielie's file. Motion carried unanimously by voice vote.

*Updated Board Rules and Regulations:* This item was tabled for discussion until the next regular meeting.

*Annual Independent Medical Examinations – Christopher Moran and Michael Shaughnessy:* Attorney Goodloe provided the Board with the certifications for Christopher Moran and Michael Shaughnessy confirming that they remain disabled.

*Annual Independent Medical Examination – Michael J. Carey:* Attorney Goodloe apprised the Board that Michael J. Carey underwent additional surgery and his final annual independent medical examination is scheduled for September. Further discussion will be held at the next regular meeting.

A motion was made by Trustee Vallee and seconded by Trustee Birger to accept the annual independent medical examinations for Christopher Moran and Michael Shaughnessy and to continue their disability benefits subject to further annual examinations until age 50. Motion carried unanimously by voice vote.

*Status of Remand – Michael G. King:* Attorney Goodloe discussed the Michael G. King matter with the Board and noted that a functional capacity evaluation has been scheduled for August 12, 2019. Further discussion will be held at the next regular meeting.

*Status of Carroll Disability Pension Claim:* Attorney Goodloe apprised the Board that all three independent medical examination reports have been received. 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 Vallee and seconded by Trustee Rozovics to adjourn the meeting at 10:08 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for November 12, 2019 at 8:30 a.m.

  
Board President or Secretary

Minutes approved by the Board on 11-12-19

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