



## DES PLAINES FIREFIGHTERS' PENSION FUND

405 S. River Road ■ Des Plaines, Illinois 60016

William Rice      Jeff Vallee      Paul Birger      Nicholas Chiaro      Jeffery Rozovics  
President          Secretary          Trustee          Trustee          Trustee

### MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE DES PLAINES FIREFIGHTERS' PENSION FUND MAY 1, 2018

A regular meeting of the Board of Trustees of the Des Plaines Firefighters' Pension Fund was held on Tuesday, May 1, 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 8:30 a.m.

**ROLL CALL:**

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

**ABSENT:** None

**ALSO PRESENT:** Laura Goodloe, Puchalski Goodloe Marzullo, LLP (PGM); Thomas McShane, MSSB/Graystone Consulting; Michelle Hawkins, Sam Meyer, and Derek Flessner, Lauterbach & Amen, LLP (L&A); Dorothy Wisniewski, City of Des Plaines; Chief Alan Wax, Des Plaines Fire; Wendell Whitted, Des Plaines Police; Tim Bowen, Alliant/Mesirow Insurance (*via teleconference*)

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

**APPROVAL OF MEETING MINUTES:** *November 15, 2017 Special Meeting Minutes:* The minutes of the November 15, 2017 special meeting were reviewed by the Board. A motion was made by Trustee Vallee and seconded by Trustee Birger to approve the November 15, 2017 special meeting minutes as written. Motion carried unanimously by voice vote.

*February 6, 2018 Regular Meeting Minutes:* The minutes of the February 6, 2018 regular meeting were reviewed by the Board. A motion was made by Trustee Vallee and seconded by Trustee Birger to approve the February 6, 2018 regular meeting minutes as written. 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 March 31, 2018, the plan net assets held in trust for pension benefits is \$80,609,434.03 with a change in position of (\$48,637.28) for the three-month period ending March 31, 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 Birger and seconded by Trustee Chiaro 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 01/01/2018 through 03/31/2018 for total disbursements of \$357,810.28. A motion was made by Trustee Chiaro and seconded by Trustee Birger to approve the disbursements listed on the Vendor Check Report in the amount of \$357,810.28. Motion carried by roll call vote.

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

*Additional Bills, if any: Illinois Department of Insurance Compliance Fee:* The Board noted that the Illinois Department of Insurance Compliance Fee invoice will be issued and payment is due by June 30<sup>th</sup>. A motion was made by Trustee Birger and seconded by Trustee Vallee to approve payment of IDOI Compliance Fee, upon receipt of the invoice, in the amount of \$8,000. Motion carried by roll call vote.

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

**INVESTMENT REPORT – GRAYSTONE CONSULTING:** *Quarterly Performance 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 March 31, 2018. As of 03/31/2018, the ending market value of the fund is \$80,603,804. The total return is (1.11%) for the first quarter; 5.97% for the last 3 years, 6.96% for the last 5 years and 6.09% since inception. The portfolio asset allocation is 65.36% Equity; 29.89% Fixed Income; 4.76% Cash & Cash Equivalent. All questions were answered by Mr. McShane.

*Discussion/Possible Action – Fixed Income Manager Search:* Tom McShane distributed copies of the Manager Comparison for Fixed Income Gov/Credit. A motion was made by Trustee Chiaro and seconded by Trustee Birger to move assets from SKBA Flexible Bond to Weaver Core Aggregate C/R based on the recommendation of Graystone Consulting. Motion carried unanimously by voice vote.

A motion was made by Trustee Chiaro and seconded by Trustee Rozovics to direct Weaver Core Aggregate C/R to use the shorter duration of intermediate Gov/Credit. Motion carried unanimously by voice vote.

*Review Updated Investment Policy Statement:* The Board discussed the Investment Policy and determined updates will be made to the portfolio allocation language. A revised copy will be available for the Board's review at the next scheduled meeting.

**COMMUNICATIONS OR REPORTS:** *Statements of Economic Interest:* The Board was reminded that the Statements of Economic Interest are due by May 1<sup>st</sup>.

*Affidavits of Continued Eligibility:* The Board noted that L&A will mail Affidavits of Continued Eligibility to all pensioners with the June payroll cycle. A status update will be provided at the next scheduled meeting.

**APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND:** *Application for Membership – Daniel Ayala:* The Board reviewed the Application for Membership submitted by Daniel Ayala with a date of hire of 04/09/2018 and as a Tier II participant.

*Application for Membership – Dale Bridges:* The Board reviewed the Application for Membership submitted by Dale Bridges with a date of hire of 03/19/2018 and as a Tier II participant.

A motion was made by Trustee Chiaro and seconded by Trustee Vallee to accept Daniel Ayala and Dale Bridges into the Des Plaines Firefighters' Pension Fund effective on their respective dates of hire, as Tier II participants. Motion carried unanimously by voice vote.

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS:** *Approve Regular Retirement Benefits – David Bedrich:* The Board reviewed the regular retirement benefit calculation for David Bedrich prepared by

L&A. Firefighter Bedrich had an entry date of 02/17/1998, retirement date of 04/24/2018, effective date of pension of 04/25/2018, 60 years of age at date of retirement, 20 years and 2 months of creditable service, applicable salary of \$103,966.00, applicable pension percentage of 50.42%, amount of originally granted monthly pension of \$4,368.02 and amount of originally granted annual pension of \$52,416.24. A motion was made by Trustee Vallee and seconded by Trustee Chiaro to approve David Bedrich's regular retirement benefit as 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 – Robert Ward:* The Board reviewed the regular retirement benefit calculation for Robert Ward prepared by L&A. Battalion Chief Ward had an entry date of 08/18/1986, retirement date of 03/25/2018, effective date of pension of 03/26/2018, 56 years of age at date of retirement, 31 years and 7 months of creditable service, applicable salary of \$131,738.00, applicable pension percentage of 75%, amount of originally granted monthly pension of \$8,233.63 and amount of originally granted annual pension of \$98,803.56. A motion was made by Trustee Birger and seconded by Trustee Vallee to approve Robert Ward's regular retirement benefit as calculated by L&A. Motion carried by roll call vote.

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

The Board noted that L&A is in the process of creating a calculation for Daniel Buganski to purchase his creditable service with the Des Plaines Fire Pension Fund. L&A will work with the City to calculate Daniel Buganski's contributions into the Pension Fund. Further discussion will be held at the next scheduled meeting.

*Decision & Order – Michael Shaughnessy:* Attorney Goodloe presented the Board with a copy of the written Decision & Order for Michael Shaughnessy's disability. A motion was made by Trustee Birger and seconded by Trustee Chiaro to approve, adopt, and publish the written Decision & Order prepared by PGM. Motion carried by roll call vote.

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

*Approve Duty Disability Benefits – Michael Shaughnessy:* The Board reviewed the disability benefit calculation for Michael Shaughnessy prepared by L&A. Firefighter Shaughnessy had an entry date of 06/04/2007, disability date of 01/12/2018, effective date of pension of 01/13/2018, 40 years of age at date of disability, 10 years and 7 months of creditable service, applicable salary of \$102,966.00, applicable pension percentage of 65%, amount of originally granted monthly pension of \$5,577.33 and amount of originally granted annual pension of \$66,927.96. The Board reviewed the dependent benefit calculations for Michael Shaughnessy's sons, Evan and Logan Shaughnessy in the amount of \$20 each monthly, effective 01/13/2018 with the annual 3% cost of living adjustment until age 18, as calculated by L&A. A motion was made by Trustee Birger and seconded by Trustee Chiaro to approve Michael Shaughnessy's disability benefits and dependent benefits as 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:* Tim Bowen from Mesirow/Alliant Insurance Services discussed the fiduciary liability insurance renewal with the Board. A motion was made by Trustee

Chiaro and seconded by Trustee Vallee to extend the current policy for an additional four-month period at a cost of one third of the annual coverage for both policies in May 2017. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

*Discussion/Possible Actions – HELPS Program:* L&A discussed with the Board the HELPS Program. A motion was made by Trustee Vallee and seconded by Trustee Chiaro to direct L&A to issue correspondence offering HELPS program to all Des Plaines Fire pensioners. Motion carried unanimously by voice vote.

*Certify Board Election Results – Retired Member Position:* L&A conducted an election for the Retired Member position on the Des Plaines Firefighters' Pension Fund Board of Trustees. Paul Birger ran unopposed and was reelected for a three-year term expiring April 30, 2021.

*Board Officer Elections – President:* The Board discussed Board Officer Elections. A motion was made by Trustee Vallee and seconded by Trustee Birger to elect Bill Rice as Board President. Motion carried unanimously by voice vote.

*Board Officer Elections – Secretary:* A motion was made by Trustee Rice and seconded by Trustee Chiaro to elect Jeff Vallee as Board Secretary. Motion carried unanimously by voice vote.

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

*Illinois Department of Insurance Annual Statement:* The Board noted that the IDOI Annual Statement is in process and the final report will be sent to the Board for review upon completion.

**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 King:* Attorney Goodloe discussed dates to reschedule the Michael King matter. A status update will be provided at the next scheduled meeting.

Attorney Goodloe discussed recent court cases and how they pertain to article 4 pension funds.

**CLOSED SESSION, IF NEEDED:** There were no items to be discussed in closed session.

**ADJOURNMENT:** A motion was made by Trustee Chiaro and seconded by Trustee Rozovics to adjourn the meeting at 10:12 a.m. Motion carried unanimously by voice vote.

The next regular meeting of the Des Plaines Firefighters' Pension Fund will be held on **Tuesday, August 7, 2018 at 8:30 a.m.** in Room 101.

Respectfully submitted,   
William Rice, Pension Board President

Date approved: 8-7-18