

**MINUTES OF A REGULAR MEETING OF  
THE DES PLAINES POLICE PENSION FUND BOARD OF TRUSTEES  
FEBRUARY 8, 2022**

A regular meeting of the Des Plaines Police Pension Fund Board of Trustees was held on Tuesday, February 8, 2022 at 9:00 a.m. at City Hall, 2<sup>nd</sup> Floor Conference Room, located at 1420 Miner Street, Des Plaines, Illinois 60016, pursuant to notice.

**CALL TO ORDER:** Trustee Chiaro called the meeting to order at 9:02 a.m.

**ROLL CALL:**

**PRESENT:** Trustees Nicholas Chiaro, Ben Ruzicka and Robert Neil

**ABSENT:** Trustee Chris Mierzwa

**ALSO PRESENT:** Attorney Laura Goodloe, Puchalski Goodloe LLC; Tom McShane, Graystone Consulting; Elizabeth Adelman, Lauterbach & Amen, LLP (L&A), Treasurer  
Dorothy Wisniewski (*arrived at 9:44 p.m.*), City of Des Plaines

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

**APPROVAL OF MEETING MINUTES:** *December 14, 2021 Regular Meeting:* The Board reviewed the December 14, 2021 regular meeting minutes. A motion was made by Trustee Neil and seconded by Trustee Ruzicka to approve the December 14, 2021 regular meeting minutes as written. Motion carried unanimously by voice vote.

*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:** The Board reviewed the Warrant List #89 for the period of November 1, 2021 – January 31, 2022. A motion was made by Trustee Ruzicka and seconded by Trustee Neil to approve the Warrant List as presented. Motion carried by roll call vote.

**AYES:** Trustees Chiaro, Ruzicka and Neil

**NAYS:** None

**ABSENT:** Trustee Mierzwa

*Monthly Financial Report:* The Board was provided the Monthly Financial Report for the twelve-month period ending December 31, 2021 prepared by L&A. As of December 31, 2021, the net position held in trust for pension benefits is \$93,431,614.67 for a change in position of \$8,803,404.46. The Board also was provided the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal and the Vendor Check Report for the period October 1, 2021 through December 31, 2021 for total disbursements of \$497,143.94. A motion was made by Trustee Ruzicka and seconded by Trustee Neil to accept the Monthly Financial Report as presented. Motion carried by voice vote.

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

**INVESTMENT REPORT – GRAYSTONE CONSULTING – *Quarterly Performance Report:*** Mr. McShane presented the Quarterly Performance Report for the period ending December 31, 2021. As of December 31, 2021, the quarter-to-date net return is 3.08% and the ending market value is \$93,466,735. The current asset allocation is as follows: fixed income at 31.3%, equities at 66.35% and cash equivalents at 2.35%. 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 rebalancing the portfolio. A motion was made by Trustee Neil and seconded by Trustee Ruzicka to transfer \$1,800,000 from the American Euro Pacific Fund to cash. Motion carried unanimously by voice vote.

*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 determined that no changes are required at this time.

**COMMUNICATIONS AND REPORTS:** *Statements of Economic Interest:* The Board noted that the List of Filers were due to the County by the City on February 1, 2022. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2022.

**TRUSTEE TRAINING UPDATES:** The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities. Trustees 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 registration fees or reimbursable expenses presented for approval.

**APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM PENSION FUND:** *Applications for Membership – Freddy Del Rio, Angelo Dilollo, Desire Jimenez, Andrew Parra, Dominic Santino-Carabez and Darek Synowiec:* The Board reviewed the Applications for Membership submitted by Freddy Del Rio, Angelo Dilollo, Desire Jimenez, Andrew Parra, Dominic Santino-Carabez and Darek Synowiec. A motion was made by Trustee Ruzicka and seconded by Trustee Neil to accept Angelo Dilollo, Andrew Parra and Darek Synowiec effective December 27, 2021 and Freddy Del Rio, Desire Jimenez and Dominic Santino-Carabez effective January 10, 2022 into the Des Plaines Police Pension Fund as Tier II participants. Motion carried unanimously by voice vote.

*Resignation of Officer – Michael Palacz:* The Board noted that Michael Palacz separated service from the Des Plaines Police Department on January 19, 2022. To date, a contribution refund request has not been received.

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS:** *Approval of Regular Retirement Benefits – Paul Badofsky and Scott Moreth:* The Board reviewed the regular retirement benefit calculation for Paul Badofsky prepared by L&A. Detective Badofsky had an entry date of September 8, 1999, retirement date of January 15, 2022, effective date of pension of January 16, 2022, 51 years of age at date of retirement, 22 years of creditable service, applicable salary of \$117,909 applicable pension percentage of 55%, amount of originally granted monthly pension of \$5,404.16 and amount of originally granted annual pension of \$64,849.92.

The Board reviewed the regular retirement benefit calculation for Scott Moreth prepared by L&A. Commander Moreth had an entry date of October 2, 1996, retirement date of January 7, 2022, effective date of pension of January 8, 2022, 50 years of age at date of retirement, 25 years of creditable service, applicable salary of \$135,595.33, applicable pension percentage of 62.5%, amount of originally granted monthly pension of \$7,270.59 and amount of originally granted annual pension of \$87,247.08.

A motion was made by Trustee Chiaro and seconded by Trustee Ruzicka to approve Paul Badofsky and Scott Moreth's regular retirement benefits calculated by L&A. Motion carried by voice vote.

*Deceased Surviving Spouses – Penelope Klopp and Corrine Pickell:* The Board noted that surviving spouse Penelope Klopp passed away on January 24, 2022 and her pension benefit has ceased.

L&A noted that a benefit overpayment letter was sent to Ms. Klopp's estate on February 4, 2022 requesting the benefit overpayment amount of \$964.70 be returned to the Fund. Further discussion will be held at the next regular meeting.

The Board noted that surviving spouse Corrine Pickell passed away on January 6, 2022 and her pension benefit has ceased.

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

**NEW BUSINESS:** *Acknowledge IPOPIF Notice of Asset Transfer Date, Adopt Resolution of Notice and Execute Exhibits:* Further discussion to take place at the next regular meeting.

*Identification of Local Account(s) for Cash:* This item was not discussed.

*Review/Adopt – Cash Management Policy:* Further discussion to take place at the next regular meeting.

*Review/Possible Action – Local Account Collateralization:* This item was not discussed.

*IPOPIF Status Update and Discussion/Possible Action to be Taken on All IPOPIF Requests Pertaining to Consolidation:* There were no status updates or requests pertaining to IPOPIF.

*Approve Annual Cost of Living Adjustments for Pensioners:* The Board reviewed the 2022 Cost of Living Adjustments (see attached) calculated by L&A. A motion was made by Trustee Neil and seconded by Trustee Ruzicka to approve the 2022 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Chiaro, Ruzicka and Neil

NAYS: None

ABSENT: Trustee Mierzwa

*Discussion/Possible Action – Lauterbach & Amen, LLP Engagement Letter:* The Board reviewed the L&A three-year engagement letter. A motion was made by Trustee Neil and seconded by Trustee Ruzicka to engage L&A in the annual amounts as follows: \$42,310 for the year ended December 31, 2022; \$43,215 for the year ended December 31, 2023; and \$44,120 for the year ended December 31, 2024. Motion carried by voice vote.

AYES: Trustees Chiaro, Ruzicka and Neil

NAYS: None

ABSENT: Trustee Mierzwa

*Review/Approve – Lauterbach & Amen, LLP Balance Sheets for November and December 2021:* This item was not discussed.

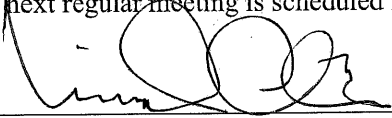
*Review Trustee Term Expirations and Election Procedures:* The Board noted that the active member term currently held by Trustee Mierzwa and the retired member term currently held by Trustee Chiaro are expiring in April 2022. Trustee Chiaro expressed his interest to remain on the Board if nominated. L&A will conduct an election on behalf of the Pension Fund for one of the two active member Trustee positions and the retired member Trustee position. The Board also noted that the appointed member position held by Trustee Neil is expiring in April 2022 and he is interested in remaining on the Board. The Board will contact the City and seek reappointment of Trustee Neil to the Board.

**ATTORNEY’S REPORT – PUCHALSKI GOODLOE, LLC:** *Legal Updates:* Attorney Goodloe provided legislative updates pertaining to Article 3 Pension Funds; including recent court cases and decisions, as well as general pension matters.

**CLOSED SESSION, IF NEEDED:** There was no need for closed session.

**ADJOURNMENT:** A motion was made by Trustee Ruzicka and seconded by Trustee Neil to adjourn the meeting at 10:22 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for April 12, 2022, at 9:00 a.m.

  
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Board President or Secretary Name

Minutes approved by the Board of Trustees on 02/17/2022.

*Minutes prepared by Elizabeth Adelman, Pension Services Administrator, Lauterbach & Amen, LLP*