

**MINUTES OF A REGULAR MEETING OF
THE DES PLAINES POLICE PENSION FUND BOARD OF TRUSTEES
FEBRUARY 14, 2023**

A regular meeting of the Des Plaines Police Pension Fund Board of Trustees was held on Tuesday, February 14, 2023 at 9:00 a.m. located at 1420 Miner Street, Des Plaines, Illinois 60016, pursuant to notice.

CALL TO ORDER: Trustee Ruzicka called the meeting to order at 9:00 a.m.

ROLL CALL:

PRESENT: Trustees Ben Ruzicka, Robert Neil, Dan Shanahan, Gary Klier and Don Smith

ABSENT: None

ALSO PRESENT: Attorney Laura Goodloe, Puchalski Goodloe LLC; Tom McShane and Patrick Donnelly, Graystone Consulting; Elizabeth Adelman, Lauterbach & Amen, LLP (L&A), Treasurer Dorothy Wisniewski, City of Des Plaines; Greg Kiesewetter, Cook Castle Associates, LLC

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *December 13, 2022 Regular Meeting:* The Board reviewed the December 13, 2022 regular meeting minutes. A motion was made by Trustee Neil and seconded by Trustee Smith to approve the December 13, 2022 regular meeting minutes as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Meeting Minutes: There were no closed session meeting minutes for review.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the twelve-month period ending December 31, 2022 prepared by L&A. As of December 31, 2022, the net position held in trust for pension benefits is \$78,099,548.66 for a change in position of (\$15,320,717.20). 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, 2022 through December 31, 2022 for total disbursements of \$438,208.60. A motion was made by Trustee Shanahan and seconded by Trustee Smith to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$438,208.60. Motion carried by roll call vote.

AYES: Trustees Ruzicka, Neil, Klier, Shanahan and Smith

NAYS: None

ABSENT: None

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

Discussion/Possible Action – Cash Management Policy: The Board discussed the cash management policy and noted that no changes were necessary at this time. Further discussion will be held at the next regular meeting.

INVESTMENT REPORT: *Graystone Consulting:* Mr. McShane and Mr. Donnelly reviewed the cash holdings and requirements for the purpose of funding pension benefits and expenses. A motion was made by Trustee Neil and seconded by Trustee Klier to authorize Graystone Consulting to transfer \$4,549,229.26 from the Morgan Stanley Money Market account to the BMO Harris Bank account and to direct L&A to transfer those funds to IPOPIF for investment purposes. Motion carried by roll call vote.

AYES: Trustees Ruzicka, Neil, Klier, Shanahan and Smith

NAYS: None

ABSENT: None

The Board discussed the repeat withdrawal from IPOPIF to the BMO Harris Bank account. A motion was made by Trustee Smith and seconded by Trustee Klier to increase the repeat withdrawal amount to \$880,000 effective March 15, 2023. Motion carried by roll call vote.

AYES: Trustees Ruzicka, Neil, Klier, Shanahan and Smith
NAYS: None
ABSENT: None

Mr. McShane and Mr. Donnelly left the meeting at 9:22 a.m.

Ms. Wisneweski left the meeting at 9:24 a.m.

IPOPIF – Verus Advisory, Inc.: The Board reviewed the Verus Advisory, Inc. Monthly Summary for the period ending November 30, 2022. As of November 30, 2022 the market value was \$7,720,073,550 and the year-to-date net return for the Illinois Police Officers' Pension Investment Fund (IPOPIF) is (6.5%).

State Street Statements: The Board reviewed the State Street Statements prepared by the Illinois Police Officers' Pension Investment Fund (IPOPIF) for the period ending December 31, 2022. As of December 31, 2022, the beginning value was \$71,800,053.02 and the ending value was \$70,411,740.65 and the month-to-date net return for the Fund was (1.93%).

COMMUNICATIONS AND REPORTS: *Statements of Economic Interest:* The Board noted that the List of Filers was due to the County by the City on February 1, 2023. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2023.

Affidavits of Continued Eligibility: The Board noted that L&A mailed Affidavits of Continued Eligibility to all pensioners with the December payroll cycle and a due date of January 31, 2023. To date, 13 affidavits remain outstanding. L&A will mail second request affidavits to the outstanding pensioners and status update will be provided to the Board as they become available.

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: *Deceased Surviving Spouse – Dorothy Altergott:* The Board noted that surviving spouse Dorothy Altergott passed away December 24, 2022 and her pension benefit has ceased.

Application for Membership – Saad Saeed: The Board reviewed the Application for Membership submitted by Saad Saeed. A motion was made by Trustee Neil and seconded by Trustee Shanahan to accept Saad Saeed into the Des Plaines Pension Fund effective January 3, 2023, as a Tier II participant. Motion carried unanimously by voice vote.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Regular Retirement Benefits – Michael Kelly:* The Board reviewed the regular retirement benefit calculation for Michael Kelly prepared by L&A. Detective Kelly had an entry date of May 4, 1996, retirement date of January 6, 2023, effective date of pension of January 7, 2023, 52 years of age at date of retirement, 26 years of creditable service, applicable salary of \$120,502, applicable pension percentage of 65%, amount of originally granted monthly pension of \$6,527.19 and amount of originally granted annual pension of \$78,326.28. A motion was made by Trustee Shanahan and seconded by Trustee Neil to approve Michael Kelly's regular retirement benefit calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Ruzicka, Neil, Klier, Shanahan and Smith
NAYS: None
ABSENT: None

OLD BUSINESS: *Discussion/Possible Action – Cyber Risk Insurance Coverage:* Mr. Kiesewetter reviewed the Cyber Risk Insurance Coverage with the Board. Further discussion will be held at the next regular meeting.

NEW BUSINESS: *Approve Annual Cost of Living Adjustments for Pensioners:* The Board reviewed the 2023 Cost of Living Adjustments (see attached) calculated by L&A. A motion was made by Trustee Neil and seconded by Trustee Shanahan to approve the 2023 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll vote.

AYES: Trustees Ruzicka, Neil, Klier, Shanahan and Smith
NAYS: None
ABSENT: None

Review Trustee Term Expirations and Election Procedures: The Board noted that the active member term currently held by Trustee Ruzicka is expiring in May 2023. Trustee Ruzicka 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.

Review/Approve – Updated Local Bank Account Collateralization Agreement: The Board reviewed the memorandum prepared by L&A regarding the successor of the third-party custodian from Bank of America to The Bank of New York Mellon to continue collateralization of the BMO Harris Bank operating account. A motion was made by Trustee Klier and seconded by Trustee Smith to authorize Trustee Ruzicka to execute the updated tri-party pledge depository agreement on behalf of the Fund. Motion carried by roll call vote.

AYES: Trustees Ruzicka, Neil, Klier, Shanahan and Smith
NAYS: None
ABSENT: None

Discussion of Lateral Hiring Program: Trustee Shanahan discussed the Des Plaines Police Department's lateral hiring program and made the Board aware of the potential for the possibility of an influx of portability requests being made by new hires under this program. Updates will be provided as they become available.

IPOPIF: *Discussion/Possible Action to be Taken on All IPOPIF Requests Pertaining to Consolidation:* There were no requests pertaining to consolidation to discuss.

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 Neil and seconded by Trustee Klier to adjourn the meeting at 10:21 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for April 11, 2023, at 9:00 a.m.

 

Board President or Secretary Name

Minutes approved by the Board of Trustees on 4/11/23.