

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE
DES PLAINES POLICE PENSION FUND
October 11, 2020**

A regular meeting of the City of Des Plaines Police Pension Board was held on Tuesday, October 11, 2020 at 9:00 AM, pursuant to proper notice, to conduct regular business of the Pension Board.

Due to the Coronavirus outbreak, Governor Pritzker's Executive Orders and amendments to the Open Meetings Act which suspends physical presence requirements, this meeting was conducted by audio/video conference. A quorum of the public body was not physically present at the Board's regular meeting location because the Pension Board President determined that an in-person meeting with all participants was not practical, prudent or feasible due to the ongoing COVID-19 disaster declarations and public health concerns. A verbatim audio/video recording was taken during this meeting. At the start of this meeting all participants certified that they could hear and communicate with one another. Roll call votes were taken as to all actions taken during this meeting.

CALL TO ORDER: President Chiaro called the meeting to order at 9:03 AM.

ROLL CALL:

PRESENT: President Nicholas Chiaro, Trustee Oscar Szczerbinski, Trustee Chris Mierzwa, and Trustee Robert Neil.

ABSENT: Trustee Robert Muehlenbeck.

ALSO PRESENT: Also present were Investment Consultant Thomas McShane, City of Des Plaines Finance Director Dorothy Wisniewski, Board Attorney Laura Goodloe and member of the public Teddy Haines (appearing at 9:11 AM).

APPROVAL OF PRIOR MEETING MINUTES:

The Pension Board reviewed the August 18, 2020 regular meeting minutes. A motion was made by Trustee Neil and seconded by Trustee Mierzwa to approve the minutes as drafted. The motion carried by roll call vote.

AYES: President Nicholas Chiaro, Trustee Oscar Szczerbinski, Trustee Chris Mierzwa, and Trustee Robert Neil.

NAYS: None.

ABSENT: Trustee Robert Muehlenbeck.

APPROVAL OF DISBURSEMENTS:

The Pension Board reviewed the list of disbursements as presented in Warrant List #81, which equaled \$19,335.80. Trustee Szczerbinski made a motion to approve Warrant list #81 as presented and Trustee Mierzwa seconded the motion. The motion carried by roll call vote.

AYES: President Nicholas Chiaro, Trustee Oscar Szczerbinski, Trustee Chris Mierzwa, and Trustee Robert Neil.

NAYS: None.

ABSENT: Trustee Robert Muehlenbeck.

BOARD'S ATTORNEY REPORT:

Legal Update. Board Counsel advised the Board on the status of the newly created interim consolidated investment fund and pending legislation.

Review of new court decisions. Board Counsel provided an update as to new caselaw.

OLD BUSINESS: None.

NEW BUSINESS:

Approval of Lauterbach & Amen Balances Sheets for July and August 2020. The Pension Board reviewed Lauterbach & Amen balance sheets for July and August 2020. Trustee Neil made a motion to approve the July and August 2020 balance sheets and Trustee Chiaro seconded that motion. The motion carried by roll call vote.

AYES: President Nicholas Chiaro, Trustee Oscar Szczerbinski, Trustee Chris Mierzwa, and Trustee Robert Neil.

NAYS: None.

ABSENT: Trustee Robert Muehlenbeck.

FOIA Request & Response. The Board received and fully responded to two FOIA requests since the date of the Board's last meeting. No further action is needed.

Passing of Retired Captain Robert Sturlini. Retired Captain Robert Sturlini passed away on 08/16/20. He leaves behind a surviving spouse, Marilyn Sturlini. His pension shall therefore convert to a survivors pension.

Approval of Surviving Spousal Benefits for Marilyn Sturlini. Marilyn Sturlini is the surviving spouse of the late Robert Sturlini. Pursuant to applicable pension code provisions Ms. Sturlini is entitled to surviving spouse pension benefits. Her late husband's date of hire was 01/02/67 and date of retirement was 01/06/94. He retired at the rank of Captain and had acquired twenty-seven years of creditable service. His applicable pension as of the date of his death was \$91,279.56. Ms. Sturlini is therefore entitled to a surviving spouse pension in that same amount. Her full monthly benefit shall equal \$7,606.63 and her pension shall commence on 08/17/20. Upon review of the pension calculation worksheet, and the calculations having been signed off on by the City Finance Director, Trustee Chiaro made a motion to approve the survivors pension benefit request/conversion and Trustee Neil seconded the motion. The motion carried by roll call vote.

AYES: President Nicholas Chiaro, Trustee Oscar Szczerbinski, Trustee Chris Mierzwa, and Trustee Robert Neil.

NAYS: None.

ABSENT: Trustee Robert Muehlenbeck.

Retirement of Sergeant Colin Johnson. Sergeant Colin Johnson filed an application for a retirement pension. He is a Tier 1 member who entered service on 06/29/98. He obtained twenty-two years of creditable service with a retirement date of 09/30/20 and effective date of pension of 10/01/20. His salary attached to rank as of his date of retirement is \$125,121.00 and his initial monthly pension benefit shall be \$5,734.71, subject to applicable statutory post-retirement

increases. Upon review of the Pension Calculation worksheet provided by Lauterbach & Amen and signed off on by City Finance Director Wisniewski, Trustee Chiaro made a motion to approve Sergeant Johnson's retirement pension application and Trustee Mierzwa seconded the motion. The motion carried by roll call vote.

AYES: President Nicholas Chiaro, Trustee Oscar Szczerbinski, Trustee Chris Mierzwa, and Trustee Robert Neil.

NAYS: None.

ABSENT: Trustee Robert Muehlenbeck.

Retirement of Patrol Officer and Evidence Technician Philip Olsen. Patrol Officer Phillip Olsen filed an application for a retirement pension. He is a Tier 1 member who entered service on 09/25/00. He obtained twenty years of creditable service with a retirement date of 09/30/20 and effective date of pension of 10/01/20. His salary attached to rank as of his date of retirement is \$111,313.00 and his initial monthly pension benefit shall be \$4,638.04, subject to applicable statutory post-retirement increases. Upon review of the Pension Calculation worksheet provided by Lauterbach & Amen and signed off on by City Finance Director Wisniewski, Trustee Chiaro made a motion to approve Patrol Officer Olsen's retirement pension application and Trustee Mierzwa seconded the motion. The motion carried by roll call vote.

AYES: President Nicholas Chiaro, Trustee Oscar Szczerbinski, Trustee Chris Mierzwa, and Trustee Robert Neil.

NAYS: None.

ABSENT: Trustee Robert Muehlenbeck.

Retirement of Sergeant Michael D. Holdman, Jr. Sergeant Michael D. Holdman Jr. filed an application for a retirement pension. He is a Tier 1 member who entered service on 07/02/97. He obtained twenty-three years of creditable service with a retirement date of 09/30/20 and effective date of pension of 10/01/20. His salary attached to rank as of his date of retirement is \$125,121.00 and his initial monthly pension benefit shall be \$5,995.38, subject to applicable statutory post-retirement increases. Upon review of the Pension Calculation worksheet provided by Lauterbach & Amen and signed off on by City Finance Director Wisniewski, Trustee Chiaro made a motion to approve Sergeant Holdman Jr.'s retirement pension application and Trustee Mierzwa seconded the motion. The motion carried by roll call vote.

AYES: President Nicholas Chiaro, Trustee Oscar Szczerbinski, Trustee Chris Mierzwa, and Trustee Robert Neil.

NAYS: None.

ABSENT: Trustee Robert Muehlenbeck.

Retirement of Patrol Officer and Evidence Technician Jeffrey Klug. Patrol Officer Jeffrey Klug filed an application for a retirement pension. He is a Tier 1 member who entered service on 10/01/97. He obtained twenty-three years of creditable service with a retirement date of 10/15/20 and effective date of pension of 10/16/20. His salary attached to rank as of his date of retirement is \$111,313.00 and his initial monthly pension benefit shall be \$5,333.75, subject to applicable statutory post-retirement increases. Upon review of the Pension Calculation worksheet provided by Lauterbach & Amen and signed off on by City Finance Director Wisniewski, Trustee Chiaro made a motion to approve Patrol Officer Klug's retirement pension application and Trustee Mierzwa seconded the motion. The motion carried by roll call vote.

AYES: President Nicholas Chiaro, Trustee Oscar Szczerbinski, Trustee Chris Mierzwa, and Trustee Robert Neil.
NAYS: None.
ABSENT: Trustee Robert Muehlenbeck.

Retirement of Deputy Chief Chester Zaprzalka. Deputy Chief Chester Zaprzalka filed an application for a retirement pension. He is a Tier 1 member who entered service on 12/28/92. He obtained twenty-seven years of creditable service with a retirement date of 09/25/20 and effective date of pension of 09/26/20. His salary attached to rank as of his date of retirement is \$144,905.00 and his initial monthly pension benefit shall be \$8,150.91, subject to applicable statutory post-retirement increases. Upon review of the Pension Calculation worksheet provided by Lauterbach & Amen and signed off on by City Finance Director Wisniewski, Trustee Chiaro made a motion to approve Deputy Chief Zaprzalka's retirement pension application and Trustee Mierzwa seconded the motion. The motion carried by roll call vote.

AYES: President Nicholas Chiaro, Trustee Oscar Szczerbinski, Trustee Chris Mierzwa, and Trustee Robert Neil.
NAYS: None.
ABSENT: Trustee Robert Muehlenbeck.

Retirement of Deputy Chief Paul Burger. Deputy Chief Paul Burger filed an application for a retirement pension. He is a Tier 1 member who entered service on 06/20/94. He obtained twenty-six years of creditable service with a retirement date of 10/16/20 and effective date of pension of 10/17/20. His salary attached to rank as of his date of retirement is \$148,530.59 and his initial monthly pension benefit shall be \$8,045.41, subject to applicable statutory post-retirement increases. Upon review of the Pension Calculation worksheet provided by Lauterbach & Amen and signed off on by City Finance Director Wisniewski, Trustee Chiaro made a motion to approve Deputy Chief Burger's retirement pension application and Trustee Mierzwa seconded the motion. The motion carried by roll call vote.

AYES: President Nicholas Chiaro, Trustee Oscar Szczerbinski, Trustee Chris Mierzwa, and Trustee Robert Neil.
NAYS: None.
ABSENT: Trustee Robert Muehlenbeck.

Death of Surviving Spouse June Whipple. Surviving spouse June Whipple passed away on 08/04/20, leaving behind no additional survivors for pension purposes. The Board has obtained a copy of her death certificate and a pro-rated benefit payment has been remitted to Ms. Whipple's estate. No further action is needed at this time, as Ms. Whipple's pension has been paid out to the fullest extent under the law and terminated upon her passing.

Financial Report.

The Pension Board discussed with Consultant McShane the Fund's current positions, asset allocations, investment activity and cash flow.

Consultant McShane began his report recapping a summary of recent actions taken by the Board. He went on to review and discuss capital market returns by asset class and market factor data

points. He then discussed with the Board the GIC Weekly and COVID implications on the marketplace.

Bringing the Board's attention to the Fund's September 30th performance report, Consultant McShane reviewed the Fund's current and target allocations with the Board. As of the reporting period the Fund was slightly underallocated in cash (sitting at 1.59), slightly overallocated in equities (sitting at 60.52) and slightly underallocated in fixed income (sitting at 37.89) relative to current targets.

With respect to cashflow needs, Consultant McShane recommended increasing the monthly cash outlay from 715K to 775K. Upon review and discussion Trustee Szczerbinski made a motion to increase the monthly cash outlay from 715K to 775K and Trustee Mierzwa seconded the motion. The motion carried by roll call vote.

AYES: President Nicholas Chiaro, Trustee Oscar Szczerbinski, Trustee Chris Mierzwa, and Trustee Robert Neil.
NAYS: None.
ABSENT: Trustee Robert Muehlenbeck.

With respect to the Fund's status and performance, as of the meeting date the Fund sat at approximately 78 million dollars in invested assets. With respect to returns, quarter to date the Fund was up 5.17 relative to the 4.18 benchmark. The Fund's one year return was up 7.27 versus the 5.52 benchmark. Since inception the Fund is up 6.57 versus the 6.11 benchmark. Since inception the Fund has generated an unrealized gain of 38.7 million and has taken less risk and received greater return relative to the benchmark.

Consultant McShane then provided an in depth review of manager performance by asset class.

Upon review and based upon Consultant McShane's recommendation, Trustee Neil made a motion to take 1.2 million from the Fund's Weaver Control Risk G/C and move the proceeds into cash. Trustee Mierzwa seconded the motion and the motion carried by roll call vote.

AYES: President Nicholas Chiaro, Trustee Oscar Szczerbinski, Trustee Chris Mierzwa, and Trustee Robert Neil.
NAYS: None.
ABSENT: Trustee Robert Muehlenbeck.

PUBLIC COMMENT: None.

CONTINUING EDUCATION:

The Pension Board reviewed its continuing education training status, requirements and training options for 2020.

EXECUTIVE SESSION: None.

ADJOURNMENT:

A motion was made by Trustee Mierzwa to adjourn the meeting at 10:01 AM, and the motion was seconded by Trustee Szczerbinski. The motion passed unanimously by roll call vote and the meeting adjourned at 10:12 AM.

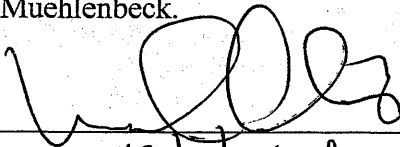
AYES: President Nicholas Chiaro, Trustee Oscar Szczerbinski, Trustee Chris Mierzwa, and Trustee Robert Neil.

NAYS: None.

ABSENT: Trustee Robert Muehlenbeck.

Respectfully Submitted:

Date Approved:



12/2/2020

The next regular meeting of the Des Plaines Police Pension Board is scheduled for December 8, 2020 at 9:00 AM.

Minutes Prepared by Board Attorney Laura J. Goodloe, Esq.