

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE
DES PLAINES POLICE PENSION FUND
June 9, 2020**

A regular meeting of the Des Plaines Police Pension Board was held on Tuesday, June 9, 2020 at 9:00 AM, via teleconference in accordance with Section 5 of Governor Pritzker's Executive Orders 2020-18 (COVID-19 Executive Order No. 16) and 2020-37, pursuant to proper notice, to conduct regular business of the Pension Board.

CALL TO ORDER: President Chiaro called the meeting to order at 9:02 AM.

ROLL CALL:

PRESENT: President Nicholas Chiaro, Trustee Robert Neil, Trustee Oscar Szczerbinski, Trustee Chris Mierzwa, and Trustee Robert Muehlenbeck (appeared at 9:11 AM).

ABSENT: None.

ALSO PRESENT: Also present was annuitant Wendall Whitted, Investment Consultant Thomas McShane, Board Attorney Laura Goodloe and Finance Director Dorothy Wisniewski.

APPROVAL OF PRIOR MEETING MINUTES:

The Pension Board reviewed the April 14, 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 unanimous voice vote.

APPROVAL OF DISBURSEMENTS:

The Pension Board reviewed the list of disbursements as presented in Warrant List 79, which equaled \$16,706.64. Trustee Oscar made a motion to approve Warrant list 79 as presented and Trustee Mierzwa seconded the motion. The motion carried by roll call vote.

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

NAYS: None.

ABSENT: Trustee Robert Muehlenbeck.

BOARD'S ATTORNEY REPORT:

Legal Update/Review of new court decisions. Board Counsel provided an update as to pending legislation and new caselaw.

DOI COVID 19 Siren Discussion and Policy Adoption. The Board discussed the City's policy and decided at this time not to take any further action toward adopting a formal policy. Rather, it will continue to adhere to State directives and orders.

OLD BUSINESS:

2020 Annual Disability Re-Evaluations. This item is tabled and will be discussed at the Board's August meeting.

[Trustee Robert Muehlenbeck appeared at the remote meeting at 9:11 AM]

NEW BUSINESS:

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

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

NAYS: None.

ABSENT: None.

Resignation of Officer Plepel. Officer Plepel was hired on 9/5/18 and was separated on 4/22/19. The Board's accountants will reach out to him concerning his contributions.

Resignation and Refund of Officer Dillion. Officer Dillion was hired on 9/11/19 and was separated from services on 01/16/20. He has requested a refund of his pension contributions in the amount of \$2,588.57 pre-tax (\$2070.86 post). Upon review Trustee Chiaro made a motion to approve Mr. Dillion's refund request and Trustee Szczerbinski seconded the motion. The motion carried by roll call vote.

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

NAYS: None.

ABSENT: None.

Resignation of Officer Kurtovic. Officer Kurtovic was hired on 1/2/19 and was separated from service on 6/20/19. He has not given any formal direction to the Board as to his contributions in the pension fund.

Results of Active & Retiree Election. 98 ballots were sent out for this election and 66 were returned. Trustee Chris Mierzwa received 42 votes for the active participant trustee slot and Officer Kurotobi received 24 votes. Upon review and discussion Trustee Szczerbinski made a motion to accept and certify the active election results and Trustee Neil seconded the motion. The Motion carried by roll call vote.

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

NAYS: None.

ABSENT: None.

With respect to the retiree trustee slot on the Board, 113 emailed ballots and 8 mailed ballots were sent. Of the ballots collected, Trustee Chiaro received 71 votes, Mr. Kujawa received 3 votes, Mr. Klier received 4 votes and Mr. Roszkowiak received 0 votes. Upon review and discussion Trustee

Szczerbinski made a motion to accept and certify the active election results and Trustee Neil seconded the motion. The Motion carried by roll call vote.

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

Election of Board Officers (1) One Year Terms. Upon review of the current slate, Trustee Neil made a motion to keep the current slate of officers in their respective positions. Trustee Szczerbinski seconded the motion and the Motion carried by roll call vote.

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

FOIA & OMA Designee. Upon review and discussion Trustee Chiaro made a motion to reappoint himself as FOIA Officer to the Board and to reappoint Trustee Mierzwa as OMA Officer to the Board. Trustee Szczerbinski seconded the motion and the motion carried by roll call vote.

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

IDOI Audit Finalization. The Board discussed lingering items pertaining to its recent audit by the DOI and confirmed all necessary information in the portal is up to date and accurate.

Trustee Training. The Board discussed its training opportunities for 2020.

Statement of Economic Interest Filing. All Trustees timely filed their statements of economic interest.

Status of IDOI Annual Report. A draft audit has been received and is being reviewed by all parties. Once the audit report has been finalized the Board will move forward with filing its annual statement.

Fiduciary Liability Insurance Renewal. Renewal process is pending.

[For Information only] Pensioner Matt Thomas Hicks picked up his check as to annual affidavit. That matter has been finalized.

Financial Report.

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

Consultant McShane reviewed the Fund's cash flow status with the Board. Over the past twelve (12) month period the Fund has paid out 720-722K on average in benefit payments and expenses

per month. In review of the tax levy receipts for the previous twelve months and projected receipts for this coming year, Consultant McShane reported the Fund should have sufficient cash readily available to ensure benefit payments through August. Therefore no action to produce additional cash was deemed necessary. The Board will discuss future cash flow needs at its August meeting.

Consultant McShane reviewed the Fund's current and target allocations with the Board. As of the reporting period the Fund was sitting at 1.96% in cash, 40.17% in fixed income and 57.86% in equities. No changes in reference to allocation were recommended.

With respect to the Fund's performance, for the month of May the Fund was up 3.28% relative to the 2.71% benchmark. Year to date the fund is down 5.70% relative to the 5.04% benchmark. Since inception the Fund is running at a 6.25% return versus the 6.00% benchmark. This has overall taken slightly less risk than the benchmark while receiving slightly greater return.

Consultant McShane went on to provide an in depth review of manager performance. He detailed comparisons of allocations of invested assets amongst managers and went on to review with the Board the GIC (global investment committee) for the week ending May 29, 2020.

Consultant McShane then provided analysis as to current market conditions relative to the S&P 500. The Board reviewed it previously issued buy orders. Upon review Trustee Chiaro made a motion to cancel the current buy orders that were in place at 2400 and 2200. Trustee Mierzwa seconded the motion and the motion carried by unanimous roll call vote.

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

NAYS: None.

ABSENT: None.

Review/Update Investment Policy Statement. Tabled.

PUBLIC COMMENT: None.

CONTINUING EDUCATION:

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

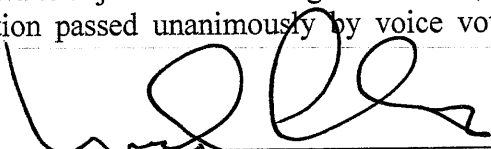
EXECUTIVE SESSION: None.

ADJOURNMENT:

A motion was made by Trustee Mierzwa to adjourn the meeting at 9:56 AM, and the motion was seconded by Trustee Neil. The motion passed unanimously by voice vote and the meeting adjourned at 9:56 AM.

Respectfully Submitted:

Date Approved:



8/5/2020

The next regular meeting of the Des Plaines Police Pension Board is scheduled for August 11,
2020 at 9:00 AM.

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