

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE
DES PLAINES POLICE PENSION FUND
December 10, 2019**

A regular meeting of the Des Plaines Police Pension Board was held on Tuesday, December 10, 2019 at 9:00 AM, at City Hall, located at 1420 Miner Street, Des Plaines, Illinois pursuant to proper notice, to conduct regular business of the Pension Board.

CALL TO ORDER: President Chiaro called the meeting to order at 9:00 AM.

ROLL CALL:

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

ABSENT: None.

ALSO PRESENT: Also present was annuitant Wendall Whitted, Investment Consultant Thomas McShane, Board Attorney Laura Goodloe, Finance Director Dorothy Wisniewski and members of the public Tara Kaarp and former Police Captain Mike Clark.

APPROVAL OF PRIOR MEETING MINUTES:

The Pension Board reviewed the October 9, 2019 regular meeting minutes. A motion was made by Trustee Mierzwa and seconded by Trustee Muehlenbeck to approve the October 9, 2019 minutes as presented. The motion carried by unanimous voice vote.

APPROVAL OF DISBURSEMENTS:

The Pension Board reviewed the list of disbursements contained in Warrant List 76, which equaled \$37,900.54. Trustee Neil made a motion to approve Warrant list 76 as presented and Trustee Mierzwa seconded the motion. The motion carried by roll call vote.

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

NAYS: None

ABSENT: None

BOARD'S ATTORNEY REPORT:

Legal Update/Review of new court decisions. Board Counsel provided an update as to pending legislation, new caselaw and other pending legal matters. Board Counsel discussed at length SB1300.

OLD BUSINESS:

2019 Annual Disability Re-Evaluations. Lori Jacoby underwent an annual independent medical re-evaluation pursuant to 40 ILCS 5/3-115 before Dr. Reff on October 2, 2019. Dr. Reff opines Ms. Jacoby remains disabled from police service. Upon review of Dr. Reff's report no further action was deemed necessary. The Board has met its statutory obligation for 2019.

Jason Roszkowiak underwent an annual independent medical re-evaluation pursuant to 40 ILCS 5/3-115 before Dr. Hsu on October 21, 2019. Dr. Hsu opines Mr. Roszkowiak remains disabled from police service. Upon review of Dr. Hsu's report no further action was deemed necessary. The Board has met its statutory obligation for 2019.

NEW BUSINESS:

Retirement of Officer Samuel Lopez. Officer Samuel Lopez filed an application for a retirement pension. He is a Tier 1 member who entered service on March 6, 1997. He obtained twenty-two years of creditable service with an effective date of retirement of November 22, 2019. His salary attached to rank as of his date of retirement is \$109,304.00 and his initial monthly pension benefit shall be \$5,009.77, 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 Szczerbinski made a motion to approve Officer Lopez's retirement pension application and Trustee Mierzwa seconded the motion. The motion carried by roll call vote.

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

Death of Retired Lieutenant James Roel. Retired Lieutenant James Roel passed away on November 26, 2019, leaving behind no survivors for pension purposes. The Board has obtained a copy of his death certificate and a pro-rated benefit payment has been remitted to Mr. Roel's estate. No further action is needed at this time, as Mr. Roel's pension has been paid out to the fullest extent under the law and terminated upon his passing.

Approval of Lauterbach & Amen Balance Sheets for September & October 2019. The Pension Board reviewed Lauterbach & Amen balance sheets for September and October 2019. Trustee Neil made a motion to approve the September and October 2019 balance sheets and Trustee Mierzwa seconded that motion. The motion carried by roll call vote.

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

FOIA Request & Response. On October 9, 2019 the Board received a FOIA request from Zack Cziryak of Fin-News. The Board responded to the request on October 10, 2019. No further action is needed.

Approve Anthony Tangorra Purchase Transfer of Creditable Service Request. Officer Anthony Tangorra made a request to transfer 4 years, 8 months and 10 days (September 16, 2013 through May 25, 2018) of service credit from the Crystal Lake Police Pension Fund to the City of Des Plaines Police Pension Fund. Requisite calculations were prepared and reviewed by Officer Tangorra, who opted to proceed with his service transfer. In response, the Crystal Lake Police Pension Fund has issued \$71,743.52 to the City of Des Plaines Police Pension Fund and Officer Tangorra has remitted the true cost component of his service transfer to the City of Des Plaines

Police Pension Fund, which equates to \$1,863.48. Upon review, Trustee Szczerbinski made a motion to accept these payments in full, recognize the transfer as having been paid in full and acknowledge Officer Tangorra's adjusted date of hire from May 29, 2018 to September 19, 2013. Trustee Muehlenbeck seconded the motion and the motion carried by roll call vote.

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

Approve Brian Maresco Purchase of Military Service. Officer Brian Maresco effectuated a military service buyback for 24 months of military service. The total amount due to the Pension Fund for this buyback equaled \$27,809.30. Officer Maresco remitted payment in full for his buyback on November 12, 2019 via cashier's check. Upon review, Trustee Muehlenbeck made a motion to accept Officer Maresco's military buyback, acknowledge that such buyback has been paid in full and affirm that Officer Maresco's date of hire shall be revised from January 4, 2017 to January 4, 2015. Trustee Szczerbinski seconded the motion and the motion carried by roll call vote.

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

Approval of 2020 Meeting Dates. The following dates were considered for the Pension Board's 2020 regular meetings, to begin at 9:00 AM and take place in Room 101 of City Hall:

February 11, 2020
April 14, 2020
June 9, 2020
August 11, 2020
October 13, 2020
December 8, 2020

Upon discussion Trustee Muehlenbeck made a motion to accept these dates as the Board's 2020 regular meetings dates and Trustee Neil seconded the motion. The motion carried by unanimous voice vote.

FINANCIAL REPORT:

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

Review of Fund's Portfolio / Asset Allocation.

Consultant McShane began his presentation with a general overview of global market conditions and then continued with a discussion as to market outlooks.

Consultant McShane confirmed all investment actions taken since the Board's October meeting.

The Board then proceeded to review their asset allocations and discuss cash flow needs. The Board determined all cash flow needs over the coming months will be met.

With respect to overall returns and positions, as of November 30, 2019 the Fund currently holds 75.9 million dollars in invested assets. The Fund is slightly overallocated in cash. Year to date the Fund is up 17.67 versus the 15.91 benchmark. Since inception the Fund has generated a 6.70 return (net of fees) versus the 6.36 benchmark.

The Board reviewed its unrealized gains and losses since inception and confirmed the Fund continues to take less risk and receive greater overall return relative to the benchmark.

Consultant McShane went on to review the Fund's equities and fixed income manager performance. Year to date Great Lakes, SG Capital, Cohen & Steers and Amerifunds have added value to the Fund.

Consultant McShane then provided a greater detailed look at the Fund's cash position. Presently the Fund sits a bit overallocated in cash. Based upon contemplated benefit payments and early 2020 tax levy receipts the Fund is in a good cash management position. As such, upon Consultant McShane's recommendation Trustee Szczerbinski made a motion to take 500K from the Fund's cash account and place it with the Hamilton Garcia government credit index. Trustee Mierzwa seconded the motion and the motion carried by roll call vote.

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

Finally, Consultant McShane provided an in depth discussion as to the Fund's ETF position. Consultant McShane review the Fund's SPDR S&P 500 ETF relative to the Vanguard 500 Mutual Fund. A comparison was drawn between returns, expense ratios and total assets. Upon review and Consultant McShane's recommendation, Trustee Szczerbinski made a motion to exchange the SPDR S&P 500 ETF for the Vanguard 500 Mutual Fund. Trustee Mierzwa seconded the motion and the motion carried by roll call vote.

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

Consultant McShane concluded his report with the dissemination of his updated investment contract for signature.

PUBLIC COMMENT: None.

CONTINUING EDUCATION:

The Pension Board reviewed its continuing education training requirements and training options for 2019. All Trustees have successfully undergone their requisite training for the year.

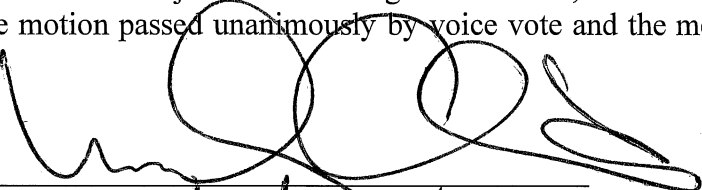
EXECUTIVE SESSION: None.

ADJOURNMENT:

A motion was made by Trustee Muelenheck to adjourn the meeting at 10:15 AM, and the motion was seconded by Trustee Neil. The motion passed unanimously by voice vote and the meeting adjourned at 10:15 AM.

Respectfully Submitted:

Date Approved:



02/11/2020

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

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