

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

A regular meeting of the Des Plaines Police Pension Board was held on Tuesday, February 11, 2020 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 Robert Muehlenbeck, Trustee Robert Neil.

ABSENT: Oscar Szczerbinski.

ALSO PRESENT: Also present were Investment Consultant Thomas McShane, City Finance Director Dorothy Wisniewski, and Board Attorney Laura J. Goodloe.

APPROVAL OF PRIOR MEETING MINUTES:

The Pension Board reviewed the minutes of its December 10, 2019 regular meeting. A motion was made by Trustee Mierzwa and seconded by Trustee Neil to approve the minutes as written. The motion carried by unanimous voice vote.

APPROVAL OF DISBURSEMENTS:

The Pension Board reviewed the list of disbursements as presented in Warrant List 77, which totaled \$11,092.62. Trustee Mierzwa made a motion to approve Warrant list 77 as presented and Trustee Neil seconded the motion. The motion carried by roll call vote.

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

NAYS: None.

ABSENT: Oscar Szczerbinski.

BOARD'S ATTORNEY REPORT:

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

OLD BUSINESS: None.

NEW BUSINESS:

Application for Membership from Officer Thomas Cullota. Officer Cullota entered service on 1/4/20 and is a Tier 2 member. Trustee Chiaro made a motion to accept Officer Thomas Cullota into the Des Plaines Police Pension Fund. Trustee Muehlenbeck seconded the motion and the motion carried by unanimous voice vote.

Application for Membership from Officer Megan Hecht. Officer Hecht entered service on 1/4/20 and is a Tier 2 member. Trustee Chiaro made a motion to accept Officer Megan Hecht into the Des Plaines Police Pension Fund. Trustee Muehlenbeck seconded the motion and the motion carried by unanimous voice vote.

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

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

NAYS: None.

ABSENT: Oscar Szczerbinski.

FOIA Request and Response. The Pension Board received a FOIA request from Institutional Shareholder Services, Inc. (ISS). The Pension Board responded to this request on December 16, 2019. No further action is needed at this time.

New Training Reduction & Transition Training. The Pension Board discussed new changes to annual trustee training.

Approval of Annual Benefit Increases (COLA). Upon review of the calculation worksheet prepared by L&A containing all annual cost of living increase adjustments for the Fund's beneficiaries, Trustee Mierzwa made a motion to approve the annual COLA adjustments. Trustee Neil seconded the motion and the motion carried by roll call vote.

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

NAYS: None.

ABSENT: Oscar Szczerbinski.

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 and recap of wealth management perspectives and then continued with a discussion as to market outlooks.

Consultant McShane went on to provide an in-depth review of the Fund's current asset allocations and portfolio returns over both short and long term periods. Upon review and discussion as to current allocations, Consultant McShane did not recommend making any changes at this time.

As of December 31, 2019 the Fund held approximately 76.5 million dollars in invested assets. With respect to returns, the Fund experienced a 19.47% one year return. The Fund was up 7.85%, 5.79% and 7.08% for its three, five and seven year returns respectively.

The Fund continues to hold an unrealized gain of 39.1 million (net of fees) and the Fund's overall investment platform has received greater return and taken slightly less risk than the benchmark.

Consultant McShane reviewed cash flow needs for the upcoming months with the Board. The Fund currently pays out approximately 712K in benefits and expenses per month. Upon review of the projected COLA increases and expenses Consultant McShane recommended increasing cashflow to 715K per month. Trustee Neil made a motion to increase the Fund's cashflow to 715K per month and Trustee Muehlenbeck seconded the motion. The motion carried by roll call vote.

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

NAYS: None.

ABSENT: Oscar Szczerbinski.

PUBLIC COMMENT: None.

CONTINUING EDUCATION:

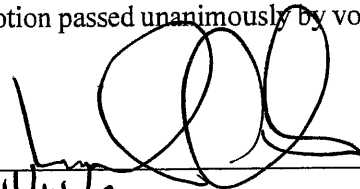
The Pension Board reviewed its continuing education training status, requirements and training options for 2020.

ADJOURNMENT:

A motion was made by Trustee Muehlenbeck to adjourn the meeting at 9:35 AM, and the motion was seconded by Trustee Mierzwa. The motion passed unanimously by voice vote and the meeting adjourned at 9:35 AM.

Respectfully Submitted:

Date Approved:



4/14/2020

The next regular meeting of the Des Plaines Police Pension Board is scheduled for April 14, 2020 at 9:00 AM.

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