

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE  
DES PLAINES POLICE PENSION FUND  
August 18, 2020**

A rescheduled regular meeting of the City of Des Plaines Police Pension Board was held on Tuesday, August 18, 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 9:12 AM.

**ROLL CALL:**

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

**ABSENT:** Robert Neil.

**ALSO PRESENT:** Also present were annuitant Wendall Whitted, Investment Consultant Thomas McShane, Cook Castle Consultant Greg Kiesewetter, Board Attorney Laura Goodloe and member of the public Gar Chung.

**APPROVAL OF PRIOR MEETING MINUTES:**

The Pension Board reviewed the June 9, 2020 regular meeting minutes. A motion was made by Trustee Mierzwa and seconded by Trustee Szczerbinski 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 Muehlenbeck

**NAYS:** None.

**ABSENT:** Robert Neil.

**APPROVAL OF DISBURSEMENTS:**

The Pension Board reviewed the list of disbursements as presented in Warrant List #80, which equaled \$12,944.83. Trustee Szczerbinski made a motion to approve Warrant list #80 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 Muehlenbeck.

NAYS: None.  
ABSENT: Robert Neil.

**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:**

*2020 Annual Disability Re-Evaluations.* A re-evaluation packet was sent out to one disabled pensioner who remains under age fifty. Pursuant to Board Rules and Regulations the pensioner was to submit a certificate of disability for 2020 re-evaluation purposes. Jason Roszkowiak timely completed his re-evaluation packet and submitted a certificate from his treating provider. No further action is required at this time.

**NEW BUSINESS:**

*Approval of Lauterbach & Amen Balances Sheets for May and June 2020.* The Pension Board reviewed Lauterbach & Amen balance sheets for May and June 2020. Trustee Mierzwa made a motion to approve the May and June 2020 balance sheets and Trustee Szczerbinski seconded that motion. The motion carried by roll call vote.

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

NAYS: None.

ABSENT: Robert Neil.

*FOIA Request & Response.* On July 21, 2020 the Board received a FOIA request from Zack Cziryak of Fin-News. The Board fully responded to that request. No further action is needed.

On July 17, 2020 Michael Cichero sent an email to the Police Pension Office requesting “a list of police disability pension payouts.” Board Counsel followed up with Mr. Cichero for clarification as to his request on July 22, 2020. She did not receive a response. Thereafter on August 7, 2020 she submitted a list of current disabled pensioners and their annualized pensions. There have been no further communications from Mr. Cichero.

*Retirement of Officer Michael Meyer.* Patrol Officer Michael Meyer filed an application for a retirement pension. He is a Tier 1 member who entered service on 05/06/98. He obtained twenty-two years of creditable service with a retirement date of 07/06/20 and effective date of pension of 07/07/20. His salary attached to rank as of his date of retirement is \$111,313.00 and his initial monthly pension benefit shall be \$5,101.85, 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 Meyer's retirement pension application and Trustee Muehlenbeck seconded the motion. The motion carried by roll call vote.

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

NAYS: None.  
ABSENT: Robert Neil.

*Retirement of Officer Jeffery Devereaux.* Patrol Officer Jeffery Devereaux filed an application for a retirement pension. He is a Tier 1 member who entered service on 12/03/90. He obtained twenty-nine years of creditable service with a retirement date of 07/31/20 and effective date of pension of 08/01/20. His salary attached to rank as of his date of retirement is \$105,950.00 and his initial monthly pension benefit shall be \$6,401.15, 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 Mierzwa made a motion to approve Officer Devereaux's retirement pension application and Trustee Muehlenbeck seconded the motion. The motion carried by roll call vote.

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

NAYS: None.

ABSENT: Robert Neil.

*Presentation from Greg Kiesewetter from Cook Castle on Fiduciary Liability Insurance Renewal.* Greg Kiesewetter of Cook Castle presented a renewal quote for fiduciary liability insurance. During his presentation he conferred with the Board as to coverage and liability limitations. Upon review and discussion Trustee Chiaro made a motion to renew the Fund's 2 million-dollar Euclid Specialty Vanguard Fiduciary liability Insurance Policy for the premium of \$11,896.00 (just under a 2% increase in premium due to growth in assets by close to 19%), to run from 09/1/20 to 09/01/21. 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 Muehlenbeck.

NAYS: None.

ABSENT: Robert Neil.

*IDOI Audit Finalization.* The Board discussed lingering items pertaining to its recent audit by the DOI and confirmed all remedial action has been taken to rectify former issues cited by the IDOI. No further action is needed.

*Finalization of Annual Report.* Upon review and discussion Trustee Chiaro made a motion to approve the Fund's IDOI Annual Statement for the period ending 12/31/19 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 Muehlenbeck.

NAYS: None.

ABSENT: Robert Neil.

*Approval of Municipal Compliance Report.* Upon review and discussion Trustee Szczerbinski made a motion to approve the Fund's IDOI Annual Statement for the period ending 12/31/19 and Trustee Muehlenbeck seconded the motion. The motion carried by roll call vote.

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

NAYS: None.  
ABSENT: Robert Neil.

*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 provided an explanation as to the effect easing interest rates have had on asset class inflation. He then discussed with the Board the GIC Weekly.

Bringing the Board's attention to the Fund's July 31<sup>st</sup> performance report, Consultant McShane reviewed the Fund's current and target allocations with the Board. As of the reporting period the Fund was underallocated in cash, slightly underallocated in equities and overallocated in fixed income relative to current target.

With respect to cashflow needs, Consultant McShane reported the Fund received 828K in tax levy receipts in July and the Fund held 1.9 million in cash as of the meeting date. Because cash flow needs were being met and were projected to continue to be met no changes were needed.

With respect to the Fund's status and performance, as of the meeting date the Fund sat at 79.3 million dollars in invested assets, which was up relative to what was contained in the July performance report. With respect to returns, the Fund's one year return was up 5.90 versus the 5.01 benchmark. Quarter to date the Fund was up 3.46. Since inception the Fund is up 6.53 versus the 6.13 benchmark. Since inception the Fund has generated an unrealized gain of 38.6 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.

With respect to the current buy orders in place, Consultant McShane recommended keeping them as is. Therefore, no changes were made.

**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 Chiaro to adjourn the meeting at 10:12 AM, and the motion was seconded by Trustee Mierzwa. 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 Muehlenbeck.  
NAYS: None.  
ABSENT: Robert Neil.

Respectfully Submitted: \_\_\_\_\_  
Date Approved: \_\_\_\_\_

The next regular meeting of the Des Plaines Police Pension Board is scheduled for October 13, 2020 at 9:00 AM.

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