

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF
THE DES PLAINES POLICE PENSION FUND**

April 12, 2016

A regular meeting of the Des Plaines Police Pension Board was held on Tuesday, April 12, 2016 at 9:00 AM, at City Hall located at 1420 Miner Street in Room 101, 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 Robert Muehlenbeck, Trustee Jeffrey Rotkvich, Secretary Robert Neil.

ABSENT: Trustee Oscar Szczerbinski.

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

APPROVAL OF PRIOR MEETING MINUTES: The Pension Board reviewed the minutes of the February 9, 2016 regular meeting. A motion was made by Secretary Neil and seconded by Trustee Muehlenbeck to approve the minutes as written. Motion carried by unanimous vote.

APPROVAL OF DISBURSEMENTS: The Pension Board reviewed the list of disbursements as presented in Warrant List 56, which equaled \$37,403.09. Trustee Rotkvich made a motion to approve Warrant list 56 as presented and seconded by Trustee Muehlenbeck. Motion carried by roll call vote.

AYES: Trustee Rotkvich, President Chiaro, Secretary Neil, and Trustee Muehlenbeck

NAYS: None

ABSENT: Trustee Szczerbinski

BOARD'S ATTORNEY REPORT: Counsel for the Pension Board provided a legal update and discussed recent court decisions.

Counsel also discussed the proposal by Kehoe Law Firm, P.C. and Bleichmar Fonti Auld LLP's to institute a class action securities litigation suit against ComScore, Inc. The proposers sought to make the Des Plaines Police Pension Fund a lead plaintiff in a lawsuit pertaining to the Board's prior purchase of ComScore, Inc. shares. Counsel and the Pension Board's investment consultant, Thomas McShane, discussed the proposal at length with the Board, including the underlying investment in ComScore, Inc., as well as the estimated costs and time associated with becoming a lead plaintiff in a securities litigation suit when compared to the potential award of damages should there be a favorable outcome. At the conclusion of the discussion the Pension Board chose not to take any formal action as to the matter.

OLD BUSINESS:

Disability Application of Sergeant Jeffrey Rotkvich Update. Counsel for the Pension Board discussed the status of the pending disability matter. A hearing on Rotkvich's disability claim is scheduled for Tuesday, April 19, 2016 at 9:00 AM.

Annual Affidavits. There remain four outstanding affidavits. A second notice has been sent out to each of the four pensioners. A follow up will be provided at the Board's next meeting.

NEW BUSINESS:

Application for Membership by Officer Daniel C. Alonso: Officer Alonso is a Tier II Member with a date of hire of February 16, 2016. A motion was made by Trustee Rotkvich and seconded by Secretary Neil to accept Officer Alonso into the Pension Fund. Motion carried by unanimous vote.

Application for Membership by Officer Nicole D. Martin: Officer Martin is a Tier II Member with a date of hire of February 16, 2016. A motion was made by Trustee Rotkvich and seconded by Secretary Neil to accept Officer Martin into the Pension Fund. Motion carried by unanimous vote.

Application for Membership by Officer James G. Martinez: Officer Martinez is a Tier II Member, with a date of hire of February 16, 2016. A motion was made by Trustee Rotkvich and seconded by Secretary Neil to accept Officer Martinez into the Pension Fund. Motion carried by unanimous vote.

Death of Surviving Spouse Sally Adams: Ms. Adams passed away on March 22, 2016. A relative of Ms. Adams notified the Pension Board as to her death. Board Accountants Lauterbach & Amen unsuccessfully attempted to send a pro-rated check to Ms. Adams estate. Lauterbach & Amen will follow up with the estate and attempt to rectify this matter.

Statements of Economic Interest Required Filing: A list of all Board members was submitted on February 3, 2016. All members are required to file their statements of economic interest on or before May 1, 2016.

Election for Active & Retired Board Members: Nominations for the retiree trustee position were sent out. Two nominations were received in response. Election ballots have been sent out and are due back by April 23, 2016.

Nominations for the active trustee position were also sent out. Three nominations were received in response. Election ballots have been sent out and are due back by April 23, 2016.

Annual Required Continuation of Disability Letters: There presently are four (4) disabled pensioners under age 50 who, pursuant to 40 ILCS 5/3-115, are required to be re-evaluated on an annual basis for purposes of verifying each individual's continuance of disability.

On April 1, 2016 notice was sent to each disabled pensioner, asking each to submit a continuation of disability letter back to the Pension Board. This matter is tabled for a status update at the Board's next regular meeting.

Carol Dougherty retro-active retirement pension increase: Carol Dougherty retired approximately three months ago during the pendency of labor contract negotiations. In the wake of the City and Police Department's labor contract's finalization, Dougherty is to receive an increase in her salary plus longevity. The Pension Fund will be issuing her retroactive payment and make future payment adjustments accordingly. The City will be providing her with a status form.

Mayoral Trustee Appointments: Vice President Muehlenbeck & Secretary Robert Neil's positions are up for re-appointment. A recommendation for Muehlenbeck's & Neil's re-appointment was presented at the City's last council meeting. Muehlenbeck & Neil's re-appointment is anticipated to be approved at the City's next council meeting, to take place on April 18, 2016.

Status as to Annual Statement Preparation and Filing with IDOI: The Board's accountants, Lauterbach & Amen, are actively working on the preparation and finalization of the Board's IDOI annual statement. The Annual Statement is due June 30, 2016. This matter is tabled for a status update and possible action at the Board's next regular meeting.

Status as to Annual Audit: The Board's annual audit is being processed. The annual audit statement is due June 30, 2016. This matter is tabled for a status update and possible action at the Board's next regular meeting.

APPROVAL OF LAUTERBACH & AMEN BALANCE SHEETS FOR JANUARY & FEBRUARY 2016: The Pension Board reviewed Lauterbach & Amen monthly financial reports for January and February 2016. Trustee Muehlenbeck made a motion to approve monthly balance sheets for January and February 2016 and seconded by Trustee Rotkvich. Motion carried by roll call vote.

AYES: Trustee Rotkvich, President Chiaro, Secretary Neil, and Trustee Muehlenbeck

NAYS: None

ABSENT: Trustee Szczerbinski

FINANCIAL REPORT:

The Pension Board and its Investment Consultant, Thomas McShane, reviewed the Fund's portfolio and current asset allocation. After discussion no changes were made to the Fund's current asset allocation.

With respect to investment activity the Board's Investment Consultant updated the Pension Board as to the following: At present, the portfolio is up quarter to date 1.65 to 2.15 benchmark. Since inception the Fund is up 6.56 compared to the 5.93 benchmark. In terms of one month activity, the Fund is up 4.67 compared to the 5.48 benchmark. Net contributions and withdrawals were also reviewed and discussed. Overall, the Fund's 3,

5, 7, and 10 year returns provided returns in excess of what has been available in the market place. The Fund's total current assets were discussed and reviewed and sit at \$62,843,259.17.

In terms of cash flow analysis, Thomas McShane indicated the fund is currently over allocated in cash, which provides approximately a five (5) month bubble for payout in benefits. As such, cash flow management needs are being met at this time and no additional action needs to be taken.

PUBLIC COMMENT: None.


CONTINUING EDUCATION: Continuing education options for board members were discussed and reviewed. At present Trustee Szczerbinski is required to undergo his initial 32 hour certified trustee training.

EXECUTIVE SESSION: None.

ADJOURNMENT: A motion was made by President Chiaro and seconded by Trustee Neil to adjourn the meeting. Motion carried by unanimous vote.

Respectfully Submitted:

Date Approved:



MAY 26, 2016

The next regular meeting of the Des Plaines Police Pension Board is scheduled for June 14, 2016 at 9:00 AM in Room 101.

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