

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE
DES PLAINES POLICE PENSION FUND
December 13, 2016**

A regular meeting of the Des Plaines Police Pension Board was held on Tuesday, December 13, 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 9:03 AM.

ROLL CALL:

PRESENT: President Nicholas Chiaro, Secretary Robert Neil, Trustee Chris Mierzwa.

ABSENT: Trustee Oscar Szczerbinski, Trustee Robert Muehlenbeck

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 October 11, 2016 regular meeting. A motion was made by Trustee Mierzwa and seconded by Trustee Neil 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 59, which equaled \$36,473.19. Trustee Neil made a motion to approve Warrant list 59 as presented and the motion was seconded by Trustee Mierzwa. Motion carried by roll call vote.

AYES: President Nicholas Chiaro, Secretary Neil, Trustee Chris Mierzwa,

NAYS: None

ABSENT: Trustee Oscar Szczerbinski, Trustee Robert Muehlenbeck

BOARD'S ATTORNEY REPORT:

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

Record Retention. The Pension Board's accountants advised it that they will no longer be maintaining paper copies of financial statements and requested guidance as to how the Board would like to proceed. Based upon legal counsel's reliance on the Record Retention Act the Board opted to take possession of such records. The Fund has petitioned the Local Records Commission and received certification for the disposal of such records.

Hobfoll Demand Letter. The Pension Board brought to Attorney Goodloe's attention an outstanding credit due to the Pension Board. Dr. Hobfoll's office had previously provided medical services with respect to a medical evaluation for one of the Pension Fund's disabled pensioners. Dr. Hobfoll's office had indicated to prior legal counsel that \$1,700 of the evaluation's pre-payment had not been used and therefore a reimbursement was due. To date the

Pension Board has not received such refund. Attorney Goodloe was instructed to contact this provider's office and request this reimbursement.

OLD BUSINESS

Faust. This disability application remains pending before the Pension Board. Legal counsel advised the Board that she is waiting on a response to a supplemental subpoena issued directly to the City's Police Department. Upon retention of those records the Board will be in a position to schedule Mr. Faust for this statutory IMEs.

Review of Administrative Rules & Regulations. The Pension Board took the opportunity to review the proposed administrative rules and regulations. The Board reviewed a number of rules that help to fill gaps in the pension code in order to ensure effective and efficient administration of the Pension Fund. Upon review, President Chiaro made a motion to approve the proposed Administrative Rules and Regulations as presented and secretary Neil seconded the motion. The motion carried unanimously.

Review of Steven Birch's Request to Purchase Military Service. As of the meeting this matter remained pending and is tabled for further future action.

Review of Daniel Alonso's Request to Purchase Military Service. As of the meeting this matter remained pending and is tabled for further future action.

NEW BUSINESS:

2017 Pension Board Meeting Dates. The Des Plaines Police Pension Board's 2017 regular meetings will take place on the following dates in room 101 of City Hall at 9:00 AM:

- February 14, 2017
- April 11, 2017
- June 13, 2017
- August 8, 2017
- October 10, 2017
- December 12, 2017

Death of surviving spouse Cascino. Surviving spouse Cascino passed away on November 13, 2016. The Pension Board's accountants were advised of this death. Leaving no additional survivors or beneficiaries the pension has been paid out to the fullest extent under the law and no further action shall be taken.

APPROVAL OF BALANCE SHEETS:

The Pension Board reviewed Lauterbach & Amen balance sheets for September, October and November 2016. Trustee Mierzwa made a motion to approve September, October and November 206 balance sheets and Trustee Neil seconded that motion. Motion carried unanimously.

FINANCIAL REPORT:

Review of Fund's Portfolio / Asset Allocation. Consultant McShane reviewed with the Pension Board the Fund's targets and indicated that the current allocation is positioned by design to withstand rising interest rates.

With respect to the Fund's performance Consultant McShane indicated that the Fund is up 1.69 net of fees as of 12/9/16 and sits at \$65,322,437.86. Consultant McShane reviewed with the Board its management activity and long term investment returns.

Consultant McShane also provided a recap on the market outlook and reviewed wealth management perspectives.

Overall Consultant McShane believes the fund to be in a good position and did not provide any recommendations for changes.

Cash Flow analysis. Consultant McShane reviewed with the Pension Board its cash flow needs through February 2017. It was determined that no changes cash flow changes were necessary at this time.

PUBLIC COMMENT: None.

CONTINUING EDUCATION:

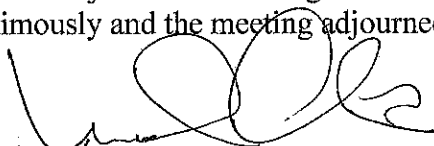
The Pension Board reviewed its current continuing education training status for 2016. President Chiaro and Trustee Muehlenbeck received two (2) additional training hours since last regular meeting. Trustees Mierzwa and Szczerbinski successfully underwent their thirty-two (32) certified trustee training course. President Chiaro and Trustee Muehlenbeck will obtain their final two training hours prior to the end of 2016. All Trustees will then have successfully completed with continuing education requirements for 2016.

ADJOURNMENT:

A motion was made by Secretary Neil to adjourn the meeting at 10:22 AM, and seconded by Trustee Mierzwa. Motion passed unanimously and the meeting adjourned at 10:22 AM.

Respectfully Submitted:

Date Approved:



2/14/2017

The next regular meeting of the Des Plaines Police Pension Board is scheduled for February 14, 2017 at 9:00 AM.

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