

Meeting Minutes - December 11, 2012

A Regular Meeting of the Board of Trustees of THE DES PLAINES POLICE PENSION BOARD was held on Tuesday, December 11, 2012 at 9:00 AM at City Hall located at 1420 Miner Street, in Room 101, Des Plaines, IL pursuant to notice, a copy of which is attached to their minutes.

Call to Order – The meeting was called to order at 9:05 a.m. in room 101 of the Des Plaines City Hall, 1420 Miner Street, Des Plaines, Illinois.

Roll Call – Chairman Chiaro, and Trustees Muehlenbeck, Neil and Rotkvich were present. Trustee Niemann was absent. Also present were annuitant Wendall Whitted, City Treasurer, Dorothy Wisniewski, Investment Consultant Tom McShane and the Board's attorney, Camille Cribaro-Mello.

Approval of Prior Meeting Minutes – A motion was made by Trustee Rotkvich, seconded by Chairman Chiaro, to approve the minutes of the October 9, 2012 meeting. The motion passed by unanimous vote.

Approval of Disbursements – A motion was made by Trustee Neil, seconded by Trustee Muehlenbeck, to approve the Disbursements in the amount of \$60,344.49 as set forth on Warrant List #36. On a roll call vote, all members in attendance voted in favor and the motion passed.

Board's Attorney Report – Attorney Cribaro-Mello discussed the training certificates provided to the board members for their attendance and participation in the meetings in the past year. The Board was advised of legislation pending in the Illinois legislature that would lessen the training requirements for trustees. Cribaro-Mello updated the Board regarding Matthew Hicks' appeal. The Board's decision was upheld by the Circuit Court and Hicks has appealed. A copy of Hicks' brief was provided for the Board and the brief on behalf of the Board will be filed on December 13, 2012. Eleanor Ventimigla has also filed a notice of appeal regarding her request for surviving spouse benefits, which was denied by the

Board and upheld on administrative review. At present, Ventimigla does not have an attorney, so no further action will likely occur unless she obtains an attorney.

Attorney Cribaro-Mello discussed the recent case *Hoffman v. Orland Park Fire Pension Board*, recently decided by the appellate court.

Old Business

- The Board accepted the application for retirement from Deputy Chief Angela Burton. Burton started with the department on September 26, 1988 and retired effective October 16, 2012. Her monthly pension has been calculated in the amount of \$6,490.80. The pension amount has been verified by the Treasurer and the Board accountants.
- The board was advised that Officer Hutson would not proceed to purchase creditable service for his military time served.
- The Board discussed the request by Lauterbach and Amen to enclose information with the pension check mailing regarding the tax preparation service offered by Lauterbach and Amen.

New Business

- The Board established its meeting dates for 2013 as follows: February 12, April 9, June 11, August 13, October 8, and December 10.
- The Board reviewed the municipal compliance report previously provided to the City and also reviewed the actuarial report prepared by Lauterbach and Amen. Certain discrepancies in these reports will be discussed by the Treasurer with Lauterbach and Amen.
- The Board reviewed the levy request submitted to the Mayor and City Counsel and discussed the tax levy for 2013.
- The Board discussed the trustee election for the position currently held by Dan Niemann scheduled for April 2013. The Board also discussed the upcoming municipal elections.

- The Recording Secretary advised the Board that annual affidavits were in the process of being sent out to all fund beneficiaries.

Approval of Lauterbach & Amen Balance Sheets for September and October 2012 - A motion was made by Trustee Neil, seconded by Trustee Muehlenbeck, to approve the Lauterbach & Amen balance sheets for September and October 2012. The motion passed by unanimous vote.

Financial Report - Tom McShane reviewed the pension fund performance for the period ending November 20, 2012. The total fund balance was \$56,459,585 comprised of \$26,992,465 in fixed income; \$19,403,207 in U.S. equity; \$9,046,625 in international mutual funds; and \$1,017,287 in cash. The Board reviewed the current allocations among the investments and reviewed several investment allocation scenarios presented by McShane.

A motion was made by Chairman Chiaro, seconded by Rotkvich, based on the new flexibility within the Pension Code to invest up to 65% in equity and, based on the recommendation of McShane which was endorsed by the Treasurer, to modify the Board's long-term investment strategy to move toward the investment allocation of 60% equity and 40% fixed income. On a roll call vote, all members in attendance voted in favor and the motion passed.

McShane tendered an updated investment policy to the Board's attorney for review.

Executive Session - No Executive Session was needed.

Adjournment - A motion was made by Trustee Neil, seconded by Trustee Muehlenbeck, to adjourn the meeting at 11:12 a.m. The motion passed by unanimous vote.

The meeting adjourned at 10:25 a.m.