

## Meeting Minutes - December 8, 2009

A regular meeting of the Board of Trustees of THE DES PLAINES POLICE PENSION BOARD was held on Tuesday, December 8, 2009 at 9:00AM at City Hall, 1420 Miner Street, in Room 101, pursuant to notice, a copy of which is attached to their minutes.

### **CALL TO ORDER BY PRESIDING OFFICER**

President Nicholas Chiaro called the meeting to order at 9:17AM.

### **ROLL CALL**

Upon roll call the following answered:

Present: President Nicholas Chiaro, Secretary Larry Marks, Trustee Daniel Niemann, Trustee Robert Neil

Absent: Vice Pres. Robert Muehlenbeck

Also Present: Finance Director Dorothy Wisniewski, Annuitant Wendall Whitted, Annuitant James Roel, Tom McShane of Graystone Consulting/MSSB, Attorney Camille Cribaro-Mello of RSNL&T, Becky Davis of Lauterbach and Amen

### **APPROVAL OF MINUTES**

**A motion by Neil, seconded by Marks, to approve as presented, the minutes from the October 13, 2009 meeting. Motion unanimously carried.**

### **APPROVAL OF DISBURSEMENTS**

The Board reviewed the disbursements on Warrant list #18. **A motion by Marks, seconded by Neil, to approve the disbursements as identified in the December 8, 2009 Warrant list #18 totaling \$99,052.21. Roll call vote was taken: Chiaro – aye, Neil - aye, Marks - aye, Niemann - aye. Motion unanimously carried: 4-0.**

## **BOARD ATTORNEY'S REPORT**

- a. Officer J. Roszkowiak Disability Hearing Update: Board Attorney Cribaro-Mello stated that Roszkowiak has completed the required forms and his attorney is in process of collecting and providing the documents and medical records. Cribaro-Mello explained that there will need to be a selection of doctors required and recommended that the board authorize President Chiaro to review and select the doctors who will examine Roszkowiak. Cribaro-Mello will coordinate the scheduling of the exam appointments with Roszkowiak. **A motion by Neil to authorize Chiaro to work with Board Attorney to select the doctors for Roszkowiak's IME, seconded by Marks. Motion unanimously carried.**
- b. Officer R. Niemann Disability Hearing Update: Cribaro-Mello updated the Board on the progress and procedures being taken.
- c. Legal Update: none at this time.
- d. Review of New Court decisions & F.O.I.A. Update: No new court decisions at this time.

Cribaro-Mello reviewed PA 096-0542: regarding F.O.I.A. requirements and changes. The Board must designate a person to successfully complete an annual electronic training curriculum developed and administered by the Public Access Counselor. Thereafter, whenever a public body designates an additional person to receive this training, that person must successfully complete the electronic training curriculum within 30 days after that designation. The requirement for response to a F.O.I.A. request has been shorten from 7 days to 5 days, therefore requiring that the selected person be aware of incoming mail to the pension office. After discussion by the Board, it was determined to designate Chiaro as the best choice for F.O.I.A. officer. **Accepting the designation, a motion by Chiaro to appoint himself as F.O.I.A. officer, was seconded by Marks. Motion unanimously carried.**

## **FINANCIAL REPORT**

Investment Advisor, McShane, reviewed the portfolio report dated 10/31/09 (Exhibit A). The Total Fund Ending Market Value as of 9/30/09 is \$44,962,000. Death Benefit proceeds were received and

allocated. McShane discussed with the Board the results of the combined Fire and Police Investment Committee meeting: their joint recommendation was to choose Lazar Investment Firm as the firm for Emerging Markets. McShane recommended the Police Board to invest \$400,000 initially, with a portfolio goal of 5% in the next six to eight months. After discussion, **a motion by Chiaro to initially invest \$400,000 in Lazar Emerging Markets, allocating funds from the Great Lakes account, with an overall objective to reach a maximum of 5% of the portfolio invested in Lazard Emerging Markets on or before the end of July, 2010; the motion was seconded by Neil. Roll call vote was taken: Chiaro – aye, Neil - aye, Marks - aye, Niemann - aye. Motion unanimously carried.**

Review of Department of Insurance Audit: The Board discussed and reviewed the results of the completed IDOI Audit; the response to the examiner's comments to be written by the Board Attorney Cribaro-Mello. The following is the Board's responses to each item in the Summary of Findings:

1. Board Approved Payment of Expenses: Per Legal Counsel, these have been acceptable and reasonable. The Board Attorney has been authorized by the Board to address any/all items in the letter to the IDOI.
2. Taxes levied and received from the municipality: The Board requests the state actuarial reported amount and the City uses their actuary's number. The amounts shown under the *Municipal Funding Requirements* section will be reviewed for accuracy by the Finance Director Wisniewski.
3. Deductions made in lump sum payments: Discussion regarding the Contributions/Benefits deductions with Wisniewski. There was unused vacation time earned by Officer Lalowski, on which pension contributions were erroneously taken out. The City will advise the pension fund on the amount to be refunded to the city and upon receiving same will reimburse the officer less taxes & FICA. The finding that officers Doherty & Webster were incorrectly charged for pension contributions is being reviewed and will be addressed by the city.
4. Pensioners paid; differs from pension code: Lauterbach and Amen's responded stating that the auditor's calculations were incorrect for Marzano and Rembacz – they are paid correctly and explained why. Wolf is being paid incorrectly (about \$60) due to the fact that the discrepancy was revealed after the 60 day rule to decrease a pension payment.

5. Fiduciary Responsibility reflected in Investment Policy: the Investment Policy was just updated in February, 2009 - it will be reviewed and updated as needed.
6. Membership files: Significant progress has been made over the years on all files. The files will be reviewed and corrective action is in progress.
7. Minutes of board meetings: Corrective action is in progress. *Corporate Records – Missing amounts of refund issued...four certified letters have been sent with no response due to the lack of current addresses available; reasonable attempts have been made. Effective date of retirement for T McAllister...will be reviewed and updated.*

Davis was instructed by the Board to include Tom McShane in the distribution of the monthly Harris Bank account statements.

Annuitant James Roel left the board meeting at 10:38am.

There was discussion by the Board in regard to the Fiduciary responsibility clause for Investment Managers on previous contracts.

Investment Advisor McShane was excused and left the Board meeting at 10:54am.

### **OLD BUSINESS**

The Coalition for Qualified Plan Status was successful in acquiring favorable determination letters for Downstate Police and Fire Pension funds, and was issued by the IRS on 10/21/09. This letter will expire on 1/31/2014; a new determination letter request for the plans will be necessary to file by 2/1/2013.

### **NEW BUSINESS**

- a. Death of Retired Lieutenant Mike Olsen: The Board documented the death of Michael Olsen. Date of Death: 10/9/2009, Date of Entry: 3/25/1974, Date of Retirement: 5/23/1998. No Surviving Spouse.
- b. Death of Retired Police Officer John Stephens: The Board documented the death of John Stephens. Date of Death: 11/27/2009, Date of Entry 3/21/1966, Date of Retirement: 7/31/1994. Dependent minor child, Dylan. Discussion regarding court order versus QILDRO. QILDRO information was sent to Stephens ex-wife,

Eleanor Ventimigla 10/14/09. Beneficiary benefits are suspended until further notice.

- c. Ratification of Purchase of 1 Replacement Laptop Computer: Board approved on Warrant List #18.
- d. Ratification of Purchase of Office Shredder: Board approved on Warrant List #18.
- e. Approval of 2010 meeting Dates: The following dates were presented and agreed upon by the Board for 2010 board meetings: February 9<sup>th</sup>, April 13<sup>th</sup>, June 8<sup>th</sup>, August 10<sup>th</sup>, October 12<sup>th</sup> and December 14<sup>th</sup>. All meetings will take place at 9:00am in Room 101 of City Hall, Des Plaines, IL except for the June meeting, which will be held at 11:00am at the Law Offices of Robbins, Schwartz, Nicholas at 55 W. Monroe St., Suite 800, Chicago, IL 60603 – (312) 332-7760. **A motion by Neil to approve the 2010 board meeting dates of February 9<sup>th</sup>, April 13<sup>th</sup>, June 8<sup>th</sup>, August 10<sup>th</sup>, October 12<sup>th</sup> and December 14<sup>th</sup> was seconded by Chiaro. Motion unanimously carried.**
- f. Review of 2010 Scheduled Pension Benefit Increases: The Board discussed the Lauterbach and Amen report titled: Attachment A, Pension Benefit Increases dated, November, 2009. Amendments were discussed. **A motion by Neil to approve the 2010 Pension Benefit Increases per statute, with amendments including the removal of Mike Olsen (deceased) and the addition of Ralph Tovar, seconded by Chiaro. Motion unanimously carried.**
- g. Resignation of James Ryan Jr.: The Board documented the resignation of James Ryan Jr. Date of Entry 3/1/2002, Date of Resignation: 11/22/2009, total of contributions refunded in the amount of \$61,080.79.
- h. Progress in Updating Officers' Pension files: Membership files are under review; 2010 Annual Affidavit of continued Eligibility, memo to all retirees in regard to interest in serving on the Police Board of Trustees, and, Statement of Candidacy for election forms will be mailed out January 1, 2010.
- i. Review of DOI Audit: *Reviewed above – under Financial Report.*

### **APPROVAL OF LAUTERBACH & AMEN BALANCE SHEETS FOR SEPTEMBER & OCTOBER, 2009**

The Board received and reviewed the Lauterbach and Amen monthly financial reports for September and October, 2009. **A motion by Neil**

**and seconded by Marks, to approve the Lauterbach and Amen monthly financial reports for September and October, 2009. Motion unanimously carried.**

Discussion regarding expenses for training seminar, must be authorized prior to the trip. **A motion by Chiaro to approve Neil's travel and lodging expenses for attendance to the Public Funds Seminar in Scottsdale, AZ, January 6 – 8, 2010 (no registration fees). Roll call vote was taken: Chiaro – aye, Neil - aye, Marks - aye, Niemann - aye. Motion unanimously carried.** Discussion regarding the IPPFA Regional Seminars being offered. Board members received the IPPFA Regional Seminar schedule and will make arrangements to attend, submitting registration expenses for reimbursement.

Cribaro-Mello will research if additional certification hours can be counted due to consistent Board Attorney attendance and education received at board meetings. This item will be **TABLED until next meeting.**

Copies of the Municipal Compliance Report from Lauterbach and Amen dated, 12/31/2008, were distributed for review by the Board.

### **ADJOURNMENT**

**Motion by Neil and seconded by Chiaro to adjourn the meeting at 11:32 AM. Motion unanimously carried.**

Respectfully submitted,

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Nicholas Chiaro, President

Approved by the Board of Trustees on \_\_\_\_\_ (date).

*Minutes prepared by Becky Davis, Professional Services Administrator, on 12/10/09.*