

Meeting Minutes - February 11, 2014

1. Call to Order – the meeting was called to order at 9:01 a.m. in room 101 at City Hall, 1420 Miner Street, Des Plaines, Illinois.
2. Roll Call – Chairman Chiaro and Trustees Rotkvich, Neil and Treantafelis were present. Trustee Muehlenbeck was absent. Also present were pensioner Wendall Whitted, Finance Director Dorothy Wisniewski, Investment Consultant Tom McShane and Board Attorney Camille Cribaro-Mello.
3. Approval of Minutes – There was a motion by Chairman Chiaro, seconded by Trustee Neil to approve the minutes of the meeting from December 10, 2013. All voted in favor of the motion.
4. Approval of Disbursements – The Board reviewed Warrant List #43 indicating expenditures in the amount of \$7,456.83. There was a motion by Trustee Neil, seconded by Trustee Rotkvich to approve payment of the disbursements noted on Warrant List #43. A roll call vote was taken and all members present voted in favor of the motion.
5. Board's Attorney Report - Attorney Cribaro-Mello updated the Board regarding the Appeal by Eleanor Ventimiglia and the case status regarding former Officer Veit. Attorney Cribaro-Mello then discussed the Board's fiduciary obligation for a procedure to independently verify the disability status of officers who are under age 50 and have continued to receive a disability pension for more than ten years. The Board discussed the fact that it frequently receives Certification of Disability Status forms submitted by the recipients and that these forms provide no information about on-going treatment or symptoms. The Board discussed the current disability recipients who would fall into this category. There was a motion by Trustee Neil, seconded by Trustee Treantafelis, to authorize the Board's attorney to identify appropriate doctors to conduct an independent evaluation of those disability recipients for purposes of the annual evaluation. All voted in favor of the motion.

6. Old Business - The Board was advised that two officers, Curtis Miller and Michael Chapman are in the process of completing military buy back requests.

7. New Business –

- The Board discussed a FOIA request it received and responded to regarding pensioner William Prim.
- The Board discussed a mailing that was included by Lauterbach & Amen in recent pension checks regarding tax preparation services.
- The Board reviewed the training records for board members and noted that all members met their annual training requirements, including FOIA training.
- The Board discussed the upcoming trustee election for Chairman Chiaro's position.
- The Board received an update on the progress of collecting annual affidavits from fund participants.
- The recording secretary advised the Board that all pension files have been scanned and a copy of the pension files was tendered to the Board's attorney for off-site storage. The recording secretary also advised the Board that a file back-up system was being investigated.

8. Approval of Lauterbach & Amen balance sheets for November and December, 2013 – A motion was made by Trustee Rotkvich, seconded by Trustee Neil to approve the balance sheets prepared by Lauterbach & Amen for November and December, 2013. A roll call vote was taken and all members voted in favor of the Motion.

9. Investment Performance Report - Tom McShane reviewed the pension fund performance for the period ending December 31, 2013. The total fund balance was \$62,154,226, reflecting an increase of 12.96% for calendar year 2013. The Board commended the results and also recognized McShane's eighteen years of service to the Pension Fund. The Board reviewed current cash flow needs and determined that funds needed to be liquidated until tax receipts were received. A motion was made by

Chairman Chiaro, seconded by Trustee Rotkovich to move \$500,000 from McDonnell/fixed income manager to cash in order to cover pension disbursements. A roll call vote was taken and all voted in favor of the Motion.

McShane then discussed the market outlook for 2014 and reviewed the current investment allocations. McShane recommended that the Board consider investment in an international mutual fund and McShane provided an analysis of six international mutual fund managers and their performance over the last ten years. Upon consideration of this information, McShane recommended the Board consider investing in Oppenheimer International Growth Fund and that its initial investment be \$3,200,000. A Motion was made by Trustee Neil, seconded by Trustee Rotkovich to move \$1,000,000 from Lazard and \$2,200,000 from the S&P 500 Index fund to Oppenheimer International Growth Fund. A roll call vote was taken and all voted in favor of the Motion.

McShane also provided the Board a Contract for Chicago Clearing Corporation. The agreement was previously reviewed and approved by the Board's attorney. CCC will monitor class action and shareholder suits and will collect payouts relative to the Board's holdings. CCC will collect a fee of 20% of the amounts collected for the Board. There are no other costs. A Motion was made by Chairman Chiaro, seconded by Trustee Neil to authorize the contract. A roll call vote was taken and all voted in favor of the Motion.

10. Public Comment – None.

11. Executive Session – None.

12. Adjournment – A motion was made by Trustee Treantafelis, seconded by Trustee Neil, to adjourn the meeting at 10:40 a.m. The motion passed unanimously.

The meeting adjourned at 10:40 a.m.