

Meeting Minutes - April 10, 2007

The meeting of the Des Plaines Police Pension Board was called to order by President Chiaro at 9:10 a.m. in Room 101 of City Hall.

Roll Call. Present – Trustees Freeman, Marks, Muehlenbeck, Salas and President Chairro.(5). Absent: None. Also present were board attorneys Mathias Delort and Joseph Perkoski; annuitant Wendall Whitted; Finance Director Robert Simpson; and Board Financial Advisor Thomas McShane.

Approval of Minutes. Motion by Muehlenbeck, seconded by Marks, to approve the minutes of the February 13 and March 20, 2007 meetings. Motion carried by unanimous voice vote.

Disbursements. The board reviewed the proposed disbursements. Motion by Marks, seconded by Freeman, to pay the disbursements as listed, totaling \$11,176.55. Ayes: Trustees Freeman, Marks, Muehlenbeck, Salas and President Chiaro (5). Nays: None. Motion carried, 5 - 0.

Attorney's Report.

SARKIS Case. Attorney Delort advised the board that the City had finally filed its brief in the appellate court after many extensions of time were granted. Further briefing will ensue before the case is ready for argument.

Rozkowiak Disability Application. Attorney Perkoski summarized the past history of this case. It was noted that the parties asked for the case to be held back pending the Supreme Court's decision in the *Marconi* case, but that decision did not definitely resolve whether the three-doctor rule was constitutional, or if it actually required unanimity of the three doctors. A case from North Chicago now pending before the court may resolve those questions. The board was assured that the parties, rather than the board, were holding the case. The case is ready for hearing at the parties' pleasure.

Lalowski Disability Application. The board received correspondence from the City of Sycamore, in response to its subpoena, outlining the termination of Lalowski from that department. The board reviewed information regarding various physicians to examine Lalowski. President Chiaro indicated the qualifications, rather than cost, would be of primary importance in selecting the doctors. The board noted that Dr. D'Agostino would not be available for IMEs for at least six months and that such a delay would not be fair to the application. Motion by Salas, seconded by Marks, to select Drs. Conroe, Harris and Wahlstrom to examine the applicant. Motion carried by unanimous voice vote.

Schroeder Disability Application. Perkoski noted that medical records were coming in quite slowly and that it was premature to select examining physicians in the correct specialty area until the board received clearer information regarding the type of injury and the course of treatment to date.

Recent Cases. Delort summarized a recent appellate court case involving the Village of Addison police pension board, in which the officer suffered a disabling injury while apprehending a suspect in a burglary in progress while off-duty. The court held that the officer was required to respond to crime in progress taking place in his presence and that the injury should be considered to be "on duty" and thus qualify for a 65% pension.

Sudan Legislation. The State of Illinois has asked for an extension of time to appeal Judge Kennelly's ruling striking down the Sudan law pending the resolution of new legislation introduced this year. The new legislation appears to be so similar to the current legislation that it, too, seems likely to be struck down. The board reviewed correspondence sent to Speaker Madigan by several large Illinois public employee pension funds, urging Madigan to stop the bill in the House. McShane asked if the board should take any steps now in response to the new legislation. Delort responded that the legislature is set to adjourn at the end of May and that it would be better to review the final form of any Sudan legislation at that time.

H.E.L.P.S Retiree Act. Attorney Delort noted that many interested parties were awaiting further clarification from the IRS regarding implementation of this law with respect to insurance deductions made for the City's group plan. His office has been in touch with the attorneys for the City's insurance pool to coordinate efforts.

Purchase of Computers. It was reported that the laptop computers will arrive on April 11. These will be used during hearings to review voluminous medical records and to receive financial documents by e-mail.

New Business.

Applications for Membership. The board noted the following applications and ordered them to be placed on file:

<u>Name</u>	<u>Date of Birth</u>	<u>Date of Hire</u>
Marcus A. Benavidez	4/23/1985	4/2/2007
Nicholas Braski	1/30/1980	4/2/2007
Justin L. Jones	12/26/1982	4/2/2007

Attorney Glover is working on Officer Braski's request for a transfer of service credit from Morton Grove.

Zettek QILDRO. Attorney Delort reported that his office was working on correcting a draft QILDRO sent by attorneys in this case. He reminded the board that attorneys in the divorce bar were not all familiar with the unique characteristics of police and fire pensions, and that considerable efforts were often necessary to make sure the QILDROs were correct.

Annual Affidavits of Disability. It was reported that annual affidavits of disability from officers under 50 were due June 1, 2007.

Annual Affidavits of Retired/Surviving Spouses. It was reported that all retirees and surviving spouses had submitted annual affidavits of eligibility.

IML Report. Copies of a comprehensive report from the Illinois Municipal League regarding pension funding, along with other informative materials, were distributed to the board members and briefly discussed.

Investment Report.

Thomas McShane of Smith Barney presented a draft investment policy for the board's review and explained various features of the policy. Attorney Delort suggested some small changes to the policy. The policy will be presented for final approval at the next meeting.

McShane explained how Smith Barney rates investment managers and how managers whose ratings fall below a certain level are disqualified from handling client assets. McShane noted that some accounts are still held at Wachovia and are in the process of being transferred to Smith Barney. The fund is currently 48% invested in equities and will be readjusted to 44% pursuant to previous board direction. He also stated that existing manager contracts will probably pass through to Smith Barney without the need for re-execution, but that some managers may want new contracts. McShane is working on the asset reallocation for the June meeting and will continue to review current managers.

Motion by Chiaro, seconded by Salas, to ratify the actions taken by the board at the March 20, 2007 meeting regarding the transfer of responsibilities from Wachovia to Smith Barney. Motion carried by unanimous voice vote.

Motion by Marks, seconded by Muehlenbeck, to approve the Smith Barney contacts as presented and authorize the Board President to sign them. Motion carried by unanimous voice vote.

Accounting Reports. The board reviewed the monthly financial statements from Lauterbach & Amen. Motion by Salas, seconded

by Marks, to approve the statements for December, 2006 and January and February, 2007, subject to audit. Motion carried by unanimous voice vote.

Adjournment. Motion by Chiaro, seconded by Marks, to adjourn at 10:46 a.m. Motion carried by unanimous voice vote.

Nick Chiaro

Chairman