

Meeting Minutes - April 10, 2012

A regular meeting of the Board of Trustees of the Des Plaines Police Pension Fund was held on April 10, 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 BY PRESIDING OFFICER

President Nicholas Chiaro called the meeting to order at 9:00 AM.

ROLL CALL

Upon roll call the following answered:

Present: President Nicholas Chiaro, Vice President Robert Muehlenbeck, Secretary Robert Neil, Trustee Jeff Rotkvich, Trustee Daniel Niemann

Absent: none

Also Present: Treasurer Dorothy Wisniewski, Retired Officers Wendall Whitted and James Roel, Board Attorney Camille Cribaro-Mello of RSNL&T, Tom McShane of Graystone Consulting-MSSB, Becky Davis of Lauterbach & Amen, LLP (L&A)

APPROVAL OF PRIOR MEETING MINUTES

The Board reviewed the prior meeting minutes provided in the Board meeting packet. **A motion by Niemann to approve the December 13, 2011 minutes as presented, second by Neil. Motion unanimously carried by voice vote.**

APPROVAL OF DISBURSEMENTS

The Board reviewed the Warrant List as presented in the Board meeting packet. **A motion by Neil to approve Warrant List #32 with total check payments of \$10,636.59, as presented, second by Rotkvich. Roll Call Vote: Muehlenbeck – aye, Neil – aye, Rotkvich – aye, Niemann – aye, Chiaro – aye. Motion unanimously carried.**

BOARD'S ATTORNEY REPORT

Board Attorney Cribaro-Mello reviewed the Legal Updates and New Court decisions, indicating that there are currently no new arguments.

Cribaro-Mello discussed the following briefly:

- Matthew Hick's filing for administrative review currently scheduled for May 22nd.
- Eleanor Ventimigla's filing for administrative review – nothing to report at this time, there is a possibility of a future court date.
- Review of new court decisions: Gaffney v. Orland fire; Goodman v. Morton Grove Police; nothing concerning pension reform for Article 3 or 4 at this time.
- Officer James Lave's status for transfer from Chicago (Article 5) buy back – \$84,841.13 received from Chicago, \$27,414.01 roll over received from Lave, remaining balance if paid by 04/30/2012 is \$33,339.74. Transfer of Chicago service time must be taken in its entirety.
- Renewal for Fiduciary Liability and Civil Rights Insurance, policy period is 05/01/2012 – 05/01/2013, Cribaro-Mello indicated that Mesirow has reported there will be no premium increase from last year which was \$6,706; the invoice has not yet been received, but will be presented for payment upon receipt.
- RFP for investment consultant services (required every 5 years) is in progress. The Board discussed information to be requested from the selected candidates to include a representative client list, pension fund experience, description of investment philosophy, stability of the firm and professionals, etc. more review and discussion to follow – **TABLED until next meeting.**
- Military service transfer for Officer Sam Lopez, L&A to present Lopez with a calculation for his active military time only – **TABLED until next meeting.**

- Military service transfer for Officer Christopher Mierzwa – has been paid in full for 24 months of service time, \$40,755.03 received on 4/6/2012; revised date of hire is now October 2, 1994.
- Open Meetings Act (OMA) training to be completed by all Board members.
- Statements of Economic Interest to be completed before May 1st

OLD BUSINESS

Update on Active & Annuitant Elections: The Board discussed the elections currently in process; nominations are completed and ballots are now being collected. Elections will close on 04/15/12 for annuitant members and 04/20/12 for active members. Election results to be reported at the next meeting – **TABLED until next meeting.**

NEW BUSINESS

- Retirement of Commander Timothy Veit: The Board discussed the L&A pension calculations for Timothy R. Veit. **A motion by Chiaro to accept the L&A calculations for Timothy R. Veit, retirement effective 04/07/12 with 31 years of service, 75% of his applicable salary of \$112,603.00, amount of originally granted monthly pension \$7,037.69 and annual pension of \$84,452.28, second by Rotkvich. Roll Call Vote: Muehlenbeck – aye, Neil – aye, Rotkvich – aye, Niemann – aye, Chiaro – aye. Motion unanimously carried.**
- Review of Proposed RFP for Investment Consultants: previously discussed under the Attorney's report.
- Information on renewal of Board's Fiduciary and Civil Rights Insurance: previously discussed under the Attorney's report.

The Board discussed and reviewed the Discussion and Analysis – Developing a Sound Funding Policy prepared by L&A and presented in the board meeting packet. The Board requested

more information regarding cost of the service and determination of interest from the Fire Pension Board. Treasurer Wisniewski expressed interest in the projected analysis and support the service would provide – **TABLED until the next meeting.**

The Board discussed engaging actuarial services for the 12/31/2011 report and agreed to continue with L&A's actuarial services this year. The Board directed Davis to communicate engagement of L&A actuary, Todd Schroeder.

APPROVAL OF L&A BALANCE SHEETS FOR JANUARY & FEBRUARY 2012

The Board distributed and reviewed the balance sheets from L&A. **A motion by Muehlenbeck to accept the L&A balance sheets for November & December 2011, second by Niemann. Motion unanimously carried by voice vote.**

The Board noted that the Harris Bank transition to the new account was effective March 2012; Davis will follow up with Wisniewski to verify the new account information and obtain account access for the Pension Fund.

FINANCIAL REPORT

- Review of Fund's Portfolio / Asset Allocation: Investment Advisor McShane distributed and reviewed the Fund's investment performance report for the period ending March 31, 2012. The total Fund balance for the quarter was \$55,938,702 up 5.69% QTD (up 5.69% YTD). Asset allocations were: Total Equities – Domestic and Int'l. 48.16% and Total Fixed Income (including Cash) 51.82%; target allocations are total Equities 50.00%, total Fixed Income (with Cash) 50.00% (see investment attachments). McShane discussed bringing in McDonnell to discuss bond maturities and strategies at the next meeting. Then follow up with SKBA at a subsequent meeting.
- Cash flow Analysis: McShane discussed the tactical weightings and to continue his prior recommendation to

prudently move funds from Cash into International Equity – Amerifunds and Emerging Markets – Lazard as approved by the Board in the prior meeting minutes.

EXECUTIVE SESSION – none needed

ADJOURNMENT

A motion by Neil to adjourn the meeting at 10:52 AM, seconded by Muehlenbeck. Motion unanimously carried by voice vote.

Respectfully submitted,

Nicholas Chiaro,
President

Minutes prepared by Pension Services Administrator, Becky Davis.