

Meeting Minutes - April 12, 2005

The meeting of the Des Plaines Police Pension Board was called to order by Chairman Chiaro at 9:05 a.m. in Room 101 of City Hall.

Roll Call. Present – Trustees Freeman, Muehlenbeck, Salas and Chairman Chiaro (4). Absent: Trustee Marks (1). Also present were board attorney Mathias Delort, annuitant Wendall Whitted and Board Financial Advisor Thomas McShane.

Approval of Minutes. Motion by Muehlenbeck, seconded by Salas, to approve the minutes of the February 8, 2005 meeting. Motion carried by unanimous voice vote.

Disbursements. The board reviewed the proposed disbursements. Motion by Salas, seconded by Freeman, to pay the disbursements as listed, totaling \$8,283.88. Ayes: Trustees Freeman, Muehlenbeck, Salas and Chairman Chiaro (4). Absent: Trustee Marks (1). Motion carried.

Recent Activity Report. It was reported that the hard asset list is still being developed. The plan to reimburse the City for metered postage did not work out due to difficulty in bookkeeping. Therefore, the meter will be only be used for large jobs, and routine mail will be sent using regular postage stamps.

Financial Report. Thomas McShane of Wachovia Securities reported on financial activities for the first quarter of 2005. During the quarter, the fund was down from \$43,400,000 to \$42,700,000 due to market conditions. However, the fund still did better than the benchmark. The fund was down 1.28% but the benchmark was down 1.56%. He noted that certain transfers were made to ensure that fund assets complied with equity limitations. The fund sold certain Class A shares of the American/Euro Pacific Fund because there is a new Class R5 for institutional accounts. The new fund involves lower fees and expenses.

McShane also presented a written report, including explanations of the performance of various financial advisors, which was reviewed in detail. During the last year, the fund was up 4.87% versus a benchmark of 2.08%. This success was largely due to growth in large cap funds. Over the past nine years, the fund has outperformed the index by 117 basis points at relatively low risk. McShane was then excused from the meeting.

Attorney's Report.

SARKIS CASE. Attorney Delort distributed copies of the pleadings filed in the *Sarkis* case. He reported that the case was up for decision by the Honorable Judge Julia Nowicki on Tuesday, April 19.

MARTIN TRANSFER OF SERVICE CREDIT. Attorney Delort reported that a request was made to the Division of Insurance to cite the Cicero Police Pension Board for failure to assist with this transfer. No response has been received from Cicero.

PICKUP CASE. Attorney Delort reported on the recent decision of the Second District Appellate Court in the *Pickup* case, in which the court held that an officer was not entitled to health insurance benefits because his injury was not caused by one of the precipitating events listed in the insurance law. The court so held even though the officer had received an on-duty pension.

Retirement/Coyne. Information regarding the retirement of Officer Coyne was presented. Motion by Salas, seconded by Muehlenbeck, to award John P. Coyne a retirement pension of \$45,093.12/year based on an ending salary of \$69,374.00. His starting date was October 6, 1978 and his retirement date was March 17, 2005. Motion carried by unanimous voice vote.

New Officers. New Officers.

The board noted the admission of the following new active members:

<u>Name</u>	<u>Starting Date</u>
Eric Bjork	4/5/2005
Kevin Zelk	4/5/2005

Deferred Retirement/Fazio. Motion by Salas, seconded by Freeman, to accept the deferred retirement application of Officer Kimberly Fazio, with a starting date of January 2, 1996 and ending date of March 18, 2005. Her pension, beginning in 2032 at age 60, would be \$14,299.43 based on an ending salary of \$63,553.00/year. Motion carried by unanimous voice vote.

Accountant Reports. The board reviewed monthly reports from Lauterbach & Amen for January and February, 2005. Motion by Salas, seconded by Muehlenbeck, to approve the reports as submitted, subject to audit. Motion carried by unanimous voice vote.

Resignations. At an earlier meeting, the board had noted receipt of the resignation of Officer Darwin Suelen and refunded his contributions, which he rolled over into a 401K account. It was reported that the amount paid to Officer Suelen was incorrect and that a make-up payment of \$314.90 was included in the disbursements for this meeting.

Board Record Archiving. It was reported that discussions were ongoing with Reproduction Consultants, LTD regarding the scanning of board records for archival purposes. It was decided to make arrangements to have the scanning done on premises because some of the documents were irreplaceable.

Annual Affidavits of Eligibility. It was reported that all beneficiaries had returned their annual affidavits of

eligibility. Officer Salas was given update sheets to distribute to active officers.

Officer Pavek/Disability. It was reported that Officer Sue Pavek had inquired about, but not applied for, a disability pension. She was close to using up her sick days following surgery.

Adjournment. Motion by Salas, seconded by Freeman, to adjourn at 10:08 a.m. Motion carried by unanimous voice vote.

Approved:

Nick Chiaro

Chairman