

Meeting Minutes - April 19, 2011

A regular meeting of the Board of Trustees of the Des Plaines Police Pension Fund was held on Tuesday, April 19, 2011 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 9:07 AM.

ROLL CALL

Upon roll call the following answered:

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

Absent: none

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

APPROVAL OF PRIOR MEETING MINUTES

The Board reviewed the February 8, 2011 minutes as presented in the board meeting packet. **A motion by Neil to approve the February 8, 2011 regular meeting minutes as presented, second by Rotkovich. Motion unanimously carried.**

APPROVAL OF DISBURSEMENTS

The Board reviewed the disbursements on Warrant list #26 as presented in the board meeting packet. **A motion by Niemann to approve the disbursements as listed on Warrant List #26 totaling \$12,414.37, second by Neil. Roll Call
Vote: Muehlenbeck – aye, Neil – aye, Chiaro – aye,**

Niemann – aye, Rotkvich – aye. Motion unanimously carried.

FINANCIAL REPORT

- Review of Funds Portfolio / Asset Allocation: Investment Advisor McShane distributed and reviewed with the Board the Performance Report for the 1st Quarter of 2011. As of March 31, 2011, a copy of which is attached (see Exhibit A). The Total Fund balance was \$53,917,825; up 2.88% for the QTD and YTD. Asset Allocations were discussed; Equities at 51.28% and Fixed Income/Cash at 48.72%; growth due to appreciation; recommending no changes at this time. Wells is still on the watch list. Corporate Bonds were discussed and handouts distributed for the Board's review and education. Discussion on how SKBA and McDonnell managers, as well as other options, compare with regard to corporate bond strategies. ****The Board noted corporate bond manager comparisons as an agenda item for the next meeting.**
- Cash flow Analysis: The Board discussed the cash flow analysis and estimated annual fees.
- Review of Revised Investment Policy Statement: McShane distributed and reviewed the revised investment policy statement. After the Board's review and discussion of the Board's goals and specific amendments per the new legislation; the Board Attorney affirmed her review of the revised investment policy. **A motion by Muehlenbeck to adopt the revised investment policy, second by Niemann.** McShane stated that he would submit the revised investment policy to be filed by the State; a copy will also be submitted to be posted on the Police Pension Fund's website.

McShane was excused and left the meeting at 10:19 AM

APPROVAL OF LAUTERBACH AND AMEN BALANCE SHEETS –
January and February 2011

The Board distributed and reviewed the January and February monthly financial reports from L&A. **A motion by Rotkovich to approve the January and February 2011 monthly financial reports from L&A, second by Muehlenbeck.** Motion unanimously carried.

BOARD ATTORNEY'S REPORT

- Legal Update: Board Attorney Cibaro-Mello discussed several items of interest and pending bills to the Board, handouts were provided in the board meeting packet for reference. Board discussion about: Fiduciary Liability Insurance, adjustments for new hires, common law, amendments to "catastrophic" injury with regard to line of duty disability.
- Review of New Court Decisions: Cibaro-Mello discussed court decisions as presented in the board meeting packet. Discussion about: FOIA disclosures must be redacted of personal information for members as well as surviving spouses and/or dependents; salary spikes, double dipping restrictions, line of duty court case.

The Board also discussed Cook County's Statement of Economic Interest filing – all members have already completed this or will have completed before the May 1st deadline.

The Board discussed the renewal of Fiduciary Liability Insurance, Director & Officers and Civil Rights Insurance policies. **A motion by Chiaro to approve payment of the renewal premium for Fiduciary Liability Insurance policy with Mesirow Financial at a cost of \$6,706 effective 05/01/2011 to 05/01/2012, second by Neil. Roll Call Vote: Muehlenbeck – aye, Neil – aye, Chiaro – aye, Niemann – aye, Rotkovich – aye. Motion unanimously carried.**

OLD BUSINESS

- Update on Annual Trustee Training Requirements: The Board reviewed and discussed the 2011 trustee training opportunities and requirements as presented in the board

meeting packet. Rotkvich has completed the March, 2011 certified training program.

- Update on Annual Affidavits: The Board reported that there has been 100% compliance, all affidavits have been completed and received at the pension office.

NEW BUSINESS

- Application for Membership from Officer Max Voots: The Board acknowledged and accepted the application for membership from Max Voots, date of hire: 04/11/2011
- Approval of Surviving Spousal Pension for Mona Wolf: The Board discussed and reviewed the spousal benefits for Mona Wolf: effective date: 02/05/2011; monthly benefit of \$1,343.92.
- Approval of Surviving Spousal Pension for Joan Rembacz: The Board discussed and reviewed the spousal benefits for Joan Rembacz: effective date: 02/07/2011; monthly benefit of \$6,317.18.
- Death of Retired Detective Norman Klopp: The Board acknowledged and discussed death of Norman Klopp on 03/27/2011; Norman was hired 05/04/1968 and is survived by his wife Penelope.
- Approval of Surviving Spousal Pension for Penelope Klopp: The Board discussed and reviewed the spousal benefits for Penelope Klopp: effective date: 03/28/2011; monthly benefit of \$4,272.25.
- Active Election Results: The Board reviewed the election results as presented in the board meeting packet. The Board of Trustees conducted the election for an active member trustee the nominations were for Gary Klier and Dan Niemann; 91 ballots were mailed to active members, 44 ballots were returned to the Board of Trustees, 4 ballots were received after the election deadline and were not counted, 2 ballots were returned undeliverable from the post office and were not counted. Gary Klier received 17 votes and Dan Niemann received 21 votes. Dan Niemann was re-

elected by majority vote to the Board of Trustees for a 2 year term, his term will expire in May of 2013.

The Board discussed the receipt of a disability application from Sgt. Matthew Hicks.

EXECUTIVE SESSION – none needed

ADJOURNMENT

A motion by Muehlenbeck to adjourn the meeting at 11:06 AM, second by Chiaro. Motion unanimously carried.