

Meeting Minutes - June 12, 2012

A regular meeting of the Board of Trustees of THE DES PLAINES POLICE PENSION BOARD was held on Tuesday, June 14, 2010 at 10:50AM at The Law Offices of Robbins Schwartz Nicholas located at 55 W. Monroe St., Suite 800, Chicago, IL 60603, pursuant to notice, a copy of which is attached to their minutes.

Roll Call – Chairman Chiaro, Trustees Muehlenbeck, Neil, Niemann and Rotkvich were present. Also present were Wendall Whitted, the Board’s attorney, Camille Cribaro-Mello, and Mark Jura of McDonnell Investments. Tom McShane and Courtney Pioszak of Morgan Stanley Smith Barney joined the meeting at 11:05 a.m.

Approval of Prior Meeting Minutes – A motion was made by Trustee Muehlenbeck, seconded by Trustee Neil, to approve the minutes of the April 10, 2012 meeting. The motion passed by unanimous vote.

Approval of Disbursements – A motion was made by Trustee Niemann, seconded by Trustee Rotkvich, to approve the Disbursements as set forth on Warrant List #33. On a roll call vote, all members voted in favor and the motion passed.

Board’s Attorney Report – Attorney Cribaro-Mello informed the Board that the Administrative Review matter filed by Eleanor Ventimiglia would have a briefing schedule established on Motion before Judge Pantle set for June 14, 2012. Briefing likely will conclude by August and the Board will be advised of any date set for oral argument. Attorney Cribaro-Mello also advised the Board that the Administrative Review matter filed by Matthew Hicks is set for oral argument before Judge Nowak on June 18, 2012.

Attorney Cribaro-Mello also discussed the Illinois’ legislature’s failed attempt to pass a form of pension legislation. It was again affirmed that all proposals thus far have not included any changes to Article 3 (Police) or Article 4(Fire) pension funds.

Old Business

- Results of Active & Annuitant Election – The Active and Annuitant Elections were held in April 2012. There were two candidates for the Active Member Trustee position for a two year term. The results were: Gary Klier – 17 votes; Jeff Rotkvich – 22. Rotkvich was declared the winner. There were two candidates for the Annuitant Member Trustee position for a two year term. The results were: Barb Blume – 3 votes; Nicholas Chiaro – 78 votes. Chiaro was declared the winner. The Board accepted and ratified these election results by a unanimous vote.
- Officer Samuel Lopez Service Transfer Request – the Board discussed the conversion of Officer Lopez’s military service. A final determination has been made as to the number of years and Lauterbach & Amen will run a payment schedule upon direction from the Board as to when interest should begin to accrue (either at the time he applied, or at the time currently when the correct number of years has been determined. Trustee Niemann moved, seconded by Trustee Neil, that Lauterbach should be directed to determine interest as of the current date and that no interest should be charged unless and until Officer Lopez agrees to pay the cost of converting his military time. The motion passed with a unanimous vote.
- Officer Nicholas Braski Service Transfer Completion – The Board was advised that the officer paid the additional contribution for the service transfer and that his entry date into the fund had been adjusted to reflect the additional service.
- Officer James Lave Service Transfer Completion – The Board was advised that the officer paid the additional contribution for the service transfer and that his entry date into the fund had been adjusted to reflect the additional service.

New Business

- The Board discussed the Professional Services being provided by Lauterbach & Amen in addition to the pension fund accounting services they provide. There was a consensus among the trustees that the duplicative services should be

addressed with Lauterbach & Amen, along with recent billing discrepancies.

- Review of closed session minutes for release per Rule 208c – The Board reviewed its closed session minutes which related to on-going litigation matters and on advise of the Board Attorney, determined that the minutes remain closed and not be released as open minutes.

Approval of Lauterbach & Amen Balance Sheets for March and April 2012 - A motion was made by Trustee Muehlenbeck, seconded by Trustee Niemann, to approve the Lauterbach & Amen balance sheets for March and April 2012. The motion passed by unanimous vote.

Financial Report – Tom McShane introduced Mark Jura of McDonnell Investments who discussed the performance and outlook for the bond portfolio currently managed for the fund. Specifically, Mr. Jura discussed the Government and Corporate Bond market and the option that the Board consider adjusting its Bond portfolio to a shorter duration. Such an adjustment may sacrifice some income to the portfolio in the short term, but it would also protect the portfolio from loss when interest rates rise. Mr. Jura also discussed the current economic climate and the impact to the Bond market as a whole.

Tom McShane then reviewed the pension fund performance for the period ending May 31, 2012. The total fund balance was \$54,228,707 comprised of \$27,178,019 in fixed income; \$18,076,721 in U.S. equity; \$7,195,714 in international mutual funds; and \$1,778,252 in cash. The Board reviewed the current allocations among the investments and Mr. McShane advised that he would conduct a complete allocation review, including any recommendations for changes, for the next scheduled board meeting.

Executive Session – No Executive Session was needed.

Adjournment - A motion was made by Trustee Neil, seconded by Trustee Rotkvich, to adjourn the meeting at 12:20 p.m. The motion passed by unanimous vote.

The meeting adjourned at 12:20 p.m.

Nicholas Chiaro, President