

Meeting Minutes - August 11, 2009

A regular meeting of the Board of Trustees of THE DES PLAINES POLICE PENSION BOARD was held on Tuesday, August 11, 2009 at 9:00AM at City Hall, 1420 Miner Street, in Room 101, 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 9:12AM.

ROLL CALL

Upon roll call the following answered:

Present: President Nicholas Chiaro, Vice Pres. Robert Muehlenbeck, Secretary Larry Marks, Trustee Daniel Niemann, Trustee Robert Neil
Absent: Finance Dir., Dorothy Wisniewski
Also Present: Annuitant Wendall Whitted, Annuitant James Roel, Tom McShane and Nicole Dalebroux of Graystone Consulting/Smith Barney, Attorney Joseph Perkoski of RSNL&T, Becky Davis of Lauterbach and Amen.

APPROVAL OF MINUTES

A motion by Muehlenbeck, seconded by Niemann, to approve as presented, the minutes from the June 9, 2009 meeting. Motion unanimously carried.

APPROVAL OF DISBURSEMENTS

The Board reviewed the disbursements as identified in the August 11, 2009 Warrant list #16, totaling \$12,588.12. **A motion by Muehlenbeck, seconded by Marks, to approve the disbursements as identified in the August 11, 2009 Warrant list #16 totaling \$12,588.12. A Roll Call vote was taken: Ayes: Chiaro, Muehlenbeck, Marks, Niemann, Neil (5). Nays: None (0). Motion unanimously carried: 5-0.**

BOARD ATTORNEY'S REPORT

Board Attorney Perkoski provided the Board with the following legal updates:

Pending Legislation – HB 0549 – Amends the Public Safety Employee Benefits Act to define “catastrophic injury” - No action since March.

HB 895 and HB 2540 – Amends Article 3 to allow officers with a line of duty pension to receive 3% increase upon reaching age 50 – No action since May.

HB 958 – Amends Article 3 to require pension boards to provide 48 hours notice of pension board meetings to Mayor or Town President – No action since March.

HB 0965 – Amends Article 3 to allow an annuitant to re-enter the military service for a total of 2 years – No action since March.

SB 0250 – Amends Article 3 to allow the municipality to appear, as a matter of right, in any proceeding - No action since March.

SB 1625 – Amends Article 3 and 4, and would apply to officers entering service after the effective date of Act (1/1/10). No action since March.

SB 2011 – Amends Article 3 to require a pension fund with reserves in an amount less than the accrued liabilities of the fund, to designate in its annual report to the city council, the amount needed annually to insure the accumulation of the reserve to the level of the fund's accrued liabilities over a period of 40 years. This bill passed the Senate; in House Rules Committee. No action since May.

SB 1974 – Training Requirement for Pension Trustees: All newly elected and appointed trustees under Article 3 and 4 must participate in mandatory certification training that consists of at

least 32 hours of initial trustee certification at a training facility that is accredited and affiliated with a State of Illinois certified college or university. This training MUST include:

1. Duties and liabilities of a fiduciary under Article 1 of the Illinois Pension code;
2. Adjudication of pension claims;
3. Basic accounting and actuarial training;
4. Trustee ethics;
5. The Illinois Open Meetings Act;
6. The Illinois Freedom of Information Act.

This training must be completed within the first year that a trustee is elected or appointed under a pension fund. The elected or appointed trustees who are police officers or firefighters, or are employed by the municipality shall be permitted time away from their duties to attend such training without reduction of accrued leave or benefit time. Active or appointed trustees serving on the effective date of the amendment will not be required to attend the above training. In addition to the initial trustee certification training listed above, all elected and appointed trustees, including trustees serving on the effective date of this amendment, must also participate in a minimum of 16 hours of continuing trustee education each year after their first year. The training required under this amendment will be paid for by the pension fund. Any board member who does not timely complete either of the two required trainings listed above is not eligible to serve on the board of trustees of a pension fund, unless the board member completed the missed training within 6 months after the date the member failed to complete the required training. If a board member fails to complete the required training, a successor shall be appointed or elected (as applicable) for the unexpired term. Any successor who is elected under these circumstances must be elected at a special election called by the board and conducted in the same manner as a regular election under Article 3 or 4. This will become Law on or before (if signed) 8/15/2009.

New Law - **SB 1292** – Amends the Pension Code to require each retirement system to establish a policy to increase the racial, ethnic and gender diversity of its fiduciaries.

However, House amendments to the bill removed the reference to diversity and the nature of the bill was changed to focus on the sale of general obligation bonds to fund pensions. That version of the bill was signed by Gov. Quinn on 7/15/09 (P.A. 96-0043). The P.A. does not refer to any changes to Article 3 nor does the P.A. require diversity of fiduciaries.

Perkoski reviewed their Client Newsletter provided in regards to 'Transparency' Legislation overhauling Freedom of Information Act (FOIA) - SB 189.

The Board Attorney was requested to follow up on the following issues at the next board meeting:

- SB-1510: Trust to be set up for children (not wife) as beneficiary trust?
- Real Estate 2005 Scavenger Sales Tax

OLD BUSINESS - None

NEW BUSINESS

- a. Application for Membership from Officer Michael Beauvais: The Board recorded the application for membership for new officer, Michael Beauvais – DOH 6/29/2009
- b. Application for Membership from Officer Greg Roszkowski: The Board recorded the application for membership for new officer, Greg Roszkowski – DOH 6/29/2009
- c. Recalculations of Pension Amt's due to City of Des Plaines Retroactive General Pay Increase:

- i. Retired Officer Gregory Mall: Original Benefit - \$39,577.68/year, \$3,298.14/month. Revised Benefit - \$41,013.48/yr, \$3,417.79/month.
- ii. Retired Officer Efram Salas: Original Benefit - \$49,000.92/year, \$4,083.41/month. Revised Benefit - \$52,622.76/year, \$4,385.23/month. Retro check \$1,791.45.
- iii. Retired Officer Scott Webster: Original Benefit - \$47,531.40/year, \$3,960.95/month. Revised Benefit - \$49,254.60/year, \$4,104.55/month. Retro check \$1,354.63.

d. Authorization for destruction of verbatim recordings of closed sessions: Board Attorney Perkoski reviewed with the Board and made his recommendations. **A motion to destroy the verbatim recordings dated 6/08/2007, 10/09/2007 Executive sessions for Lalowski proceedings and 8/10/2004, 6/01/2004, 9/14/2004 Executive sessions for Sarkis hearing was made by Neil and seconded Muehlenbeck. Motion unanimously carried.**

e. Review of minutes of all closed session not previously released for public review: Board Attorney Perkoski reviewed with the Board and made his recommendations. The Board Attorney will provide a letter stating that confidential minutes are not to be released. **A motion to permit release of the 6/01/2004 Executive session written minutes made by Neimann and seconded by Marks. Motion unanimously carried.**

APPROVAL OF LAUTERBACH AND AMEN BALANCE SHEETS FOR MAY & JUNE, 2009

The Board reviewed the Lauterbach and Amen balance sheets for May and June, 2009. **A motion by Muehlenbeck and seconded by Neil, to approve the Lauterbach and Amen Balance Sheets for May and June, 2009. Motion unanimously carried.**

FINANCIAL REPORT

Investment Advisor, McShane, reviewed the portfolio report dated 6/30/09 (see Exhibit A). The Total Fund balance as of June 30, 2009 is \$43,151,780; 5.4% return for the quarter, up 5.08% since 2002.

The Board reviewed and discussed the State Actuarial total suggested Tax Levy amount of \$4,128,352 (see Exhibit B).

McShane reported that Equity Asset Allocations have reached 45%. McShane recommended looking into the Emerging Markets due to their high growth rate and, also, Real Estate. Prior to the next meeting, the Investment Committee will be meeting to discuss possible options – at least 48 hours notice will be given to all board members.

ADJOURNMENT

Motion by Marks and seconded by Neil to adjourn the meeting at 10:55AM. Motion unanimously carried.

Nicholas Chiaro, President

Approved by the Board of Trustees on _____ (date).

Minutes prepared by Becky Davis, Pension Services Administrator, on 8/19/09.