

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES DES PLAINES FIREFIGHTERS' PENSION FUND

November 5, 2013

A regular meeting of the Board of Trustees of the Des Plaines Firefighters' Pension Fund was held on Tuesday, November 5, 2013 at 8:30 a.m., at City Hall located at 1420 Miner Street in Room 101, pursuant to notice, to conduct regular business.

CALL TO ORDER BY PRESIDING OFFICER

President Bill Rice called the meeting to order at 8:34 a.m.

ROLL CALL

Upon roll call the following answered:

Present: President Bill Rice, Trustee Susan Pekoe, Trustee Paul Birger and Secretary Jeff Vallee

Absent: Trustee Nick Chiaro

Also Present: Board Attorney Camille Cribaro-Mello of Sanchez Daniels & Hoffman LLP; Thomas McShane of Graystone/MSSB; Becky Davis of Lauterbach & Amen, LLP (L&A); Treasurer Dorothy Wisniewski (arrived later)

PUBLIC COMMENT – There was no public present and no comment made.

APPROVAL OF PRIOR MEETING MINUTES

The Board reviewed the prior meeting minutes presented in the board meeting packet. A motion was made by Trustee Birger and seconded by Trustee Vallee to approve the August 6, 2013 regular meeting minutes as written. Motion carried by unanimous voice vote.

The Board distributed and reviewed the amended May 7, 2013 regular and closed session minutes for its records.

INVESTMENT REPORT

Mr. McShane distributed the quarterly investments report and reviewed it with the Board. As of September 30, 2013 the Fund was up 4.16% for the quarter, and the custom benchmark was up 4.31%. The end of period market value was \$62,251,700. The total fund was up 7.42% year-to-date, and 8.24% for the three year mark, exceeding the actuarial assumption. Asset allocations for the period were: equities 57.97% and total fixed income 42.03%. Target allocations are currently equities 60% and fixed income 40%. The Board discussed the current cash flow with Mr. McShane, who reported no changes are needed.

Mr. McShane distributed the revised investment contract stating the term of the agreement will not to exceed five years. A motion was made by Trustee Pekoe and seconded by Trustee Birger to accept and execute the revised agreement, as approved by the Board Attorney. Motion carried by unanimous voice vote. Mr. McShane was directed to send the revised agreement to the Department of Insurance (DOI).

Mr. McShane discussed the no fee, Chicago Clearing Corp. class action lawsuit recovery service with the Board, and indicated that the Board Attorney has approved the open-ended contract. A motion was made by Trustee Vallee and seconded by Trustee Birger to execute the contract and directed any monies received to be deposited into the Fund's cash account.

AYES: Trustees Rice, Vallee, Pekoe and Birger

NAYS: None

ABSENT: Trustee Chiaro

A motion was made by Trustee Pekoe and seconded by Trustee Birger to accept the investment report as presented. Motion carried by unanimous voice vote.

ACCOUNTANT'S REPORT

The Board discussed the IRS notice that was received regarding tax returns and Social Security filings, and noted that this has been addressed by L&A. There has been no further resolution since L&A responded to the IRS notice with a letter and supporting documents to respectfully disagree with the IRS. Any further communication regarding this issue will be discussed at the next meeting.

The Board discussed and reviewed the Municipal Compliance Report (MCR) presented in the board meeting packet. A motion was made by Trustee Pekoe and seconded by Trustee Birger to accept the MCR as presented.

AYES: Trustees Rice, Vallee, Pekoe and Birger
NAYS: None
ABSENT: Trustee Chiaro

The Board reviewed the L&A engagement letter presented in the board meeting packet. A motion was made by Trustee Pekoe and seconded by Trustee Birger to approve the L&A engagement letter, which was amended to add PSA services at a monthly rate through 2014, and removed actuarial services.

AYES: Trustees Rice, Vallee, Pekoe and Birger
NAYS: None
ABSENT: Trustee Chiaro

The Board reviewed the financial summary presented in the board meeting packet. For the nine months ended September 30, 2013, the net position held in trust for pension benefits was \$65,214,010.04. A motion was made by Trustee Pekoe and seconded by Trustee Birger to accept the September 30, 2013 financial report as presented. Motion carried by unanimous voice vote.

The Board reviewed the 2013 Warrant List #4 presented in the board meeting packet. A motion was made by Trustee Birger and seconded by Trustee Pekoe to approve 2013 Warrant List #4 stating the expenses paid for the quarter totaled \$61,924.24 (see attached).

AYES: Trustees Rice, Vallee, Pekoe and Birger
NAYS: None
ABSENT: Trustee Chiaro

INFORMATIONAL ITEMS OR UNFINISHED BUSINESS

The Board reported that all annual affidavits have been received and recorded. The original affidavits will be distributed into the members' pension files.

The Board reviewed the Trustee Training Summary presented in the board meeting packet. Board members were reminded to complete their training requirements before the end of the year. The Board Attorney stated that she will prepare and distribute certifications at the next meeting.

The Board noted that active member file update letters will be prepared by L&A for distribution.

The Board discussed Paul Miller's reciprocity request (Highwood Fire) currently in process.

NEW BUSINESS

The Board discussed the renewal invoice received from the IPPFA for annual membership dues. A motion was made by Trustee Vallee and seconded by Trustee Pekoe to approve the payment of \$775 to the IPPFA for the renewal of annual membership dues.

AYES: Trustees Rice, Vallee, Pekoe and Birger
NAYS: None
ABSENT: Trustee Chiaro

The Board discussed the review and update of the Board rules and forms. Attorney Cribaro-Mello indicated that a disability questionnaire would be added to the forms. Follow up on this form update to be addressed at the next meeting.

Mr. McShane was excused and left the meeting at 9:29 a.m.

The Board agreed that there is no need for the review and update of any contractual agreements with custodians and advisors, at this time.

The Board agreed to the following services: DOI Annual Statement – to be completed by L&A through 2014, Actuarial Services – to be completed by the DOI, Annual Financial Report (Audit) – to be completed by the City. The Board noted that if the DOI does not provide a report, then an independent Actuary will need to be selected.

The Board discussed the 2014 regular meeting dates. A motion was made by Trustee Birger and seconded by Trustee Pekoe to approve the following 2014 dates: February 4th, May 13th, August 5th and November 4th. All meetings will be held at 8:30 a.m. and at the same location. Motion carried by unanimous voice vote.

ATTORNEY'S REPORT

Attorney Cribaro-Mello discussed the following topics with the Board:

Wayne Hoffman's disability case - appeal is still in process.

Treasurer Dorothy Wisniewski joined the meeting at 9:38 a.m.

Michael King disability – the Board agreed to set the hearing for 10:00 a.m. on one of the following dates: 11/19/2013, 12/09/2013 or 12/10/2013. Attorney Cribaro-Mello discussed the Decision and Order procedures with the Board and general discussion about the hearing to reconvene.

Michael Carey, results of IME – the annual medical examination indicated that Mr. Carey is still disabled. The Board will continue disability benefit payments.

Update on new case law and pension legislation - there is currently no legal updates regarding new court decisions or legislation for Article 3 or 4 Pension Funds. Attorney Cribaro-Mello discussed the IRS position regarding the municipality hiring retired members.

CLOSED SESSION – none

The next regularly scheduled meeting is on February 4, 2014, at 8:30 a.m.

ADJOURNMENT

A motion was made by Trustee Pekoe and seconded by Trustee Vallee to adjourn the meeting at 10:28 a.m. Motion carried by unanimous voice vote.

Respectfully submitted,

William Rice, President

Date approved: _____

Minutes prepared by Becky Davis, Pension Services Administrator.