

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
DES PLAINES FIREFIGHTERS' PENSION FUND
November 4, 2014**

A regular meeting of the Board of Trustees of the Des Plaines Firefighters' Pension Fund was held on Tuesday, November 4, 2014 at 8:30 a.m., at City Hall located at 1420 Miner Street in Room 303, pursuant to notice, to conduct regular business.

CALL TO ORDER BY PRESIDING OFFICER

President Bill Rice called the meeting to order at 8:37 a.m.

ROLL CALL

Upon roll call the following answered:

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

Absent: None

Also Present: Board Attorney Camille Cribaro-Mello of Sanchez Daniels & Hoffman LLP; Thomas McShane and Todd Powell of Graystone/MSSB; Becky Davis of Lauterbach & Amen, LLP (L&A); Ed Calkins, Steve Witwork and Laurence Ritchey of Great Lakes Advisors

PUBLIC COMMENT – There was no public 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 Pekoe and seconded by Trustee Chiaro to approve the August 5, 2014 regular meeting minutes as written. Motion carried by unanimous voice vote.
- A motion was made by Trustee Birger and seconded by Trustee Pekoe to approve the September 9, 2014 emergency meeting minutes as written. Motion carried by unanimous voice vote.

NEW BUSINESS

The Board discussed the IPPFA membership dues. A motion was made by Trustee Vallee and seconded by Trustee Birger to approve the payment of \$775 for the renewal of the 2015 IPPFA membership dues.

AYES: Trustees Rice, Vallee, Pekoe, Birger and Chiaro

NAYS: None

ABSENT: None

Ms. Davis joined the meeting at 8:45 a.m.

The Board reviewed the Municipal Compliance Report (MCR) presented in the Board meeting packet. A motion was made by Trustee Birger and seconded by Trustee Pekoe to approve the MCR and authorize the President and Secretary to sign it. Motion carried by unanimous voice vote.

The Board reviewed the pension benefit calculation for Randall Trost. A motion was made Trustee Vallee and seconded by Trustee Birger to approve the pension calculations for the combination between funds for Randall Trost's retirement, as follows: his date of entry with Des Plaines Fire was 07/18/1988, his termination date was 10/03/2014, date of retirement and the effective date of combined retirement is 10/04/2014, age at retirement is 51 years, with 26 years and 2 months of creditable service earned from Des Plaines Fire (plus 1 year, 11 months, and 20 days service time North Maine Fire; for a total of 28 years and 2 months); 70.42% of the applicable salary of \$11,002.08, amount of the originally granted monthly pension is \$7,647.70 from Des Plaines Fire Pension Fund (\$99.60 from North Maine Fire, combined pension is \$7,747.30).

AYES: Trustees Rice, Vallee, Pekoe, Birger and Chiaro

NAYS: None

ABSENT: None

The Board discussed the rules and forms. Attorney Cribaro-Mello will review the rules and forms as needed. It was agreed that no changes are needed at this time. Any duplicate forms from L&A will be worked in.

The Board agreed that no updates are needed for contractual agreements with custodians or advisors at this time.

The Board agreed that the following FYE 12/31/2014 services will be completed, as follows: Audit – to be completed by the City; Actuarial Valuation – to be completed by the DOI; DOI Annual Statement – to be completed by L&A.

The Board agreed to the following 2015 meeting dates: February 3rd, May 5th, August 4th and November 10th; all meetings will be held at 8:30 a.m. at the same location.

Mr. Calkins, Mr. Witwork and Mr. Richey joined the meeting at 9:10 a.m.

INVESTMENT REPORT

The representatives from Great Lakes Advisors distributed an investment summary, reviewed their presentation and answered the Board's questions.

Mr. Calkins, Mr. Witwork and Mr. Richey left the meeting at 9:55 a.m.

The Board discussed the presentation by Great Lakes Advisors and Mr. McShane indicated that he will prepare an updated comparison for Large Cap Value managers, such as TCW, and will invite TCW to present at the next meeting.

Mr. McShane distributed the quarterly investment report and reviewed it with the Board. Mr. McShane reported that the third quarter equity performance in the U.S. was mixed partly due to the higher volatility created by geopolitical concerns in the Ukraine/Russia and the Middle East. As of 09/30/2014 the portfolio rate of return was -1.39% for the quarter, 3.61% year-to-date, 8.96% for one year, 10.95% for 3 years, and 5.92% since inception (01/01/2006). The benchmarks for the same periods reported -1.24% for the quarter, 3.97% year-to-date, 8.41% for one year, 10.35% for three years, and 5.66% since inception. The end of period market value was \$69,853,869.95. Asset allocations for the period were: cash & cash equivalents 2.97%, fixed income 34.39% and equities 62.63%. Current target allocations are: cash & cash equivalents 2.00%, fixed income 38% and equities 60%. Mr. McShane indicated that there are no changes needed at this time.

Mr. McShane distributed the revised investment policy statement. A motion was made by Trustee Pekoe and seconded by Trustee Vallee to adopt the revised investment policy statement as presented. Motion carried by unanimous voice vote.

Ms. Wisniewski left the meeting at 10:19 a.m.

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

The Board distributed and reviewed the closed session minutes. A motion was made by Trustee Vallee and seconded by Trustee Pekoe to approve the 09/09/2014 closed session minutes as presented. Motion carried by unanimous voice vote.

ACCOUNTANT'S REPORT

The Board reviewed the monthly financial summary presented in the Board meeting packet. For the nine months ended 09/30/2014, the net position held in trust for pension benefits was \$69,921,075.25. A motion was made by Trustee Pekoe and seconded by Trustee Birger to accept the 09/30/2014 financial report as presented. Motion carried by unanimous voice vote.

The Board reviewed the Warrant List presented in the Board meeting packet. A motion was made by Trustee Pekoe and seconded by Trustee Vallee to approve 2014 Warrant List #4, which states the total expenses paid for the quarter were \$40,390.23 (see attached).

AYES: Trustees Rice, Vallee, Birger, Pekoe and Chiaro

NAYS: None

ABSENT: None

INFORMATIONAL ITEMS OR UNFINISHED BUSINESS

- Trustee Training Summary – the Board agreed to submit their training certificates as soon as possible.
- Review and update membership files – active member letters were distributed and file updates are expected as needed.
- Annual member statements – were prepared by L&A and distributed to the active members for their information.
- Annual Affidavits of Continued Eligibility – 100% compliance; all affidavits were received and recorded, and will be maintained in the members' pension files.

ATTORNEY'S REPORT

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

- Update on Wayne Hoffman's appeal – in process; further update will be discussed at the next meeting.
- Update on Michael King Administrative Review – in process; further update will be discussed at the next meeting.
- Update on new court decisions involving pension funds – none at this time.
- Trustee training certification – Attorney certificates will be prepared and distributed at the February meeting.

CLOSED SESSION – the Board agreed that there was no need for a closed session.

The next regularly scheduled meeting is on February 3, 2015, at 8:30 a.m. and will be held in Room 407.

ADJOURNMENT

A motion was made by Trustee Pekoe and seconded by Trustee Birger to adjourn the meeting at 10:50 a.m. Motion carried by unanimous voice vote.

Respectfully submitted,

William Rice, Pension Board President

Date approved: _____

Minutes prepared by Becky Davis, Pension Services Administrator.