

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
DES PLAINES FIREFIGHTERS' PENSION FUND
August 4, 2015**

A regular meeting of the Board of Trustees of the Des Plaines Firefighters' Pension Fund was held on Tuesday, August 4, 2015 at 8:30 am, at City Hall located at 1420 Miner Street in Room 101, pursuant to notice, to conduct regular business.

CALL TO ORDER: President Bill Rice called the meeting to order at 8:33 am.

ROLL CALL

PRESENT: President Bill Rice, Trustee Paul Birger, Trustee Nicholas Chiaro and Trustee Susan Pekoe

ABSENT: Secretary Jeff Vallee

ALSO PRESENT: Board Attorney Camille Cribaro-Mello of Sanchez Daniels & Hoffman LLP (arrived later) ; Thomas McShane of MSSB/Graystone Consulting; Becky Davis, Lisa Barnaby and Allison Barrett of Lauterbach & Amen, LLP (L&A); and retired Officer Wendall Whitted of Des Plaines Police Department

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *May 5, 2015 Regular Meeting:* The Board reviewed the minutes of the May 5, 2015 regular meeting. A motion was made by Trustee Pekoe and seconded by Trustee Birger to approve the May 5, 2015 regular meeting minutes as written. Motion carried by unanimous voice vote.

May 5, 2015 Closed Session: The Board reviewed the minutes of the May 5, 2015 Closed Session. A motion was made by Trustee Birger and seconded by Trustee Pekoe to approve the May 5, 2015 regular meeting minutes as written. Motion carried by unanimous voice vote.

Board Attorney Camille Cribaro-Mello arrived at 8:35 am.

Semi-Annual Review of Closed Meeting Minutes: The Board conducted a review of the closed session minutes on 05/05/2015. A motion was made by Trustee Birger and seconded by Trustee Pekoe to keep the closed session minutes confidential at this time. Motion carried by unanimous voice vote.

ACCOUNTANT'S REPORT: *Department of Insurance (DOI) Certification Form:* The Board noted that the DOI Certification Form was filed on 6/19/2015.

Review/accept DOI actuary report, make tax levy recommendation to Municipality: President Rice reported that the DOI Report was received and recommended that the Board levy \$4,466,645.00. A motion was made by Trustee Chiaro and seconded by Trustee Pekoe to direct Trustee Rice to prepare a letter to the Mayor and Counsel to request a levy of \$4,466,645. Motion carried by unanimous voice vote.

New Pension Payroll Software: Allison Barrett discussed L&A's new pension payroll software with the Board. Ms. Barrett discussed questions, concerns and suggestions raised by the Board. Ms. Barrett informed the Board that L&A will collaborate with the payroll software vendors to implement changes to the software and changes are targeted to be finalized in September. Ms.

Barrett informed the Board that she will provide a “draft” of the changes that will be made to the software before they are finalized with the vendor. President Rice requested that L&A provide an update on this matter to the Board at the next regular meeting.

Monthly Financial Report: The Board reviewed the Monthly Financial Report for the month ended 06/30/2015. As of 06/30/2015, the net position held in trust for pension benefits is \$70,906,543.98. The net change in position for the six month period ended 06/30/2015 is \$519,346.40. A motion was made by Trustee Pekoe and seconded by Trustee Birger to approve the Monthly Financial Report as presented. Motion carried by unanimous voice vote.

PRESENTATION AND APPROVAL OF BILLS: *Warrant List #3 (April, May and June, 2015):* The Board reviewed Warrant List #3 dated 08/04/2015, for expenses paid 04/01/2015 – 06/30/2015 in the amount of \$64,430.23. A motion was made by Trustee Pekoe and seconded by Trustee Birger to approve the 2015 Warrant List #3 as presented. Motion carried by roll call vote.

AYES: Trustees Rice, Birger, Chiaro and Pekoe

NAYS: None

ABSENT: Trustee Vallee

2015 Training Registration Fees and Expenses: The Board discussed the IPPFA MidAmerican training conference and other available training opportunities.

IPPFA Training Conference Expense Reimbursement: The Board will submit receipts for any trustee training expenses to L&A for reimbursement.

Additional bills, if any: There were no additional bills.

INVESTMENT REPORT: *Quarterly Performance Report:* Mr. McShane distributed the Quarterly Performance Report for the period ended 06/30/2015. As of 06/30/2015, the ending market value of the fund is \$70,891,930. The total return for the 2nd etc. quarter of 2015 is -0.37% and year-to-date is 1.66%, 8.83% for last 3 years and 9.03% for the last 5 years. The portfolio allocation is 1.54% cash equivalent, 64.08% equities and 34.38% fixed income. Mr. McShane stated that no changes to asset allocations or to the portfolio are necessary at this time. A motion was made by Trustee Birger and seconded by Trustee Pekoe to accept the Quarterly Investment Report as presented. Motion carried by unanimous voice vote

COMMUNICATIONS OR REPORTS: *Trustee Training Summary:* The Board discussed the trustee training summary.

Active Member Records/File Maintenance Letters: The Board was informed that L&A will prepare active member records update letters in August or September, 2015, to be distributed to active members.

Annual Affidavits of Continued Eligibility: The Board discussed the Affidavits of Continued Eligibility, which L&A mailed to pensioners on 6/30/2015; with a due date of 7/31/15 for replies. A report of the results will be given at the next regular meeting.

Rescheduling of November regular meeting: The Board discussed the next meeting scheduled for November 10, 2015. The Board agreed to reschedule the meeting for Tuesday, November 3 at 8:30 am.

ADMISSIONS/WITHDRAWALS FROM FUND: *Death of Pensioner Charles Davis:* The Board acknowledged the death of pensioner Charles Davis on 07/17/2015. Mr. Davis had no surviving spouse and all pension benefits have ceased.

New Hires: The Board discussed newly hired officers Joseph Mordell, Matthew Sagen and Ryan Veseling, Dates of Hire, 03/30/2015, Tier 2 Status. A motion was made by Trustee Pekoe and seconded by Trustee Birger to accept new hires into the Pension Fund. Motion carried by unanimous voice vote.

Mr. McShane left the meeting at 9:28 am.

APPLICATIONS FOR RETIREMENT AND DISABILITY BENEFITS: *Batallion Chief Michael A. Tripicchio Sr.:* The Board was presented with the Retirement Benefit Calculation of Batallion Chief Michael A. Tripicchio as calculated by L&A. Effective date of pension is 07/19/2015; 29 years and 4 months of creditable service; applicable salary of \$123,361.00; applicable percentage of salary 73.33%; for an original monthly benefit in the amount of \$7,538.72. A motion was made by Trustee Birger and seconded by Trustee Pekoe to approve the Retirement Benefit Calculation of Batallion Chief Michael A. Tripicchio as presented. Motion carried by roll call vote.

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

Lieutenant Marshall D. Owen: The Board was presented with the Retirement Benefit Calculation of Lieutenant Marshall D. Owen as calculated by L&A. Effective date of pension is 06/15/2015; 28 years and 3 months of creditable service; applicable salary of \$111,124.00; applicable percentage of salary 70.63%, for an original monthly benefit in the amount of \$6,540.11. A motion was made by Trustee Birger and seconded by Trustee Pekoe to approve the Retirement Benefit Calculation of Lieutenant Marshall D. Owen as presented. Motion carried by roll call vote.

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

Dan Laffey – Conversion from Duty Disability Pension to Retirement: The Board was presented with the Retirement Conversion from Duty Disability Pension Benefit Calculation of Dan Laffey as calculated by L&A. Date of Disability: 12/07/1991; Conversion date is 07/01/2015; 24 years and 1 month of creditable service; applicable salary of \$90,555.00; applicable percentage of salary 58.17%, for an original monthly benefit in the amount of \$4,389.40. A motion was made by Trustee Pekoe and seconded by Trustee Birger to approve the Retirement – Conversion from Duty Disability Pension Benefit Calculation of Dan Laffey as presented. Motion carried by roll call vote.

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

OLD BUSINESS: *L&A Member Workshops:* The Board discussed the upcoming Member Workshops to be presented by L&A. The Board confirmed the dates of Tuesday, 09/15/2015 and Wednesday, 09/23/2015, from 9:00 a.m. to Noon. The workshops will be held at Prairie Lakes Community Center, 515 E. Thacker Street, Des Plaines, IL, in Mountain View Rooms 1 and 2. President Rice will provide L&A with home addresses of active members for mailing workshop invitations.

ATTORNEY'S REPORT: Attorney Cribaro-Mello discussed the following matters with the Board:

Update on pending disability applications (Russ Olish and Chris Moran): Attorney Cribaro-Mello reported that the initial independent medical examination (IME) for Russ Olish and Chris Moran are currently scheduled. Attorney Cribaro-Mello reported that additional IME are in the process of being scheduled for disability certification purposes. A disability hearing will likely be scheduled in November to make a determination on the disability applications. President Rice requested that the disability hearing be held by the end of the calendar year, if possible.

Michael King's Motions: Attorney Cribaro-Mello discussed the following Motions filed on behalf of Firefighter Michael King:

1. Motion to Object to the City of Des Plaines Petition to Intervene;
2. Motion to Amend and/or Modify Responses to 213 Interrogatories dated 2013; and
3. Motion in Limine regarding Discovery Depositions.

A motion was made by Trustee Pekoe and seconded by Trustee Chiaro to deny Michael King's objection to the City of Des Plaines intervention in the proceedings for the reasons reflected in the attached Order. Motion carried by roll call vote.

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

A motion was made by Trustee Birger and seconded by Trustee Pekoe to deny King's motion to amend or modify his responses to interrogatories for the reasons reflected in the attached Order. Motion carried by roll call vote.

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

A motion was made by Trustee Pekoe and seconded by Trustee Chiaro to deny Michael King's motion to exclude the discovery depositions of Dr. Spencer, Dr. Butler, Rebecca Burke and Greg Monson for the reasons reflected in the attached Order. Motion carried by roll call vote.

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

Update on the Board's Lien against Wayne Hoffmann's workers' compensation award; discussion and update regarding Writ of Mandamus: The Board discussed the status of its Lien against Hoffmann's workers' compensation TTD award and also discussed the Writ of Mandamus that has

been filed, but not yet served on the Board. The Writ seeks to force the Board to pay Hoffmann the retroactive adjustment to his pension based on the Appellate Court over-turning the non-duty disability pension in favor of a line-of-duty disability pension. In light of the pending Writ, the Board took the following action:

MOTION #1:

A motion was made by Trustee Pekoe and seconded by Trustee Chiaro to affirm that Hoffmann was overpaid disability benefits for the period from 4/1/2011 to 2/1/2012 in the amount of \$36,320.96, the same period of time for which he has been awarded TTD benefits for the same cervical spine injury suffered on 8/16/10. Motion carried by roll call vote.

AYES: Trustees Rice, Birger, Chiaro and Pekoe

NAYS: None

ABSENT: Trustee Vallee

MOTION #2:

A motion was made by Trustee Pekoe and seconded by Trustee Chiaro to affirm that the adjustment to Hoffmann's pension for the period from 2/1/2012 to 2/1/2015, is based on the difference between the non-duty (50%) pension paid (\$3,619.17 per month) and the line-of-duty (65%) pension owed (\$4,704.92 per month) which equates to \$39,087.00 (\$1,085.75 x 36 months) owed to Hoffmann. Motion carried by roll call vote.

AYES: Trustees Rice, Birger, Chiaro and Pekoe

NAYS: None

ABSENT: Trustee Vallee

MOTION #3:

A motion was made by Trustee Pekoe and seconded by Trustee Chiaro that, the Pension Fund should pay Hoffmann, pursuant to 40 ILCS 5/4-114.2, the difference between the adjusted pension (from non-duty to line-of-duty) and the overpaid disability benefits for the period from 4/1/11 to 2/1/12, estimated to be \$2,766.04. Motion carried by roll call vote.

AYES: Trustees Rice, Birger, Chiaro and Pekoe

NAYS: None

ABSENT: Trustee Vallee

The Board's accountant was asked to prepare a formal calculation to confirm the Board's calculations.

Annual Independent Medical Examination (IME): Attorney Cribaro-Mello discussed the affidavit of continued disability eligibility for Michael Carey. The Board agreed that they will follow up with another IME next year and this matter was tabled to the February, 2016 meeting.

ADJOURNMENT: A motion was made by Trustee Pekoe and seconded by Trustee Chiaro to adjourn the meeting at 10:26 am. Motion carried by unanimous voice vote.

Respectfully submitted, _____ Date approved: _____
William Rice, Pension Board President

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

Minutes prepared by Lisa Barnaby, Pension Services Administrator