

Approved 1/17/2013

**ROLLING MEADOWS FIREFIGHTERS' PENSION FUND
REGULAR QUARTERLY MEETING
Minutes – October 18, 2012**

I. CALL TO ORDER: President Chris Lee called to order at 8:35 a.m., a regular quarterly meeting of the Board of Trustees of the Rolling Meadows Firefighters' Pension Fund at Rolling Meadows City Hall, 3600 Kirchoff Road, Room 230, Rolling Meadows, Illinois.

II. ROLL CALL: Roll was acknowledged, and the following members were present: President Chris Lee, Retired Trustee Harold Bills, Trustee Melissa Gallagher, and Trustee John Hunt. Also present was new Trustee Colin Barr who is replacing Secretary Jonathan Calvert, who resigned his position.

III. INTRODUCTION OF GUESTS: Also present were Pension Attorney Carolyn Welch Clifford of Ottosen Britz, Brian LeFevre of Sikich Certified Public Accountants, Financial Consultant Dave Wall, and Barb Bobbitt of Wall & Associates, and Zach Creer, Assistant to the City Manager. City Manager Barry Krumstok joined the meeting at 9:00 a.m. Rolling Meadows firefighter retiree Larry Mulcahy joined the meeting at 9:30 a.m.

IV. PUBLIC COMMENT: None.

V. APPROVAL OF MINUTES:

1. Minutes of July 19, 2012 meeting.

A motion was presented by Trustee Harold Bills to approve the July 19, 2012, regular quarterly meeting minutes. Trustee John Hunt seconded the motion. Upon a call of the roll, Lee, Bills, Hunt, Barr and Gallagher voted aye. Motion was approved 5-0.

VI. TREASURER/INVESTMENT REPORT

1. Receive and Accept 3rd Quarter Financial Statement Report

Mr. Brian LeFevre of Sikich reviewed the 3rd Quarter Financial Statement Report with the Board. He indicated that net assets of the Fund on page 4 of the report, was \$22,876,879 as of Sept. 30, 2012. On page 5 of the report, Mr. LeFevre reported that employer contributions are \$2,228,254, employee contributions are \$280,252. He reported that total revenue was up \$2,179,133 for the year. Mr. LeFevre reviewed the cash and investments on page 13 stating that the Fund's portfolio as of Sept 30, 2012 consisted of 43% equity, 1% insurance contract, 7% cash and 49% fixed income. Mr. LeFevre reviewed the revenue chart on page 19, and the expenses report and chart on page 20 and page 21, stating that 96% of the expenses were pension and benefits paid. Mr. LeFevre reviewed the member contribution report on page 22 and the pension benefits report on page 23.

A motion was presented by Trustee Harold Bills to accept the 3rd Quarter Treasurer's Report. President Lee seconded the motion. Upon a call of the roll, Lee, Bills, Gallagher, Barr and Hunt voted aye. Motion was approved 5-0.

2. Review and Approve List of Bills for Payment

A motion was presented by Trustee Melissa Gallagher to approve the October 19, 2012 Warrant. Trustee Colin Barr seconded the motion. Upon a call of the roll, Lee, Bills, Gallagher, Barr and Hunt voted aye. Motion was approved 5-0.

3. Review Cash Flow Projection/Property Tax Receipts to Date

Trustee Gallagher reviewed the cash projections and recommended keeping the balance on the account to carry the Fund through until the March tax levy.

4. Review Tax Levy Request for FY 2013 Budget

Trustee Gallagher advised that the proposed tax levy recommendation would be \$2,577,488. The Board conducted a conference call with Tim Sharpe, Actuary to review the actuarial report. Mr. Sharpe reported that City Council's figures assumed a date of 2033 for funding, 100% amortized.

A motion was presented by Trustee Harold Bills to accept proposed tax levy recommendation of \$2,577,488. President Lee seconded the motion. Upon a call of the roll, Lee, Bills, Gallagher, Barr and Hunt voted aye. Motion was approved 5-0.

5. Review 3rd Quarter Investment Performance and Take Action on Investments

Dave Wall of Wall & Associates presented the 3rd Quarter Investment Report. The current asset mix of the Fund is approx 53% fixed income, 44.38% equity and 2.80% cash. The balance of the report was reviewed. Mr. Wall advised that there was a DOI Advisory Opinion released stating the 65% equity positions are acceptable. Mr. Wall suggested possibly investing in high-yield bonds with CS McKee or commodities market purchase. The Board decided to invite C.S. McKee to the meeting in January, 2013 for further discussion on the matter.

A motion was presented by President Chris Lee to approve the 3rd Quarter Investment Report Trustee Colin Barr seconded the motion. Upon a call of the roll, Lee, Bills, Gallagher, Barr and Hunt voted aye. Motion was approved 5-0.

6. Review Investment Policy

Mr. Wall reviewed the changes in the revised Investment Policy, allowing the managers to hold up to 25% in cash. Laffer Financial is also limited to holding no more than 35% of its holdings in US or Canada. After discussion the Board accepted the new Investment Policy.

A motion was presented by Trustee Harold Bills to approve the revised Investment Policy, Trustee Melissa Gallagher seconded the motion. Upon a call of the roll, Lee, Bills, Gallagher, Barr and Hunt voted aye. Motion was approved 5-0.

VII. COMMUNICATIONS AND SPECIAL REPORTS/PRESENTATIONS: None.

VIII. CONSIDERATION/ACTION ADMISSION/WITHDRAWAL OF MEMBERS FROM FUND: None.

IX. UNFINISHED BUSINESS:

1. President Chris Lee gave update on website. It is completed; however, there is still information on hosting needed to get website up and running.
2. Mr. Wall recommended that the Board hire securities monitoring firm and Chicago Clearing Corp for securities litigation and asked that this be placed on the January, 2013 agenda for discussion.
3. Discussion of Fiduciary Liability insurance also was requested to be placed on the January, 2013 agenda.

The Board reviewed the status of the trustees' required training. Only former Secretary John Calvert is delinquent.

4.

X. NEW BUSINESS:

1. Review of elections process/appointments

The Secretary of the Board, John Calvert has stepped down. Colin Barr was the only nominee, and thus was elected by acclamation for the unexpired term.

A motion was presented by Trustee John Hunt to accept Colin Barr's election for the unexpired term of the active member position and to appoint him as Secretary until the April elections. Trustee Harold Bills seconded the motion. Upon a call of the roll, Lee, Bills, Gallagher, Barr and Hunt voted aye. Motion was approved 5-0.

2. Meeting Dates:

Meeting dates for 2013 were set for the third Thursday of the month at 8:30 a.m. The dates will be January 17, April 18, July 18 and October 17.

A motion was presented by Trustee John Hunt to set the regular meeting schedule as presented. Trustee Harold Bills seconded the motion. Upon a voice vote, the motion carried unanimously.

President Chris Lee excused himself at 10:25 a.m.

XI. CLOSED SESSSION: None

XII. TRAINING:

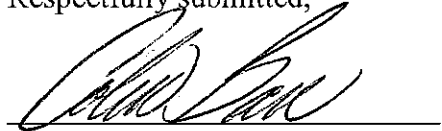
Carolyn Clifford distributed and reviewed information concerning the Open Meetings Act as well as information on training and required certificates.

XIII. ADJOURNMENT

A motion was presented by Trustee Harold Bills to adjourn the Board meeting. Trustee Gallagher seconded the motion. Upon a call of the roll, Bills, Hunt and Gallagher voted aye. Motion was approved 4-0.

The meeting was adjourned at 10:35 a.m.

Respectfully submitted,



Colin Barr, Secretary

Approved by the Board of Trustees on 1 / 17, 2013.