

**ROLLING MEADOWS FIREFIGHTERS' PENSION FUND  
REGULAR QUARTERLY MEETING  
Minutes – April 17, 2014**

**I. CALL TO ORDER:** Trustee Harold Bills called to order at 8:40 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: Retired Trustee Harold Bills, Trustee John Hunt, Trustee Colin Barr, and Trustee Melissa Gallagher. President Chris Lee was absent. Trustee Harold Bills was appointed *president pro tem* in the absence of President Lee.

**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.

**IV. PUBLIC COMMENT:** None.

**V. APPROVAL OF MINUTES:**

A motion was presented by Trustee Colin Barr to approve the January 16, 2014, regular quarterly meeting minutes. Trustee Melissa Gallagher seconded the motion. Upon a call of the roll, Trustees Hunt, Bills, Barr and Gallagher voted aye; President Chris Lee was not present.

**VI. TREASURER/INVESTMENT REPORT**

**1. Receive and Accept Quarterly Financial Statement Report**

Mr. Brian LeFevre of Sikich reviewed the 1st Quarter, 2014 Financial Statement Report with the Board. He indicated that net assets of the Fund on page 2 of the report were \$26,262,497 as of January 31, 2014. On page 3 of the report, Mr. LeFevre reported that employer contributions are \$1,331,687, and employee contributions are \$90,945. He reported that total revenue was up \$1,038,031 for the year, noting that the Fund did not use any investments to pay pensions. Mr. LeFevre reviewed the cash and investments on page 13 stating that the Fund's portfolio as of January 31, 2014 consisted of 52% equity, 7% cash and 41% fixed income. Mr. LeFevre reviewed the revenue chart on page 18, and the expenses report and chart on page 19 and page 20, stating that 96% of the expenses were pension and benefits paid. Mr. LeFevre reviewed the pension benefits report on page 21 and the member contribution report on page 22. Mr. LeFevre lastly reviewed the Property Tax Receipts report, reporting that the first installment of tax receipts has been received.

A motion was presented by Trustee Colin Barr to accept the 1st Quarter Treasurer's Report. Trustee John Hunt seconded the motion. Upon a call of the roll, Trustees Hunt, Bills, Gallagher and Barr voted aye; President Lee was absent.

## **2. Review and Approve List of Bills for Payment**

Trustee Bills reviewed the list of bills due for payment on April 17, 2014

**A motion was presented by Trustee Harold Bills to approve the April 17, 2014 Warrant. Trustee Colin Barr seconded the motion. Upon a call of the roll, Trustees Hunt, Bills, Gallagher and Barr voted aye; President Lee was absent.**

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

Trustee Gallagher reviewed the cash projections and liquidity needs of the Fund. No action was taken.

## **4. Review Quarterly Investment Performance and Take Action on Investments**

Dave Wall of Wall & Associates presented the 1st Quarter Investment Report. The return for the total plan for 1st quarter, 2014 was 1.62%. The current asset mix of the Fund is approximately 43% fixed income, 54% equity and 3% cash. Mr. Wall reviewed page 3 showing the fixed income portfolio was up 1.94% for the year. Mr. Wall reviewed page 9, showing the total market domestic equity portfolio has a total rate of return since inception of 23.6%. Mr. Wall reviewed page 13 stating the Laffer portfolio return was up 1.4% for the quarter. On page 17, the Mench equity portfolio was at 18.00% since inception. The balance of the report was reviewed. Mr. Wall discussed changes to the asset allocation chart.

**A motion was presented by Trustee Colin Barr to approve the 1st Quarter Investment Report. Trustee John Hunt seconded the motion. Upon a call of the roll, Trustees Hunt, Bills, Gallagher and Barr voted aye; President Lee was absent.**

## **5. Review 2013 Illinois Department of Insurance Annual Statement**

Brian LeFevre stated that he has the draft statement. He needs the interrogatives from Trustee Gallagher, and once received, the statement can be filed with the DOI. Trustee Colin Barr will review the statement before it is submitted to insure the information on the members is accurate.

**A motion was presented by Trustee Colin Barr to approve the filing of the DOI Annual Statement pending any additional information or corrections needed. Trustee Harold Bills seconded the motion. Upon a call of the roll, Trustees Hunt, Bills, Gallagher and Barr voted aye; President Lee was absent.**

## **6. Status of FY 2013 Audit**

Lauterbach and Amen are performing the audit. The draft is expected soon, and audit will be finalized and completed by June, 2014.

## **7. Actuarial study**

The actuarial study is being completed by Tim Sharpe. He is compiling the information for the study and is on track. It is anticipated the required employer contribution will be close the amount requested in previous year. The study will be available for review at the July 17, 2014 meeting.

## **8. Funding policy development**

Trustee Melissa Gallagher reported that the City is committed to fund the Pension Fund at 100%, using entry age normal methodology and an amortization date of 2033.

**VII. COMMUNICATIONS AND SPECIAL REPORTS/PRESENTATIONS:** None.

## **VIII. CONSIDERATION/ACTION ADMISSION/WITHDRAWAL OF MEMBERS FROM FUND:**

### **1. Accept retirement pension application:**

David Shaw, Firefighter/Paramedic: 1/30/14, effective retirement date. 28 years, 4 months. Date of birth: 6/5/1962. Monthly pension \$5722.07. Pete Till, Deputy Chief: 5/2/2014, effective retirement date, 33 years, 11 months, 28 days. Date of birth: 5/17/1959. Annual benefit \$99,703.34.

**A motion was presented by Trustee Harold Bills to accept the retirement pension applications for Firefighter David Shaw and Deputy Chief Pete Till. Trustee Colin Barr seconded the motion. Upon a call of the roll, Trustees Hunt, Bills, Gallagher and Barr voted aye, President Lee was absent.**

**2. Accept deferred pension application:** None

### **3. Accept new applications into the Fund:**

Paul R. Davis, Firefighter/Paramedic, 1/27/2014, Hire Date, Tier 2. Matthew Cappelen, Firefighter/Paramedic: 11/04/2013, Hire date. Tier 2 employee. Applications are pending, deferred to July 17, 2014 meeting.

### **4. Accept application for withdrawal of contributions from the Fund:**

Deputy Chief Pete Till, 5/2/2014 See VIII. 1.

## **IX. UNFINISHED BUSINESS:**

**1. Reminder – Filing of annual statements of economic interests by May 1<sup>st</sup>**

**2. Status of Fund website – possible demonstration of same**

Trustee Colin Barr presented and demonstrated the new website. The Board thanked him for his work this project.

### **3. Fiduciary liability insurance – request for proposals for 2015**

Discussion of deficiencies in the Travelers policy. The Board would like to explore options going forward. Attorney Carolyn Clifford will send an email to President Chris Lee for follow up and possible use of Mesirow as a broker.

### **4. Status of annual affidavits of eligibility**

This is an ongoing process.

## **X. NEW BUSINESS:**

### **1. Baaske Contributions**

Discussion of case and clarification of status for file and for Sikich's purposes in completing the DOI annual statement. Attorney Carolyn Clifford distributed a memo in reference to case study.

### **2. Election results for active member position**

The election was not yet held, and will be deferred until July 17, 2014 meeting.

### **3. Reappointment of appointed member position**

Trustee Melissa Gallagher is up for reappointment at upcoming City Board meeting, deferred to July 17, 2014 meeting.

### **4. Election of president and secretary of Board**

Deferred to July 17, 2014 meeting, after the active member election is held, as well as the reappointment is made.

### **5. Review of Investment Consultant proposals and possible action**

The Board reviewed proposals from several investment consultants who responded to the Board's request for proposal. The Board discussed at length the role of the investment consultant and what it is looking for, as far as the professional serving in that role.

After lengthy discussion, the Trustee Hunt agreed to contact President Lee to bring him up to speed on the Board's discussion on the investment consultant proposals before any next steps or final action is taken.

XI. CLOSED SESSSION: None needed.

XII. TRAINING:

Attorney Clifford reviewed information on funding policies under the new GASB requirements, and brought the Board up to speed on the pending pension reform litigation.

XIII. ADJOURNMENT

A motion was presented by Trustee Hunt to adjourn the Board meeting at 12 p.m. Trustee Barr seconded the motion. Upon a call of the roll, Trustees Hunt, Bills, Gallagher and Barr voted aye; President Lee was absent.

The meeting was adjourned at 11:45 am.

Respectfully submitted,

  
Colin Barr, Secretary

Trustee Harold Bills, Secretary Pro Tem  
Approved by the Board of Trustees on July 17, 2014, 2014.