

APPROVED

JULY 18 2013

**ROLLING MEADOWS FIREFIGHTERS' PENSION FUND  
REGULAR QUARTERLY MEETING  
Minutes – April 18, 2013**

**I. CALL TO ORDER:** President Chris Lee called to order at 8:34 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, Trustee Colin Barr and Trustee John Hunt.

**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 Thomas Mench of Mench Financial.

**IV. PUBLIC COMMENT:** None.

**V. APPROVAL OF MINUTES:**

**A motion was presented by Trustee Colin Barr to approve the January 17, 2013, regular quarterly meeting minutes. Trustee Harold Bills seconded the motion. Upon a call of the roll, Lee, Bills, Barr, Hunt 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 1st Quarter, 2013 Financial Statement Report with the Board. He indicated that net assets of the Fund on page 4 of the report, was \$24,086,694 as of March 31, 2013. On page 5 of the report, Mr. LeFevre reported that employer contributions are \$1,177,874, employee contributions are \$88,653. He reported that total revenue was up \$1,412,130 for the quarter. Mr. LeFevre reviewed the cash and investments on page 12 stating that the Fund's portfolio as of March 31, 2013 consisted of 47% equity, 1% insurance contract, 7% cash and 45% fixed income. Mr. LeFevre reviewed the revenue chart on page 17, and the expenses report and chart on page 18 and page 19, stating that 97% of the expenses were pension and benefits paid. Mr. LeFevre reviewed the member contribution report on page 20 and the pension benefits report on page 21.

**A motion was presented by Trustee Harold Bills to accept the 1st Quarter Treasurer's Report. President Lee seconded the motion. Upon a call of the roll, Lee, Bills, Gallagher, Hunt and Barr voted aye. Motion was approved 5-0.**

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

**A motion was presented by Trustee Colin Barr to approve the April 18, 2013 Warrant. 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.**

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

Trustee Gallagher reviewed the cash projections and property tax receipts as of March 31, 2013. \$1,179,043 was received as of March 31, 2013.

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

Thomas Mench of Mench Financial presented his report to the Board. Mr. Mench urged the Board to increase its equity allocations. After discussion and questions from the Board, Mr. Mench was excused.

Dave Wall of Wall & Associates presented the 1st Quarter Investment Report. The return for the total plan for the 1st Quarter was 3.75%. The current asset mix of the Fund is approx 47% fixed income, 49.29% equity and 2.92% cash. Mr. Wall stated that the Fixed Income portion was performing well and consisted of 55% corporate bonds. Mr. Wall reviewed page 9, showing the new Total Market Domestic equity portfolio had an increase of 1.1% since inception on 3/25/13. 21% return in 2012 and on page 13, the Laffer equity portfolio had a 2.9% rate of return for the quarter. The balance of the report was reviewed. Mr. Wall advised that it would be necessary to add approximately \$1.3 million in equity to get to the advised 55% equity position. After discussion, the Board decided to move \$150,000 on the 25<sup>th</sup> of each month from the Chase account to the Total Market Index Fund.

**A motion was presented by Trustee John Hunt to allow Trustee Melissa Gallagher to wire \$150,000 on the 25<sup>th</sup> of each month from the Chase Operating account to the Total Market Index fund. 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.**

**A motion was presented by Trustee Melissa Gallagher to approve the 1st 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.**

## **5. Update on status of Illinois Department of Insurance Annual Statement**

Trustee Melissa Gallagher reports she has the DOI Annual Statement in draft form. Once interrogatories are completed, the Annual Statement will be filed. This will be completed prior to the next Board meeting in July, 2013.

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

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

1. **Accept retirement pension application:** Glen Andreoni (4/1/2013 Retirement date) 50 years-of-age, 22 years of creditable service, all paperwork completed, annual benefit payment of \$52,143.96 beginning April, 2013.
2. **Accept deferred pension application:** None
3. **Accept new applications into the fund:** Jason Wenzel (02/11/2013 Hire date) Unmarried, Tier 2 employee, no prior service, application is completed.
4. **Approval of pension benefit refund:** Edmundjon Caluncaguin, \$7,480.66

A motion was presented by Trustee Colin Barr to approve the retirement pension application of Glen Andreoni, President Chris Lee seconded the motion. Upon a call of the roll, Lee, Bills, Gallagher, Barr and Hunt voted aye. Motion was approved 5-0.

A motion was presented by Trustee Harold Bills to approve the new application of Jason Wenzel, 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.

A motion was presented by President Chris Lee to approve the application for refund for Edmundjon Caluncaguin. 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.

**IX. UNFINISHED BUSINESS:**

1. **Discuss fiduciary liability insurance policy and renewal process for 2014.**

Melissa Gallagher reported renewal of the policy with the same company through March, 2014 due to the funded status being so low. There was discussion of sending an RFQ to split Fire and Police policies. Melissa Gallagher and Board Attorney Carolyn Clifford will research alternatives for 2014.

A motion was presented by President Chris Lee to approve the renewal of policy with the current insurance company. 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.

2. **Review Annual Open Meeting Act Training – Complete for all Trustees.**  
Chris Lee has not completed as of yet.

3. **Review of the status of the bank changeover from Charter One to Chase Bank.**  
Trustee Melissa Gallagher reported that the changeover has occurred smoothly. The Charter One account will be closed on May 15, 2013.

4. **Status of Fund website.**

Chris still has had no response from the firm Citrus Pixel on status of the website. Carolyn Clifford, Board Attorney will compose a certified letter to the company.

**X. NEW BUSINESS:**

**1. Reminder – Statement of Economic Interest – Due May 1<sup>st</sup>**

**2. Sikich 3-Year Engagement Letter (Accounting-Professional Services)**

Brian LeFevre reviewed the new engagement agreement, the Board expressed its appreciation of Sikich's quality of work.

**A motion was presented by Trustee Harold Bills to accept the 3-year engagement agreement for Sikich. President Chris Lee seconded the motion. Upon a call of the roll, Lee, Bills, Gallagher, Barr and Hunt voted aye. Motion was approved 5-0.**

**3. Timeline for actuarial study for 2013 Levy – FY 2014 City Budget**

Board Attorney Carolyn Clifford distributed and reviewed relevant material.

**4. Election Process for Colin Barr**

Chris Lee has not yet initiated the election process for the active member position. He will initiate the process and complete the election before the Board's next meeting in July. Colin Barr indicated that he will be running for reelection.

**5. 5-year review of Consultant**

Board Attorney Carolyn Clifford will prepare a draft letter for review at the July, 2013 meeting, after Chris Lee makes one more attempt to contact the website designers and then provides information to the Board's attorney on the timeline of his attempts to get the site completed.

**XI. CLOSED SESSSION: None**

**XII. TRAINING:**

Board Attorney Carolyn Clifford distributed and reviewed various material, including the SEC findings regarding the State's failure to disclose its funding of the states' pension systems and a chart reviewing over 30 fire and police pension funds' actuarial studies from the prior year..

**XIII. ADJOURNMENT**

**A motion was presented by Trustee Harold Bills to adjourn the Board meeting at 10:50 a.m. Trustee Colin Barr seconded the motion. Upon a call of the roll, Lee, Bills, Hunt and Gallagher voted aye. Motion was approved 5-0.**

The meeting was adjourned at 10:50 a.m.

Respectfully submitted,



Colin Barr, Secretary

Approved by the Board of Trustees on July 18, 2013.

*Minutes prepared by Barb Bobbitt.*