

**ROLLING MEADOWS FIREFIGHTERS' PENSION FUND
REGULAR QUARTERLY MEETING
Minutes – October 17, 2013**

I. CALL TO ORDER: President *pro tem* Colin Barr called to order at 8:32 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 Melissa Gallagher, Trustee John Hunt and Trustee Colin Barr. President Chris Lee was absent. Trustee Colin Barr was appointed President *pro tem* in the absence of President Lee. Trustee Harold Bills was appointed Secretary *pro tem*.

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 retired firefighter Lawrence Mulcahey. Art Laffer of Laffer Investments arrived at 9:00 a.m.

IV. PUBLIC COMMENT: None.

V. APPROVAL OF MINUTES:

A motion was presented by Trustee John Hunt to approve the July 18, 2013, regular quarterly meeting minutes. Trustee Harold Bills seconded the motion. Upon a call of the roll, Trustees Hunt, Bills, Barr and Gallagher voted aye; President Lee was not present. Motion was approved 4-0-1.

VI. TREASURER/INVESTMENT REPORT

1. Receive and Accept 3rd Quarter Financial Statement Report

Mr. Brian LeFevre of Sikich reviewed the 3rd Quarter, 2013 Financial Statement Report with the Board. He indicated that net assets of the Fund on page 4 of the report were \$24,833,088 as of September 30, 2013. On page 5 of the report, Mr. LeFevre reported that employer contributions are \$2,586,162, employee contributions are \$279,739. He reported that total revenue was up \$4,253,775 for the year, noting that the Fund did not use any investments to pay pensions. Mr. LeFevre reviewed the cash and investments on page 12 stating that the Fund's portfolio as of September 30, 2013 consisted of 49% equity, 1% insurance contract, 7% cash and 43% 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 member contribution report on page 21 and the pension benefits report on page 22. Mr. LeFevre lastly reviewed the Property Tax Receipts report, reporting that 97% of taxes were collected as of September 30, 2013.

A motion was presented by Trustee Harold Bills to accept the 3rd Quarter Treasurer's Report. Trustee John Hunt seconded the motion. Upon a call of the roll, Hunt, Bills, Gallagher, and Barr voted aye, President Lee was absent. Motion was approved 4-0-1.

2. Review and Approve List of Bills for Payment

Trustee Gallagher reviewed the list of bills due for payment on October 17, 2013.

A motion was presented by Trustee John Hunt to approve the October 17, 2013 Warrant. Trustee Harold Bills seconded the motion. Upon a call of the roll, Bills, Gallagher, Barr and Hunt voted aye. President Lee was absent. Motion was approved 4-0-1.

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

Trustee Gallagher reviewed the cash projections. She noted that the Board should have adequate cash flow for benefit payments with the anticipated contributions. Discussion was also held concerning surrender of annuity. Trustee Gallagher will investigate surrender charges and will surrender annuity if charges are 1% or less.

A motion was presented by Trustee John Hunt to surrender annuity if penalty is 1% of less. Trustee Harold Bills seconded the motion. Upon a call of the roll, Bills, Gallagher, Barr and Hunt voted aye. President Lee was absent. Motion was approved 4-0-1.

4. Review Quarterly Investment Performance and Take Action on Investments

Dave Wall of Wall & Associates presented the 3rd Quarter Investment Report. The return for the total plan for the 3rd Quarter was 3.95%. Year-to-date net of fees return for the Fund is 6.17%. The current asset mix of the Fund is approx 51% fixed income, 46.5% equity and 2.5% cash. Mr. Wall reviewed page 3 showing the fixed income portfolio was down 1.1% for the year. Mr. Wall reviewed page 9, showing the total market domestic equity portfolio was up 6% and on page 17 that the Mench equity portfolio was up 7.5% for the quarter. The balance of the report was reviewed. Mr. Wall advised that the investment policy should be updated to put some restrictions on the international allocations. This will be prepared for the January 2014 meeting. Art Laffer of Laffer Investments then distributed and reviewed his report to the Board and answered questions concerning the portfolio and his process.

A motion was presented by Trustee Melissa Gallagher to approve the 3rd Quarter Investment Report. Trustee John Hunt seconded the motion. Upon a call of the roll, Bills, Gallagher, Barr and Hunt voted aye. President Lee was absent. Motion was approved 4-0-1.

5. Update on status of City Budget/Pension Board Tax Levy Request.

Trustee Melissa Gallagher reviewed the results from the actuarial study by Tim Sharpe. Based on this study, the suggested 2013 tax levy is \$2,662,914 for the FY 2014 proposed City budget.

6. Review and Certify Municipal Compliance Report

Brian LeFevre reviewed and reported that the Municipal Compliance Report was completed. This was signed by President *pro tem* Colin Barr and Secretary *pro tem* Harold Bills.

A motion was presented by Trustee Harold Bills to request suggested tax levy of \$2,662,914 and to approve the Municipal Compliance Report. Trustee John Hunt seconded the motion. Upon a call of the roll Bills, Gallagher, Barr and Hunt voted aye. President Lee was absent. Motion was approved 4-0-1.

VII. COMMUNICATIONS AND SPECIAL REPORTS/PRESENTATIONS: None.

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

- 1. Accept retirement pension application:** None
- 2. Accept deferred pension application:** None
- 3. Accept new applications into the fund:**
Zachary Wynveen, Firefighter/Paramedic: 05/20/2013 Hire date. Tier 2 employee, application is completed.
John Loesch Jr., Firefighter/Paramedic: 08/19/2013 Hire date. Tier 2 employee, application is completed.

A motion was presented by Trustee Harold Bills to accept applications of Zachary Wynveen and John Loesch Jr. Trustee John Hunt seconded the motion. Upon a call of the roll Bills, Gallagher, Barr and Hunt voted aye. President Lee was absent. Motion was approved 4-0-1.

IX. UNFINISHED BUSINESS:

- 1. Update on Status of Investment Consultant Request for Proposal Review.**

Attorney Carolyn Clifford and Trustee Melissa Gallagher will send Requests for Proposals to three consulting firms. Decision will be made at January 16, 2014 regular meeting.

X. NEW BUSINESS:

- 1. Review of updates to Board rules and forms**

After discussion, no updates or changes are necessary at this time.

- 2. Review and adopt board meeting dates for 2014**

Meeting dates were set for the 3rd Thursday of the month at 8:30 a.m. Dates for 2014 are: January 16, April 17, July 17, October 16.

A motion was presented by Trustee John Hunt to accept Board meeting dates for 2014. Trustee Harold Bills seconded the motion. Upon a call of the roll Bills, Gallagher, Barr and Hunt voted aye. President Lee was absent. Motion was approved 4-0-1.

3. Review lodging reimbursement policy

After discussion, no changes were recommended.

XI. CLOSED SESSSION: None

XII. TRAINING:

Board attorney Carolyn Clifford distributed and reviewed relevant information involving current pension issues.

XIII. ADJOURNMENT

A motion was presented by trustee Harold Bills to adjourn the Board meeting at 10:58 a.m. Trustee John Hunt seconded the motion. Upon a call of the roll, Barr, Bills, Hunt and Gallagher voted aye. Motion was approved 4-0-1.

The meeting was adjourned at 10:58 a.m.

Respectfully submitted,



Colin Barr, Secretary

Approved by the Board of Trustees on JAN 16, 2014.