

Rochelle Fire Department Pension Meeting
Fire Department Basement
Wednesday July 31st, 2013
1:30 pm

Minutes

1. Call to Order
Time - 1:35 pm
2. Roll Call
Board Members Present - Robert Workman, Zach Prewett, Arlen Harms, Lynette Fischer, and Sue Messer.
Others Present - Treasurer Chris Frye, Attorney Brian Labardi, Investment Broker Reg Folmar
3. Approval of Minutes
Presented by Zach Prewett. Motion to accept by Sue Messer and 2nd by Zach Prewett. All in favor and motion passed.
4. Public Comments
None
5. Treasurer's Report
Presented by Chris Frye. Total assets as of June 30, 2013 is \$7,722,382.59. Financial auditors currently conducting the annual inspection for the City of Rochelle. A FOIA request was received by the City of Rochelle for the investment report. Request made for personal reasons. Motion to accept by Sue Messer and 2nd by Zach Prewett. All in favor and motion passed.
6. Investment Report
Presented by Reg Folmar. Positive increase in bond interest rates following a report from Chairman Bernanke. Cash available for investment is \$592,437.00. Current fund equity ratio is 45% which is the maximum allowable. Discussed the need to keep approximately \$40,000 per month in cash reserve for pensioner payments. Considered the possible areas of investment in fixed-income assets. Discussed the Edward Jones commission schedule. General consensus after investment report to consider \$200,000-\$300,000 available for investment in fixed-income options.
7. Reallocation, distribution, and/or sale of fund assets
Motion made by Robert Workman to invest \$250,000 face amount from funds in Edward Jones money market and Holcomb State Bank money market (for the necessary remainder) not to exceed \$253,000 to purchase Romeoville, IL GO Bond at 4.1% due 12/30/2024. 2nd by Zach Prewett. Roll call vote – Robert Workman yes, Arlen Harms yes, Lynette Fischer yes, Sue Messer yes, Zach Prewett yes. Motion passed.
8. Attorney's Report
Edward Jones Trust Form Agreement – modified agreement approved by Edward Jones attorney. Changes meet board attorney approval with the exception of Question #2 regarding the type of plan. Form amended by selecting ERISA Defined Benefit (D) and striking the word ERISA. Motion made by Robert Workman to approve the trust form including the change to Question #2. 2nd by Lynette Fischer. Roll call vote – Robert Workman yes, Arlen Harms yes, Lynette Fischer yes, Sue Messer yes, Zach Prewett yes. Motion passed.
Attorney presented the Legislative Update.

Discussed disability – line of duty and off-duty.

Discussed an amendment to Rules and Regulations regarding terms of office due to conflicting information. Attorney recommended removing Section 203(2). Pursuant to Section 502, a term of office will begin on the 2nd Tuesday of the month of May. Motion made by Zach Prewett and 2nd by Sue Messer. All in favor and motion passed.

9. Communications

Discussed Coalition letter after explanation from Attorney. Motion made by Zach Prewett to include the matter on the agenda for October meeting. 2nd by Robert Workman. All in favor and motion passed.

Letter from Mitchell, Vaught, & Taylor Inc. regarding representation.

Communication regarding 2013 IPPFA Midwest Pension Conference. Discussed training and conferences.

Discussed current investment strategy. Robert Workman presented information regarding index funds.

10. Approval of Disbursements

None

11. Applications for Membership

None

12. Applications for Benefits

None

13. Applications for Refund

None

14. Old Business

Fiduciary Liability Insurance options presented by Zach Prewett. Quotes obtained from Euclid and Travelers for \$1,000,000 limit. Euclid had no deductible and Travelers had a \$25,000 deductible. Board agreed that no deductible was preferable. Zach Prewett to bring quotes with no deductible to October meeting. Board to take action regarding coverage at October meeting.

15. New Business

Board Officer Election – Robert Workman elected President. Zach Prewett elected Secretary.

FNB signature cards signed by required members and to be returned by Chris Frye.

16. Executive/Closed Session

None

17. Adjournment

Motion by Robert Workman and 2nd by Zach Prewett. All in favor.