

Rochelle Fire Department Pension Meeting
Fire Department Basement
Wednesday, April 30th, 2014
1:30 pm

Minutes

1. Call to Order
Call to order at 1:30pm
2. Roll Call
Board members present – Robert Workman, Zach Prewett, Sue Messer, Arlen Harms
Board members absent – Lynette Fischer
Other present – Attorney Brian Labardi, Treasurer Chris Frye, and Reg Folmar
3. Approval of Minutes
Minutes from the January 31st, 2014 meeting presented by Zach Prewett. Motion to accept made by Sue Messer and 2nd by Arlen Harms. All in favor and the motion passed.
4. Public Comments
None

-- Agenda item ordered changed to accommodate reallocation schedule --

5. Investment Report
Presented during Reallocation, distribution, and/or sale of fund assets below.
6. Reallocation, distribution, and/or sale of fund assets
 - Rebalance portfolio to conform with statutory asset allocation
Pension portfolio is currently 48.2% equities and must be rebalanced to a maximum of 45% to comply with the state statute. \$248,445 must be moved from the equity portfolio to reach this maximum.
Several options were discussed regarding the divested funds. Board discussed the low yield associated with the board's fixed income options. The board agreed to move the divested funds to cash and hold a special meeting next month after further investigation into fixed income investment possibilities.
Motion by Robert Workman to sell \$125,000 from Capital Income Builder and \$125,000 from Income Fund of America. Funds to be moved into the Edward Jones Money Market account. 2nd by Zach Prewett. Sue Messer – yes, Arlen Harms – yes. Motion passed.

-- Reg Folmar left the meeting to execute the motion before the market closes --

7. Treasurer's Report
Presented by Chris Frye. Total asset value of \$7,630,198.53. Pension payment total approximately \$42,000 per month. Funds need to be moved to First National Bank checking account for payments.
Motion by Robert Workman to move \$110,000 from Holcomb State Bank money market to First National Bank checking for pension payment. 2nd by Zach Prewett. Sue Messer – yes, Arlen Harms – yes. Motion passed.
Chris reported that the Pension assets were marked to market.
Motion to accept the Treasurer's Report by Zach Prewett and 2nd by Sue Messer. All in favor and motion passed.
8. Reallocation, distribution, and/or sale of fund assets (continued)

Robert Workman stated that the Board is able to invest in Illinois General Obligation bonds through either Fidelity or Vanguard if an account is established as had been discussed regarding investing in indexed funds. Members to investigate different bond buying options prior to the special meeting.

Special meeting set for Tuesday, May 27th, 2014 at 1:30pm in the Fire Department basement.

- Discussion on the reallocation of mutual funds
Further discussion regarding investment in indexed funds. The board agreed to decide on investment strategy at the special meeting.
Brian Labardi to peruse the Vanguard agreement.
- Modification of the Investment Policy
Robert Workman made a motion to amend the allocation range of the equity section of the Investment Policy to 0-100 in each of the categories. 2nd by Zach Prewett. Sue Messer – yes, Arlen Harms – yes. All in favor and the motion passed.
The board will possibly revisit the fixed income section of the investment policy at a future meeting after investigating fixed income options.

9. Attorney's Report

Legal & Legislative Update presented and summarized by Brian Labardi.

10. Communications

Pension Fund Audit letter should be received soon.

11. Approval of Disbursements

Robert Workman and Arlen Harms need the 32-hour new trustee training. Zach Prewett made a motion to spend up to \$1600 for Robert Workman and Arlen Harms to enroll in the IPPFA 32-hour trustee training. 2nd by Sue Messer. Robert Workman – yes, Arlen Harms – yes. All in favor and the motion passed.

Zach Prewett made a motion to spend \$225 and half of travel expenses for the pension training attended by Chris Frye, Sue Messer, and Lynette Fischer. 2nd by Robert Workman. Sue Messer – yes, Arlen Harms – yes.

12. Applications for Membership

None

13. Applications for Benefits

None

14. Applications for Refund

None

15. Old Business

- Discussion on the reallocation of mutual funds
Discussed above.

16. New Business

- Results of Trustee Election – Active Member Position
3 year term beginning on the 2nd Tuesday of May – May 13th, 2014. Ballots opened and counted by Sue Messer. 8 votes for Zach Prewett, 1 vote for Dan Miller, 1 vote for Ben Johnson. Motion to accept the election results made by Sue Messer and 2nd by Robert Workman. All in favor and the motion passed.
- Modification of the Investment Policy
Discussed above.
- Authorization of the annual Department of Insurance preparation

Sue Messer made a motion to approve of Sikich preparing the annual Department of Insurance filing. 2nd by Robert Workman. Zach Prewett – yes, Arlen Harms – yes.

- Review Administrative Rules and Regulations
Discussed above.
- Annual filing of economic interest statements for each Trustee
Statements have been filed. Receipts were obtained.
- Reappointment of Sue Messer by the Mayor
Sue Messer was appointed by the mayor as trustee on the pension board on Monday, April 28th, 2014. Term will expire April 30th, 2016.
- Retention of actuary for tax levy
Arlen Harms made a motion to hire Tim Sharpe as the board's actuary this year. 2nd by Sue Messer. Zach Prewett – yes, Robert Workman – yes.

17. Executive/Closed Session

None

18. Adjournment

Motion to adjourn by Robert Workman and 2nd by Zach Prewett. All in favor and the motion passed.