

Rochelle Fire Department Pension Meeting
Fire Department Basement
Friday, August 22nd, 2014
9:00 am

Minutes

1. Call to Order
Call to order at 9:00 am
2. Roll Call
Members Present: Robert Workman, Zach Prewett, Sue Messer, and Chris Frye
Members Absent: Arlen Harms
Others Present: Mayor Chet Olson
3. Approval of Minutes
None
4. Public Comments
None
5. Treasurer's Report
None
6. Investment Report
None
7. Reallocation, distribution, and/or sale of fund assets
 - Fixed income investment - \$871,102.96 in Edward Jones Money Market and \$109,988.87 in First National Bank Checking Account. Approximately \$109,000 will be received as 2nd property tax installment. Approximately \$80,000 must be available for September and October pension payments. Board discussed investing \$880,000 in fixed income.
Discussed General Obligation bonds available through Edward Jones and Agency Bonds available through Vanguard. Motion by Robert Workman to invest the following:
\$140,000 Face Value Federal Home Loan Bank due in 2035 yielding 3.82%
\$260,000 Face Value Federal Home Loan Bank due in 2029 yielding 3.803%
\$250,000 Face Value Federal Farm Credit Banks Consolidated System due in 2032 yielding 3.789%
\$100,000 Face Value or all available Oak Lawn, IL GO Bond due in 2035 yielding 4.38%
\$30,000 Face Value or all available Rosemont, IL GO Bond due in 2031 yielding 4.87%
\$100,000 Face Value and any remainder from the previous two GO Bonds O'Hare International Airport due _____ yielding 3.971%.
Motion 2nd by Sue Messer. Roll call vote Robert Workman – yes, Sue Messer – yes, Chris Frye – yes, Zach Prewett – yes. Motion passed.
 - Equity report presented by Robert Workman. Current analysis of equity investments reveal a 5.7% YTD return on investments at Edward Jones. This compared to the S&P Index which has an 8.7% return.
Discussed the transfer of a portion of equity assets to Vanguard account for investment in indexed mutual funds. Motion made by Robert Workman to divest \$350,000 from American Funds Capital Income Builder (CAIBX) and \$350,000 from American Funds Income Fund of America (AMECX). \$700,000 will be invested in Vanguard Admiral S&P Index Fund (VFIAX). Motion 2nd by Zach Prewett. Roll call vote Robert Workman – yes, Sue Messer – yes, Chris Frye – yes, Zach Prewett – yes. Motion passed.

8. Attorney's Report
None
9. Communications
None
10. Approval of Disbursements
None
11. Applications for Membership
None
12. Applications for Benefits
None
13. Applications for Refund
None
14. Old Business
None
15. New Business
Chris Frye appointed by Mayor Olson to serve the remainder of the City appointed position that expires April 30th, 2015.
16. Executive/Closed Session.
None
17. Adjournment
Motion to adjourn by Zach Prewett and 2nd by Chris Frye. All in favor and motion passed.