

**I. CALL TO ORDER:**

The meeting was called to order at 9:08pm by Randal Schultz.

**II. ATTENDEES PRESENT:**

Randal Schultz  
Michael Barreto  
Dave Danielson  
Frank Burhrmann  
Bill Yoscius  
Eric Laughlin  
Cary Collins

**III. REPORT OF INVESTMENT**

**Morgan Stanley Smith Barney:** Eric Laughlin

Mr. Laughlin provided the Board with an investment summary report of the West Dundee Fire Pension Fund portfolio for the Second Quarter 2013. Mr. Laughlin gave a summary of the stock interest rates and bond funds to the Board and discussed the overall performance of the Pensions funds and allocation and the Morning Star analysis rating.

**Mitchell, Vaught & Taylor:** Bill Yoscius

Mr. Yoscius provided the Board with a summary of the West Dundee Fire Fighters Pension Fund's overall performance as of July 2013. Mr. Yoscius noted that all of the bonds have been moved over including the Cedar Grove Bond. Mr. Yoscius discussed the interest rates and gave a perspective of what could happen with the rates and gave brief overview of the cells that were transferred and their performance.

Attorney Collins requested that Mr. Yoscius research why and when the Cedar Grove bonds were purchased.

**IV. APPROVAL OF MINUTES:**

Board Member Buhrmann made a motion to approve Meeting Minutes from May 1, 2013 and was seconded by Board Member Schultz. The motion was carried by unanimous voice vote.

**V. CORRESPONDENCE:**

A FOIA request was made by Reimer & Karlson related to Lutzow hearing and Mr. Collins noted that the requested information was sent out but was not sure why they didn't have it already.

## **VI. TREASURER REPORT:**

Treasurer Danielson provided the Board with the April-June Treasurer's Report showing a total of \$5,329,304.60 in pension fund assets. Treasurer Danielson noted that June was a difficult month to reconcile and that although the numbers add up, the auditor may need to make adjustments. He also noted that the property tax distributions came in July and will be expected more to be provided in September and October. He has also requested that the dividend checks be provided on an occasional basis versus here and there and will balance it every month and will request a check if the money is being held onto.

**MOTION:** Board Member Buhrmann made a motion to approve the Treasurer's report and was seconded by Board Member Barreto. A motion carried by unanimous voice vote.

**MOTION:** Board Member Buhrmann made a motion to approve disbursements and was seconded by Board Member Barreto. A motion carried by unanimous voice vote.

**MOTION:** Board Member Barreto made a motion to ratify the Cedar Grove sale and was seconded by Board Member Buhrmann. A motion carried by unanimous voice vote.

## **VII. UNFINISHED BUSINESS:**

- A. Trustee Education.** It was discussed that Treasurer Danielson would be completing the Ethics course in September, Mike Barreto and Randy Schultz have completed all of the necessary courses and Michelle Charron of First American Bank (newly appointed trustee) is currently at Trustee Education training.
- B. Trustee Appointments.** Michelle Charron will miss the next Pension Board meetings due to the NAU training course schedule.
- C. Recording Secretary.** The position of the Recording Secretary has been resolved.
- D. McManaman Pension Review.** Discussion was held regarding the McManaman pension situation and Attorney Collins noted that he sent the Department of Insurance the Larry McManaman salary information they requested and noted that no changes can be made as it was 7-8 years ago. It was noted that they would put the information in the McManaman file.

## **VIII. NEW BUSINESS:**

**A. Investment Policy Draft Review.** Board Member Schultz provided the Board with a draft copy of the Investment Policy for review and discussion. During discussion, the question of Investment Manager was raised and noted that Eric Laughlin of Morgan Stanley

Smith Barney is not an Investment Manager, rather a Broker and his investments are approved by the Pension Board. Attorney Collins provided a brief explanation on fiduciary and discretion. During the discussion of the draft, it was noted that the Addendum A: Aggregate Plan Asset Allocation Guidelines should be revised to have the Preferred Equities list a range of 30-45%, the Fixed Income to list a range of 55-70% and Cash and & Equivalents list a range of 0-5%.

Attorney Collins mentioned that three (3) copies should be executed and one of which shall go to Springfield, one copy shall remain at his office and one for the Board. Board Member Schultz will provide Attorney Collins with the updated policy.

**MOTION:** Treasurer Danielson made a motion to approve the draft copy of the Investment Policy as presented with the changes made to Addendum A as discussed and was seconded by Board Member Buhrmann. A motion carried by unanimous voice vote.

**B. Freise Pension Participation.** While at a conference, the discussion of Freise's pension participation was raised and it was asked of Attorney Collins to clarify with the State of Illinois the statutes for participation. Attorney Collins briefly discussed pension statutes and noted that he will get an advisory opinion from the Department of Insurance on pensions. It was also noted that a letter be sent to Freise to advise of the discussion of his participation in the pension.

**C. Budget for Fiscal Year 2013/2014.** A brief discussion was held regarding the budget review for 2013/2014 and it was noted that Treasurer Danielson said the Village of West Dundee will pay for the Actuary Report and that the municipal report will be used to create the report.

**IX. ATTORNEY REPORT:**

Attorney Collins noted that they are in the final stages of the Plan Description for Fire Fighter Pension Plan.

**X. OTHER BUSINESS**

**XI. ADJOURNMENT:**

By consensus, the meeting adjourned at 10:35 a.m.

Christin Mangan  
Recording Secretary