

**I. CALL TO ORDER:**

The meeting was called to order at 9:00am by West Dundee Fire Fighters Pension Board President, Randal Schultz.

**II. ATTENDEES PRESENT:**

Randal Schultz, President  
Mark Guth, Secretary  
Dave Danielson, Treasurer  
Frank Burhmann, Trustee  
Bill Yoscius, Morgan Stanley Smith Barney  
Eric Laughlin, Mitchell, Vaught & Taylor  
Cary Collins, Attorney

Michelle Charron, Trustee was absent.

**III. AUDIENCE PRESENT**

There was none.

**IV. REPORT OF INVESTMENT**

**A. Morgan Stanley Smith Barney: Eric Laughlin**

Mr. Laughlin provided the Fire Fighters Pension Board with a capital market overview. Mr. Laughlin also provided the Board with investment and performance summary report of the West Dundee Fire Pension Fund portfolio for the First Quarter 2015 with regard to the stock interest rates and bond funds and the overall performance of the Pensions funds. Mr. Laughlin noted that they are now using a different reporting format. Mr. Laughlin noted that things are improving in the industry. He also recommended moving \$50,000 of large growth funds to Europe Pacific Funds. Attorney Collins inquired as to whether the Forecasted Efficient Frontiers was a guarantee and Mr. Laughlin replied that it is only a forecast of the possibilities. Discussion of the move of American Funds be moved to Euro Pacific Funds.

Treasurer Danielson made a motion to move the funds to American National Funds to American National Funds Europe Pacific Funds and was seconded by Pension Board Member Guth. The motion was carried by unanimous voice vote.

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

Mr. Yoscius provided the Fire Fighters Pension Board with a summary of the West Dundee Fire Fighters Pension Fund's overall performance for the First Quarter 2015. Mr. Yoscius noted that there was a gain of \$30,000 which brought a total of \$86,000 over the past two years. He noted that as the rates go up, the portfolio goes down and if the rates go down, the portfolio goes up.

Discussion regarding the impending rate increase by the Fed was held. Mr. Yoscius noted that they keep changing the date and it is now December.

Discussion was also held regarding the corporate yield.

#### **V. APPROVAL OF MINUTES:**

**MOTION:** Pension Board Member Burhmann made a motion to approve Meeting Minutes from February 4, 2015 and was seconded by Pension Board Treasurer Danielson. The motion was carried by unanimous voice vote.

#### **VI. CORRESPONDENCE:**

There was no correspondence for discussion.

#### **VII. TREASURER REPORT:**

A. Board President Schultz added April 2015 Disbursements to the agenda. Treasurer Danielson provided the Board with the January through April Treasurer's Report. Treasurer Danielson reviewed the Report with the Pension Board and noted that property taxes will be distributed on May 27<sup>th</sup>, 2015. He also noted that the disbursement for the first quarter was for the audit fees of \$2,000 and a total only \$4,177 was paid out in approved disbursements.

**MOTION:** Pension Board Member Burhmann made a motion to approve the disbursements and was seconded by Pension Board Member Guth. The motion was carried by unanimous voice vote.

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

#### **VIII. INVESTMENT ACTIONS**

Board President Schultz noted that action needs to be taken on the cash assets. It was recommended that they take the \$200,000 from Morgan Stanley (keeping the remaining (\$50,000 with them) and giving it to Bill Yoscius at Mitchell, Vaught & Taylor.

**MOTION:** Pension Board Member Guth made a motion to approve the move of cash funds and was seconded by Treasurer Danielson. The motion was carried by unanimous voice vote.

## **IX. UNFINISHED BUSINESS:**

**A. Trustee Education.** It was noted that there are no updates for Trustee Education. Attorney Collins noted that he will have the disks from the Conference. Board President Schultz noted that he would re-distribute the code for the Education seminars at Judson.

**B. Freise Pension Participation.** Discussion was held regarding the Randy Freise pension situation and was noted that a letter has been received advising that Randy Freise has to join the pension fund in order to be in compliance. President Schultz noted that he would forward this information on to Randy Freise. Discussion was held regarding the arrangements for Randy Freise to pay back the pension funds. It was noted that a follow up meeting will be held in August.

**C. Municipal Compliant Report.** It was noted that President Schultz will sign, distribute and put a copy in the file.

## **X. NEW BUSINESS:**

**A. Trustee Election.** 5 ballots were cast and by unanimous vote, Randal Schultz was elected to a 3 year trustee term.

**MOTION:** Pension Treasurer Danielson made a motion to certify the election votes and was seconded by Board Member Guth. A motion carried by unanimous voice vote.

**B. Officer Appointments.** Appointments were as follows:

Randy Schultz for President  
Mark Guth for Secretary

**MOTION:** Treasurer Danielson made a motion to approve the appointments as noted and was seconded by Board Member Burhmann. A motion carried by unanimous voice vote.

**C. Application for Benefits – Jim Schudt.** An application for benefits for Jim Schudt to retire on June 4<sup>th</sup>, 2015 to retire was received. Discussion was held and noted that President Schultz would give Treasurer Danielson a new a benefit calculator with the two separate salary amounts. Attorney Collins inquired as to whether there was quildro and it was reported that there was. It was noted that President Schultz would get the appropriate W-4 forms bank forms from Jim Schudt for deposits.

**MOTION:** President Schultz made a motion to approve Jim Schudlt's benefits as Final \$91,312.25 annual rate of pay and Barb will be getting a monthly benefit of \$1,616 per the quildro. A motion carried by unanimous voice vote.

**D. Audit Report.** It was noted that the Audit Report came in from the Illinois Department of Insurance via secured email and a copy will be distributed to everyone.

Attorney Collins read the following Summary of Findings:

1. The board did not hold trustee elections to fill the trustee positions according to the correct composition, and the appointed board trustee positions were not filled in a timely manner in contravention with 40 ILCS 5/4-121.

Response: Election numbers noted in meeting minutes dated May 20, 2015.

2. Municipal contributions were not sufficient to meet the annual actuarial requirements of the fund as determined by an enrolled actuary for the fiscal years ended April 30, 2012 and April 30, 2013, in contravention with 40 ILCS/5/4-118.

Response: We have contacted the Village to ensure we get what we are entitled to.

3. The board minutes were reviewed and found to be incomplete with respect to the documentation of all fund activity in contravention with 40 ILCS5/4-122 and 40 ILCS 5/4-129.

Response: The board minutes will be completed.

4. The annual statement filed with the Public Pension Division did not fully comply with 40 ILCS 5/1A-109 in that financial data and participant data for three participants were reported inaccurately.

Response: We will correct.

President Schultz noted that he would type the responses and send back to the Illinois Department of Insurance.

**MOTION:** President Schultz made a motion to approve the responses and was seconded by Board Member Guth. A motion carried by unanimous voice vote.

## **IX. ATTORNEY REPORT:**

Attorney Collins briefly discussed Rauners' take on pension benefits.

**X. OTHER BUSINESS:**

There was none.

**XI. ADJOURNMENT:**

By consensus, the meeting adjourned at 10:15 a.m.

Christin Mangan  
Recording Secretary