

Woodstock Firefighters Pension

Board of Trustees

A meeting of the Woodstock Firefighters Pension Board of Trustees was called to order on Thursday July 22nd, 2010 at 6:25 PM at Fire Station #1, 435 E. Judd Street, Woodstock, Illinois. Board members present were: Mike Hill, Matt Hedges, Lloyd Shaw, Bob Kristensen and Dick Menzel.

Absent: None.

MINUTES

The pension board reviewed the minutes from the April 29, 2010 meeting. A motion was made by Lloyd Shaw and seconded by Dick Menzel to approve the minutes. The motion passed unanimously.

COMMUNICATIONS

Communications received included a postcard from Northwestern University on a seminar that satisfies the State of Illinois' public pension trustee training requirements. Cost of the seminar was listed at \$400.

Secretary Hedges had received several prospectus statements for various funds last quarter. The prospectus statements are available for review.

Board discussed letter received from Shepherd, Finkleman, Miller & Shah, LLP (SFMS) in regards to investment fraud protection services. The board considered that most of the investments held by the pension fund are held with minimal risk to fraud to begin with and that the services of SFMS would not be necessary. It was decided in discussion to take no further action on the correspondence.

FINANCIAL REPORT

Dick Menzel made a motion to approve the payment of the Illinois Department of Insurance Compliance Fee; motion seconded by Matt Hedges. Motion passed unanimously.

Bob Kristensen made the motion, seconded by Dick Menzel to pay the remainder of the bills; motion passed unanimously.

President Hill turned the floor over to Tom Quinn of American Community Wealth Management (ACWM) to discuss the financial standing of the fund and make any recommendations.

First discussed was what to do with the proceeds of a CD set to mature in August. Mr. Quinn stated that renewal of the CD at a five year term might not be the best option. Mr. Quinn stated

that interest rates are currently low and that a five year CD would not make much more than the interest the fund is earning in the money market account. Mr. Quinn discussed the advantage of keeping the funds liquid in that the board could at any time take advantage of an interest rate increase while placing funds in the five year term CD might prevent the board from taking advantage of anticipated interest rate increases.

Bob Kristensen asked Mr. Quinn if the funds in the money market fund were protected since the balance is approaching a million dollars. Mr. Quinn stated that the funds are not insured under FDIC beyond \$250,000, but the board could elect to protect the funds by placing them into CDs and taking advantage of the Certificate Of Deposit Accounts Registry Service Program (CDARS) in which funds are interspersed to other banks. Mr. Quinn stated that there is a fee with this service to consider, but the board could protect up to ten million dollars under the CDARS program.

Mr. Quinn discussed some options with the Wealth Management accounts. He summarized the different accounts and discussed the fact that the managed bond portfolios are not insured but they are backed by the United States government. Mr. Quinn suggested that the board consider taking some of the liquid funds from the money market account and add to the managed bond portfolio; he affirmed that this suggestion adheres to the investment policy. Mr. Quinn recommended placing 10% of the pension value (\$233,000) into the managed bond portfolio.

Mr. Quinn will research investment options for the pension fund once the fund exceeds \$2.5 Million and contact the board to discuss.

Bob Kristensen made a motion to direct ACWM to move the funds from the CD that matures August 2nd, 2010 into the indexed money market; motion seconded by Dick Menzel. Motion passed unanimously.

Bob Kristensen made a motion to direct ACWM to invest \$230,000 from the indexed money market into the managed bond fund. Motion seconded by Dick Menzel. Motion passed unanimously.

OPEN ISSUES

None.

NEW BUSINESS

Board discussed enrollment of Firefighter Paramedics Lozowski, Wessel and Randecker to the pension fund. Motion made by Dick Menzel, seconded by Matt Hedges to accept all three members. Motion passed unanimously.

Board discussed discretionary spending or petty cash. It was brought up that the board had already taken action on this issue. Matt Hedges will look back into the minutes and follow the

approved method. Chief Webster also offered for the Fund to make purchases with the District's credit card and reimburse the District if needed.

Board discussed sending trustees to the upcoming Midwest Conference in October. Mike Hill asked board to consider setting guidelines for trustees to travel to conferences. Board decided to develop a policy for the travel and reimbursement of trustees for the purposes of training and continuing education.

Dick Menzel made the motion, seconded by Lloyd Shaw to send Bob Kristensen and Matt Hedges to the IPPFA Midwest Conference in October. Motion passed unanimously.

ADJOURNMENT

Motion made by Dick Menzel, seconded by Lloyd Shaw to adjourn the meeting at 7:07 PM. Motion passed unanimously.

Respectfully submitted,

July 28, 2010

Matt Hedges, Secretary

Woodstock Firefighters Pension Fund