

# Woodstock Firefighters Pension

## Board of Trustees

A meeting of the Woodstock Firefighters Pension Board of Trustees was called to order on Thursday November 18<sup>th</sup>, 2010 at 1:00 PM at Fire Station #3, 2900 Raffel Road, Woodstock, Illinois.

Board members present were: President Mike Hill, Secretary Matt Hedges, Treasurer Lloyd Shaw, Trustee Bob Kristensen and Trustee Dick Menzel. Absent: None.

Others present: Tom Quinn and Kevin Noonan of American Community Wealth Management(ACWM) and Attorney Jeremy Shaw.

### MINUTES

The pension board reviewed the minutes from the October 28th, 2010 meeting. **Motion to approve the minutes was made by Trustee Kristensen, second by Treasurer Shaw; motion passed unanimously.**

### COMMUNICATIONS

Secretary Hedges stated that he received notice of a seminar put on by the Northern Illinois Association of Fire Protection Districts that meets the pension training requirements. Copy of the notice is available upon request.

Board discussed response from Attorney Shaw on the Treasurer question for last meeting. **Attorney Shaw stated that the statute indicates that the Treasurer of the FPD must also serve as the Pension Fund Treasurer.** He also indicated that the Fire Protection District Board has the discretion to appoint the Treasurer to the board as a board member and give them voting privileges; or simply allow the Treasurer to fulfill his oversight responsibilities without voting privileges. **Board decided to instruct Woodstock Fire Rescue District Treasurer John Kunzie that he will be the Pension Fund Treasurer effective December 1<sup>st</sup>, 2010.**

Secretary Hedges received an offer from Goldstein & Associates to purchase a copy of the Illinois Pension Code book that they had recently published. The book was noted to have the material organized in an easy to read manner. Cost of said book is \$40. **Motion to purchase one copy of the Illinois Pension Code book to be kept by Secretary for reference for \$40 by Trustee Menzel, second by Trustee Kristensen; motion passed unanimously.**

## **FINANCIAL REPORT**

Secretary Hedges gave a bill report. A bill was received for Zanck, Coen and Wright for services rendered in the amount of \$31.25. **Motion to pay the bill made by Trustee Menzel, second by Trustee Kristensen; motion passed unanimously.**

## **OPEN ISSUES**

Attorney Shaw recommended adding a section to the current investment policy, proposed as Section 5.5 Additional Permitted Investments. **Board instructed Attorney Shaw to draw up new copy of the investment policy with the addition of language for fund benchmarks at \$2.5 M and \$5 M and their respective permitted investments.** Attorney Shaw is to bring copy of new investment policy to Special Meeting November 30, 2010.

## **NEW BUSINESS**

Mr. Quinn discussed the Fund's assets. Mr. Quinn stated that he asked American Community Bank how the funds deposited there are protected. They have the WFRD and the Pension fund listed as one entity with a combined bank deposit of \$4.6 million for the purposes of pledging funds; \$1.4 M of that being the pension fund. To that deposit, the bank has \$250K each for the District and the pension fund, \$2.8 M in securities and also the District's loan of \$2.5 M insured or pledged, respectively. Mr. Quinn summarized the concerns of the bank that backing the pension fund's deposits with pledged securities is an issue because the fund is growing. Mr. Quinn recommended taking advantage of the CDARS<sup>1</sup> program in which the pension fund's deposits would be insured and collateralized across a variety of banks; all deposits would be made through American Community Bank. Mr. Noonan stated that there was a cost associated with the CDARS program. Mr. Noonan stated other options to the CDARS program would be to purchase CDs from multiple banks or use brokered CDs, which would be most similar to CDARS.

Board discussed where to allocate the funds accumulated in the money market account. Board raised concerns with locking funds into CDs at the current rate for an extended period of time. Mr. Noonan stated that the Equity Bond fund could be accessed right away, but there is potential for some loss, if bonds were sold prematurely. **Board requested ACWM to create proposal to break up the funds in the money market account across Equity, Bond and CDARS investments.**

Board discussed minimum necessary money market balance to keep in reserve. Secretary Hedges to find and report on monthly cash flow from the money market account.

Board discussed general investment strategy and how aggressive the board should be in creating growth. ACWM to factor discussion into their proposal noted above.

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<sup>1</sup> CDARS<sup>®</sup> – the Certificate of Deposit Account Registry Service<sup>®</sup>

Board decided to set date and time for special meeting to finish business discussed at this meeting, including the proposal from ACWM. Meeting set to occur November 30, 2010 at 10:00 AM at Station #2, 1325 Dean Street, Woodstock, Illinois.

Treasurer Shaw stated that he owns stock in American Community Bank and that he will redact himself from voting on the proposal from ACWM.

**ADJOURNMENT**

**Motion to adjourn by Trustee Kristensen, second by Treasurer Shaw; motion passed unanimously.**

Meeting adjourned at 2:23 PM.

Respectfully submitted,

November 25, 2010

Matt Hedges, Secretary

Woodstock Firefighters Pension Fund