

Woodstock Firefighter's Pension Board of Trustees

A special meeting of the Woodstock Firefighter's Pension Board of Trustees was called to order on Monday July 11th, 2011 at 1:05 p.m. at Fire Station #1, 435 E. Judd Street, Woodstock, Illinois.

Board members present were President Mike Hill, Secretary Matt Hedges and Trustees Lloyd Shaw, Dick Menzel and Bob Kristensen.

Treasurer John Kunzie was absent.

Other present was Thomas Quinn of American Community Wealth Management.

Minutes

Secretary Hedges asked that discussion of the April 28th Minutes be tabled until the July 21st meeting.

Communications None.

Open Issues None.

New Business

Floor was turned over to Thomas Quinn of American Community Wealth Management. Mr. Quinn stated that there were several investments that had matured and that the fund has some liquidity at this time.

Mr. Quinn handed out an account summary for discussion. Mr. Quinn explained that a UIT was a unit investment trust, similar to a mutual fund with the difference that it has a start date and an end date. He stated that in the past, the fund needed to use these vehicles due to statutory limitation, but as the fund has grown, the Board may use more managed accounts.

Mr. Quinn explained that the Bonds account was a managed account that only has bonds issued by the U. S. Government and U.S. Agencies. He stated that these bonds are restricted by the investment policy the Board has in place.

Mr. Quinn discussed the LAMP account that will begin to take the place of the UIT account. He stated that this account is a managed mutual fund portfolio and that he expects the future growth to be for the fund.

Mr. Quinn stated that one of the fund's CDARS CDs had matured and that those funds are placed into the Money Market account upon maturity. President Hill asked if those funds are protected by FDIC in the Money Market when over \$250,000 or if the Board needs to take actions sooner when a CDARS CD matures. Mr. Quinn stated that American Community Bank

has pledged \$1.2 Million in securities to back the District and the Pension Fund in aggregate. Mr. Quinn recommended that the Pension Fund sign a pledge agreement with the bank and the Woodstock Fire Rescue District so that there are no issues, should the bank fail. President Hill and Trustee Kristensen noted concerns that the two entities are intermingled in the Pledge of Collateral. Mr. Quinn noted that if it pleased the Board, an unlimited amount of the pension fund could be kept in the bond fund or the Board could create a CD ladder across multiple institutions.

Mr. Quinn discussed the fund's current allocation of its assets. Bank deposits were 41% of the fund, Equity linked CDs were 7%. Mr. Quinn stated that the Mutual Fund Money Market was at 5%. Mr. Quinn stated that the Board can invest in the Bank, Equity Linked CDs and Mutual Fund Money Market accounts in unrestricted percentages. Mr. Quinn stated that the Mutual Fund assets are only allowed to be at 35% and the assets are currently invested at 27% into mutual funds. He stated that the Board could invest an additional \$200,000 into the mutual funds and still be under the statutory limit. Mr. Quinn recommended that the Board reinvest \$200,000 into the mutual fund account from the mutual fund money market and bank assets. **Motion by Trustee Kristensen, seconded by Trustee Shaw to move \$152,000 from the mutual fund money market account and \$48,000 from the money market account into the American Community Wealth Management mutual fund account; motion passed unanimously.** Mr. Quinn also recommended holding excess cash in the bond fund as it is completely fluid and the Board could pull those assets as needed.

Board discussed meeting again to discuss what to do with the excess cash in the money market account after the deadline for raising the debt ceiling. The Board agreed to meet again on August 16th, 2011 at 1 P.M. at Station 1 to discuss asset allocation.

Board discussed the upcoming tax levy. Secretary Hedges reported that the State of Illinois Dept of Insurance typically doesn't have the actuarial analysis completed in time for the Pension Board to report the fund's recommended tax levy to the District Board before they set the levy. Secretary Hedges stated he didn't know of a way to make the actuarial analysis take place any sooner. President Hill stated that there was a way to get an analysis sooner if the Board hired an actuary to perform an analysis independently. The Board instructed Secretary Hedges to write a letter to the District Board addressed to President Kristensen including a history of the recommended levy and what was actually collected and deposited into the fund so that the District Board could hold a discussion on the levy before October.

Adjournment

There being no further business before the Board, **Motion to adjourn by Trustee Kristensen, seconded by Trustee Shaw; Meeting adjourned 2:05 p.m.**

Respectfully submitted,

Matt Hedges, Secretary
Woodstock Firefighter's Pension Fund

July 16, 2011