

MINUTES OF ROCKTON POLICE PENSION BOARD

Special Meeting

Monday – August 29, 2011

CALL TO ORDER:

Chairman Sgt. Hollinger called the Police Pension Board special meeting to order at 4:05 P.M.

ROLL CALL:

Present were: Sgt. Hollinger, Sgt. Camacho, Dave Davison and Bruce Lans. A quorum was present. Village Treasurer Jaye Quimby and Investment Advisor Steve Danekas (Edward Jones) were also present.

AMENDMENTS TO THE AGENDA:

There were no amendments to the agenda.

PUBLIC COMMENT TIME:

There were no requests for public comment.

APPROVAL OF MINUTES:

The minutes of the special meeting held July 18, 2011 were presented. There were no questions or changes to the minutes. Minutes were marked, 8/29/11-c, and added to the meeting minutes file.

A motion was made by Lans, seconded by Mr. Davison to waive the reading of and approve the minutes as presented. Voice vote: unanimous ayes – motion carried.

INVESTMENT ADVISOR REPORT:

Year to Date Report: Mr. Danekas provided members with a copy of the Edward Jones Portfolio Performance Summary through August 29, 2011. The report showed fund assets with Edward Jones total value of \$2,004,342.53 with a 8.39 % return to date.

Assets Analysis: Mr. Danekas provided members with a copy of the Edward Jones Portfolio Assets Analysis through August 27, 2011. Mr. Danekas explained that as of this Friday we will have a total of \$49,623.00 of investable assets.

Equity Investments-Mutual Funds Recommendation: Mr. Danekas recommended the following:

1. Invest \$10,000 into Lord Abbett Affiliated to Lord Abbett Mid Cap Value Fund
2. Invest \$10,000 into Lord Abbett Growth Opportunities Fund

Mr. Danekas provided members with Morningstar reports dated 7/31/2011 for both funds, explained particulars of each report and performance of both funds. Current market changes and projected performance of the noted funds was discussed.

A motion was made by Mr. Lans to follow the recommendation as presented, seconded by Sgt. Camacho. Voice vote: unanimous ayes – motion carried.

The handout and noted attachments were marked 8/29/11-j and added to the meeting minutes file.

TREASURER’S REPORT:

There was no Treasurer’s report due to the recent special meeting on July 18, 2011.

APPROVE BILLS FOR PAYMENT:

Sgt. Camacho reviewed the following totals for four days of lunches for himself and Sgt. Hollinger while at IPPFA Certified Trustee Training in Hoffman Estates, IL:

1. Camacho \$53.76
2. Hollinger \$30.31

Receipts were provided to Jaye Quimby and checks were issued to both at the end of the meeting. Travel reimbursement was not needed since they didn’t stay in Hoffman Estates over-night and used a department squad and I-pass approved by Chief Dickson.

REQUEST FOR BENEFITS:

There were no requests for benefits.

EXECUTIVE SESSION:

An executive session was not needed.

OLD BUSINESS

Fiduciary Liability Insurance: Sgt. Camacho explained that he had asked the village clerk to contact the village insurance provider to confirm if the village had fiduciary liability coverage for the pension board and what coverage was specifically provided. She had responded through the attached email and reported that she found there wasn’t coverage specifically in this area provided for the board. The board reviewed the provided application from one of two brokers that will be asked to go out and obtain quotes for coverage from available insurance companies. The two brokers are:

1. Timothy J. Bowen
Vice President of Insurance Services – Management Liability
Mesirow Financial
Chicago, IL
(312) 595-8098
2. Steve J. Pomahac
Vice President
Ferguson Financial Group
Rockton, IL
(815) 624-4211

Mrs. Quimby reviewed the application with members and it was agreed that she would complete the application and forward the required attachments for Sgt. Camacho to package and deliver to the brokers for quotes. The draft application was marked 8/29/11-k and added to the meeting minutes file.

A motion was made by Mr. Davison, seconded by Mr. Lans to have Sgt. Camacho present the application and related documents to the two brokers for quotes to be presented at the next meeting. Voice vote: unanimous ayes – motion carried.

IPPFA Trustee Training:

Sgt. Camacho reviewed the provided agenda for the upcoming IPPFA Conference on October 4th-7th, 2011 in Lake Geneva. He explained the workshop being offered on Tuesday seemed to have a separate application and there was discussion as to whether Tuesday and Friday were required to meet the 16-hour credit. It was agreed that he would contact IPPFA and confirm if the separate registration was needed and the 16-hour continuing trustee education hours were met by attending Wednesday and Thursday only.

Sgt. Camacho provided details on the two hotels provided by IPPFA and another he had called to compare costs. They were:

1. Timber Ridge Lodge/Waterpark – 2 room Suite - \$215 and tax
2. Holiday Inn – 1 person \$125 and tax
3. Bella Vista Suites – 1 person \$128 and tax

Sgt. Camacho confirmed the Bella Vista will reduce the cost to \$91 and tax, will direct bill the fund and will provide a continental breakfast. Based on the cost and provided meal, it was agreed that the Bella Vista would be used. Sgt. Camacho and Sgt. Hollinger will stay three nights, Mr. Davison will stay two nights and Mr. Lans will commute all four days.

Mrs. Quimby was asked if she wanted to attend, but stated she didn't, but would if the board wanted her to. She explained that she has the IML conference in September and financial/pension issues are covered under their provided training.

A motion was made by Mr. Lans, seconded by Sgt. Camacho to approve the payment of hotel costs, meals not provided by hotel/conference and travel costs. Voice vote: unanimous ayes – motion carried.

The related documents were marked 8/29/11-h and added to the meeting minutes file.

Tax Levy/Actuarial:

Sgt. Camacho reviewed the provided website notification from IDOI and explained his concerns over information provided at the training in regards to IDOI's announcement of changing their actuarial programs to utilize Projected Unit Credit method instead of the former, Entry Age Normal Costs. The notice reports that they will not be able to provide suggested tax levies or to perform true cost calculations until Fall 2011. It was reported in the training that the PUC method will reduce costs to municipalities for contributions on the front end by raising the total of the contribution down the road to an unmanageable level. The handout from the training was provided to Mrs. Quimby and a sample of the City of Aurora Actuarial Valuation Report was reviewed.

Mrs. Quimby explained the process she has used in the past for determining the tax levy and the timeline of the process each year. Discussion covered the need to make-up the amount we were short from past levy, distribution of tax monies collected by the county and transferred to the police pension fund, the need for a private actuarial service being used to determine the levy to be requested for the fund and legal requirements to follow the IDOI suggested levy.

It was agreed an outside actuarial firm wasn't needed this year and in the October meeting Mrs. Quimby will present the recommended levy and the board will review and provide a written tax levy recommendation to the village board for approval.

NEW BUSINESS:

Travel Reimbursement Policy: Sgt. Camacho reviewed travel reimbursement resolution 2011-01, pension board travel reimbursement form and village of Rockton police employee benefits policy. He explained that the resolution basically affirmed that we agreed with the village travel benefits policy and would adopt and follow its directives for reimbursement of trustees for travel related costs using the same reimbursement form. He did make changes on the form to require receipts for hotel room and miscellaneous expenses along with noting that the original form and attachments would go to the village treasurer for payment and a copy would be provided to the pension board secretary for addition to the expense files.

A motion was made by Lans, seconded by Mr. Davison to adopt the noted resolution as presented. Voice vote: unanimous ayes – motion carried. The original resolution was signed and attachments were marked 8/29/11-d and added to the meeting minutes file.

Pension Participant Files:

Sgt. Camacho reported that he had created the officer participant pension files as suggested by Jaye Quimby and that officers had been directed to provide the required documents to include an updated pension registration form by 09/15/2011. The files will be maintained at the police station in the pension board file cabinet. The files will also include an individual participant contribution report that Jaye Quimby is working on.

Pension Board Legal Counsel:

Sgt. Camacho reported that he had received two of the three legal firms information packets. The three contacted were identified as:

1. Bobbie Holzwarth - Holmstrom & Kennedy – Rockford – (815) 962-7071 – Counsel for Rockford Police Pension Board
2. Marica Mueller - Hinshaw & Culbertson – Rockford – (815) 963-8488 – Served on Rockford Police Pension Board
3. Richard J. Reimer - Richard J. Reimer & Associates – Hinsdale - (630) 654-9547 - Reimer is lead counsel for the IPPFA and instructed for our course

Discussion covered attorney bios and clients, services offered by each and presented costs, and general needs of the board for legal services. Mr. Davison questioned whether there was a need to publish and solicit bids for the services before we started to select someone.

It was discussed and agreed that Sgt. Hollinger and Sgt. Camacho would meet with Mayor Adams and explain that we were in the process of selecting separate counsel.

Sgt. Camacho will forward the third attorneys information for review once it is received and the noted questions will be answered and presented at the next meeting for a decision if allowable under the present process.

Code of Ethics Policy Statement: Sgt. Camacho presented the Code of Ethics Policy Statement that was reviewed by members. Discussion covered that it was drafted under a sample provided in training by Attorney Reimer, that it wasn't a requirement, but seemed to match standards already in place by police department standards.

A motion was made by Lans, seconded by Mr. Davison to adopt the noted policy statement as presented. Voice vote: unanimous ayes – motion carried. The original policy statement was signed, marked 8/29/11-e and added to the meeting minutes file.

Pension Fund Software: Sgt. Camacho explained that the handout he had given to Jaye Quimby was a description of Fund Management software offered on the IPPFA website and the seller had been contacted to forward a link for the downloadable demo for review if Jaye felt it would be needed.

NEXT QUARTERLY MEETING:

The next regular Police Pension Board meeting will be held on Wednesday, October 19, 2011 at 4:00p.m., in the main conference room of village hall.

ADJOURNMENT:

There being no further business, it was moved by Sgt. Hollinger and seconded by Sgt. Camacho to adjourn. Voice vote: unanimous ayes – motion carried.

The meeting adjourned at 5:30 PM.

Respectfully submitted,

Sergeant Dean A. Camacho
Secretary