

ST. CHARLES POLICE PENSION FUND

211 North Riverside Avenue
St. Charles, Illinois 60174

MEETING MINUTES

Wednesday, December 7, 2011

1:00 p.m. – St. Charles Police Department

1. President Laughlin called to order the Regular Meeting of the St. Charles Police Pension Board at 1:00 p.m.

2. Roll call.

Members Present: Larry Laughlin, President; Timothy Beam, Vice President; Michael Schubert, Secretary; Chris Minick, Finance Director; and Warren Drewes, City Treasurer

Members Absent: None

Guests: Attorney Jeff Goodloe, Reimer & Associates; Jon Willhite, UBS; and Officer Scott Kern

3. APPROVE PREVIOUS MEETING MINUTES

Will defer to the next meeting.

Due to conflicting schedules and time constraints, the meeting will be going out of order.

6. PRESENTATION AND APPROVAL OF BILLS FOR DISBURSEMENT

Motion: To approve payments of bills and disbursements in the amount of \$12,705.11 as presented in Addendum A.

Maker: Beam

Second: Schuster

Roll Call: Beam – Aye, Schubert – Aye, Minick – Aye, Drewes – Aye, Laughlin – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

Laughlin reported that Addendum B contains the monthly increases for pensioners reflecting the 2012 COLA's. A brief discussion was held on these increases.

Motion: To approve Addendum B, 2012 COLA increases, as presented pending the final approval of the City Treasurer.

Maker: Laughlin

Second: Beam

Roll Call: Beam – Aye, Schubert – Aye, Minick – Aye, Drewes – Aye, Laughlin – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

Motion: To approve the annual dues for the IPPFA in the amount of \$775.00.
Maker: Minick
Second: Schuster
Roll Call: Beam – Aye, Schubert – Aye, Minick – Aye, Drewes – Aye, Laughlin – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

8. APPLICATIONS FOR BENEFITS

Goodloe stated that they are in the process of preparing a final written decision in the case of Scott Kern. Once this decision is completed, it will trigger the 35-day Administrative Review time period where the applicant can file a complaint for an Administrative Review challenging the decision. This written decision should be completed within the next week. Once the decision and order are received, payment may commence and be retroactive to the disability date.

Laughlin reported on receipt of an application for disability pension from Sgt. Cici. Goodloe reported that they are in the very initial stages with this application. A hearing will be forthcoming.

7. APPLICATIONS FOR MEMBERSHIP

None.

9. NEW BUSINESS

- A. 2012 Meeting Dates – The Board meets the first Wednesday of the months of March, June, September and December. The 2012 meeting dates are as follows: March 7, June 6, September 5 and December 5.

4. INVESTMENT ACTIVITIES

Beam left the meeting at 1:30 p.m.

Willhite reported that the IPS is currently being updated to reflect recent law changes. The Board has been discussing de-risking the portfolio by investing in preferred securities. This type of investing should bring about 15% of risk reduction to the portfolio. Willhite stated that they still see a lot of risk in the market place so being conservative is prudent. The total portfolio was down -6.26% with the policy and dynamic down -6.25%. The one year numbers were up .77% with the policy up .58%; since inception the portfolio is up 8.26% outperforming the policy at 7.71%. Large Caps underperformed their benchmark for the quarter as well as long term. As a result, some of the managers will be placed on the watch list. SMID Caps were down 24% with the benchmark down 21%, down 9% for the one year, and up 10.5% since inception. It appears that stock selection was a major contributor. International was up 16.85% against the benchmark at 18.95%, down 6% for the one year and since inception up 9.4%. Willhite gave a brief overview of the status of the various money managers. Emerging Markets since inception are up 10.7% with the index at 9.52%. Total Fixed Income has provided good numbers up 6.59% compared to 3.19% with 9.31% since inception. Preferred Securities was at .48% with the index down -3.1%. Discussion was held on possible changes to help the portfolio, which included fewer monies in Large Caps, an increase in Preferred Securities, overviews of the current managers, etc. No changes are recommended for

rebalancing at this time. The Board will consider new money managers at a special meeting. This special meeting will be held on Monday, December 19, 2011 beginning at 1 p.m. Drewes will attend this meeting via conference call.

Discussion was held on new Emerging Market managers. The Board will review the information distributed and defer any changes to the December 19th Special Meeting.

5. OLD BUSINESS

Laughlin reported on receipt of a QUILDRO for Cpt. Shaw. The Board has everything needed to comply with the court order and will handle.

Laughlin reported that an election was held for an active member trustee. Trustee Schubert was up for re-election. Laughlin and Beam counted the ballots and the results are as follows: Schubert 29 votes. No other candidates or votes were submitted. Schubert is re-elected for a term of 2 years. The ballots will be kept on file.

Laughlin stated that the tax monies have been deposited into the money market account. Will address the investment of these monies at the 12/19/2011 meeting. Minick inquired if the Private Bank lowered the rate on the Fund's money market account. They recently lowered this rate for the City. Laughlin will look into this.

Laughlin reported that the Illinois Department of Insurance report has been submitted, however, the report still requires the signature sheet completed. Laughlin will hand carry the sheet around for signature.

Minick inquired as to the status of Fiduciary Insurance. This item will be addressed at the December 19th Special Meeting.

Goodloe reported that there is a new public act (97-504), which requires all trustees to complete the online Open Meetings Act training. This training is available on the Illinois Attorney General's web site. All trustees need to complete this training sometime in 2012. This training should only take about 30 minutes to complete. Upon completion, members will be able to print out a certificate. These certificates need to be kept on file with the Pension Board. Any new members elected or appointed must complete this training within 90 days of their election or appointment.

Laughlin submitted a statement certifying 16 hours of ethics training. This information will be kept on file. Minick stated he completed some training in August and will forward certification to the Board. It was noted that the Open Meetings Act training qualifies towards the annual required training.

11. ADJOURNMENT

There being no further business, a motion was made by Drewes to adjourn the meeting at 2:00 p.m. Seconded by Schubert. Voice Vote. All in favor. Motion carried.

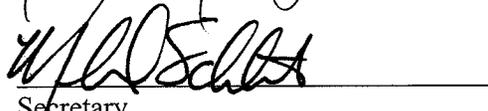
Ayes 5 Nays 0 Absent 0

The meeting was adjourned at 2:00 p.m.

Respectfully submitted,



President



Secretary

ADDENDUM A : Minutes 12/7/11

un Date: 12/06/2011

ST. CHARLES POLICE PENSION FUND

Voucher Payment Report

Voucher Number	Trustee/Vendor	Trustee/Vendor Name	Expense Type	Status	Status Due Date	Check Number	Voucher Amount
1197	20	SANDRA LAUGHLIN CLERK FEE SEP OCT NOV 2011 75 HRS@20.00=\$1500.00	5013-200	Paid	12/06/2011	5125	\$1,500.00
						Vendor Total	<u>\$ 1,500.00</u>
1194	30	LARRY LAUGHLIN TELEPHONE \$197.50 OFC SUPPLIES \$49.33 POSTAGE \$44.00 TAX FORMS 1099R \$115.39= 406.22	5017-600	Paid	12/06/2011	5124	\$406.22
						Vendor Total	<u>\$ 406.22</u>
195	32	LAUTERBACH & AMEN, LLP PREPARATION 2011 IDOI REPORT	5013-200	Paid	12/06/2011	5122	\$1,650.00
196		INVOICE 21583 MAY INVOICE 21955 JUNE INVOICE 2236 JULY MONTHLY FINANCIAL REPORTS	5013-200	Paid	12/06/2011	5121	\$2,745.00
						Vendor Total	<u>\$ 4,395.00</u>
193	48	A T & T 630 232-0977 092 9	5017-600	Paid	12/06/2011	5118	\$96.24
						Vendor Total	<u>\$ 96.24</u>
198	81	RICHARD J REIMER & ASSOCIATES L.L.C. INVOICE DATED NOV 16, 2011	5013-400	Paid	12/06/2011	5114	\$3,216.30
199		INVOICE DATED OCT 12, 2011	5013-400	Paid	12/06/2011	5115	\$3,091.35

Voucher Payment Report

Voucher Number	Trustee/Vendor	Trustee/Vendor Name	Expense Type	Status	Status Due Date	Check Number	Voucher Amount
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Vendor Total \$6,307.65

Total Voucher Amount \$12,705.11

ADDENDUM B: Minutes 12/7/11

2012 COLA INCREASES NAME	Monthly CURRENT	INCREASE	Monthly 2012 AMOUNT
Bogolin, John	3,144.39	57.87 3% simple	3,202.26
Harris, John	4,267.80	88.47 3% simple	4,356.27
Laughlin, Larry	4,083.21	76.56 3% simple	4,159.77
Rogers, Darryl	4,929.95	106.40 3% simple	5,036.35
Rogers, Dwayne	3,136.53	940.96 30% turned 60 last year	4,077.49
Torroll, Peter	3,210.49	60.20 3% simple	3,270.69
Beckstrom, Charles	2,656.80	79.70 3% compounded	2,736.50
Brandenburg, Ronald	2,972.69	89.18 3% compounded	3,061.87
DeWolf, Brian	4,272.82	128.18 3% compounded	4,401.00
Dominik, Anthony	3,720.23	111.61 3% compounded	3,831.84
Ferguson, Arthur	4,862.38	145.87 3% compounded	5,008.25
Jannusch, david	6,122.14	183.66 3% compounded	6,305.80
Kijowski, Michael	2,412.71	361.91 15% turned 55 last month	2,774.62
Kintz, James	3,339.49	100.18 3% compounded	3,439.67
Klinkhamer, Dan	6,879.47	206.38 3% compounded	7,085.85
McCall, Steven	5,501.15	165.03 3% compounded	5,666.18
Meiresonne, Richard	5,530.01	165.90 3% compounded	5,695.91
Parker, Charles	5,297.14	158.91 3% compounded	5,456.05
Schroeder, Lynn Eff: 03/01/2012	5,458.01	736.83 15% turns 55 in February	6,194.84
Smith, Steven	5,246.62	157.4 3% compounded	5,404.02
Sorg, Rob	3,777.57	113.33 3% compounded	3,890.90
Summers, Raymond	3,184.07	95.52 3% compounded	3,279.59
Swanson, David	1,343.93	40.32 3% compounded	1,384.25
Taylor, Michael	5,896.60	176.90 3% compounded	6,073.50
Thomas, Donald	5,006.72	150.20 3% compounded	5,156.92
QUILDRO			
Brandenburg, Janet	1,398.92	41.97 3% compounded	1,440.89
Total Monthly Increase			4,739.44