

Minutes
St Charles Firemen's Pension Board of Directors
Regular Meeting
Wednesday September 7, 2011
Den B, City Hall
8:00 a.m.

1. Call to order – President Craig Hanson called the meeting to order at 8:05 a.m. Roll call was taken and showed:

Present - Craig Hanson, Joel Meeter, Patrick Mullen, Stephen Fuller and Christopher Minick. Jon Willhite from UBS was also present.

2. Review of the actuarial report

The board members reviewed the actuarial report of May 1, 2011; that was prepared for the City by TSW Actuarial. Timothy Sharpe was called and connected to speakerphone in order to be available for questions. The report showed that the fund had an investment return of 11.89% and the percent funded rose from 80% to 85% using pre PA 096 – 1495 methods.

Discussion included changes in the actuarial methods used and assumptions about return on investment and pay increases. Jon Willhite stated that he felt that 6&1/2% was a more realistic return assumption. Tim Sharpe stated that if a 6&1/2% return assumption was used in the future he felt that a 4.5% wage increase would be more appropriate. He believed that if those assumptions were used then the levy would be about 10% higher.

Christopher Minick stated that City Management will recommend a levy of \$991,067, from column 3, which uses pre PA 096 – 1495 actuarial methods but with a 30 year amortization instead of 22 years. The levy using the same actuarial method with a 22 year amortization would be \$1,049,025 as compared to the May 2010 levy of \$1,096,648.

A motion was made by Patrick Mullen and seconded by Stephen Fuller to recommend that the City levy \$1,049,025.

A roll call vote was taken:

Ayes – Joel Meeter, Craig Hanson, Patrick Mullen, and Stephen Fuller
Nays - Christopher Minick

The motion passed.

A motion was made by Joel Meeter and seconded by Patrick Mullen to request that the City include actuarial assumptions of 6.5% return and 4.5% salary increases on future actuarial reports.

Voice vote – unanimous, the motion carried.

4. Minutes

June 1, 2011 Regular Meeting

A motion was made by Patrick Mullen and seconded by Stephen Fuller to approve the minutes as presented.

Voice vote: unanimous, the minutes were approved.

June 10, 2011 Special Meeting

A motion was made by Patrick Mullen and seconded by Christopher Minick to approve the minutes as presented.

Voice vote: unanimous, the minutes were approved.

July 19, 2011 Special Meeting

A motion was made by Patrick Mullen and seconded by Stephen Fuller to approve the minutes as presented.

Voice vote: unanimous, the minutes were approved.

August 22, 2011 Special Meeting

A motion was made by Stephen Fuller and seconded by ^{Patrick Mullen. - gm.} ~~Stephen Fuller~~ to approve the minutes as presented.

Voice vote: unanimous, the minutes were approved.

3. Old Business

- Status of the Duty Disability Application of Timothy Peterson

Joel Meeter read correspondence from Attorney Atwell stating that he was compiling the exhibits and working with the attorneys of all parties to prepare for the disability hearing and that he would keep the Board informed.

□ Consideration of the destruction of records

Christopher Minick presented a list of pension documents that the Records Department would like to destroy: Investment records from 2003 – 4/2004 and Tax statements from 2002 -2003.

A motion was made by Stephen Fuller and seconded by Christopher Minick to authorize the Records Department to destroy the records listed.

Voice vote – unanimous, the motion passed.

□ Other Old Business

During the June regular meeting Jon Willhite had presented the Board with a UBS document “Electronic Communication Consent and Hold Harmless.”

Christopher Minick stated that he was concerned of the possibility of transmitting social security numbers and them being subject to FOIA. Jon Willhite stated that he would change the language and present the document for consideration at the next meeting.

Jon stated that he will prepare a draft IPS reflecting statute changes for the Board to consider at the next meeting.

5. New Business

□ Review Investments

Jon Willhite reviewed the investment report. Referencing the rebalancing work sheet, he recommended reducing the CS McKee Bonds by \$200,000 and Cambiar Large Cap by \$100,000 and adding \$150,000 to Columbia Acorn International and Thornburg International. This would leave the bond allocation at 53% to preserve capital in the event of an equity downturn.

A motion was made by Joel Meeter and seconded by Stephen Fuller to make the changes as recommended per the rebalancing worksheet.

A roll call vote was taken:

Ayes - Stephen Fuller, Christopher Minick, Patrick Mullen, Joel Meeter, and Craig Hanson.

Nays – none, the motion carried.

Jon Willhite presented the Board with information regarding the Glovista Emerging Market Fund. The Board reviewed the past performance, risk, and other factors as compared to similar funds and the MSCI EM benchmark.

A motion was made by Christopher Minick and seconded by Patrick Mullen to reduce holdings by \$700,000 from the Oppenheimer Developing Markets and ~~buy~~ invest them with the Glovista Emerging Market Fund. 700k

A roll call vote was taken:

Ayes - Stephen Fuller, Christopher Minick, Patrick Mullen, Joel Meeter, and Craig Hanson.

Nays – none, the motion carried.

- Discuss possible pension increases

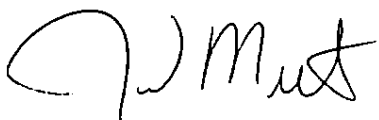
Craig Hanson informed the Board that he had spoken with Scott Brandt from the Department of Insurance regarding Karl Madson's pension and if he should get a pension increase due to the changes in the pension code. MR Brandt stated that he was being paid correctly with 3% annual non compounded increases.

6. Adjournment

A motion was made by Patrick Mullen and seconded by Stephen Fuller to adjourn the meeting.

Voice vote: unanimous, the meeting was adjourned at 10:42 a.m.

Submitted,



Joel Meeter, Secretary