

# AGENDA

## MOLINE FIREFIGHTERS' PENSION BOARD

Thursday January 23, 2014 at 8:30 a.m.  
Conference Room-Moline Fire Department  
1630 8th Avenue, Moline, Illinois

Trustees: Brian Vyncke (President) Mike Lucchetti (Elected Trustee)  
Mike Rasche (Secretary) Kathleen Carr (Treasurer)  
Scott Raes (Appointed Trustee)

---

*Notice is hereby given that the Board of Trustees of the Moline Fire Pension Board will hold a meeting that will commence at 8:30 a.m. on Thursday January 23, 2014 in the Moline Fire Department Conference Room, 1630 8<sup>th</sup> Avenue, Moline, Illinois to discuss the public business as set forth in the Agenda below.*

1. Meeting Call to Order
2. Roll Call of Members
3. Approval of Minutes
  - A. Minutes of the October 24, 2013 Meeting
  - B. Minutes of the November 14, 2013 Special Meeting
  - C. Minutes of the December 18, 2013 Special Meeting
4. Report/Expenses
  - A. Quarterly Investment Report
  - B. Review of Investment Policy & Guidelines
  - C. Illinois Finance Entity Forms
  - D. Expenses
  - E. Treasurers Report
5. Correspondence
  - A. Letter to First Midwest Bank dated October 24, 2014
  - B. Letter from ICG dated January 14, 2014
  - C. Lauterbach & Amen Payroll Letter
  - D. Annual certification letter from Harris Bank
6. New Business
  - A. Mandatory Education Training
  - B. Election Procedures
  - C. Acceptance of QILDRO-Jewell
  - E. Benefit Discrepancies-Polchow
  - F. 2014 COLA's-Allison
  - G. Administrative Services Proposals-Lauterbach & Amen
7. Public Comment
8. Adjournment

*Any person with disabilities who wishes to attend the meeting who requires a special accommodation, or any other person requiring a special accommodation in attending the meeting, should notify Andrea Awbrey, Moline Fire Department, 309-524-2250, at least 24 hours prior to the scheduled meeting time.*

# Minutes

## MOLINE FIREFIGHTERS' PENSION BOARD

Thursday, October 24, 2013 – 8:30 a.m.  
Conference Room-Moline Fire Department  
1630 8th Avenue, Moline, Illinois

Present: Brian Vyncke (President)  
Scott Raes (Appointed)  
Kathy Carr (Treasurer)  
Mike Rasche (Secretary)  
Andrea Awbrey (Recording Secretary)  
Don Stanforth (Financial Consultant)

1. President Brian Vyncke called the meeting to order at 8:35a.m.
2. Roll Call of Members-Mike Lucchetti was absent.
3. Approval of Minutes
  - A. Minutes of the August 2, 2013 meeting  
Brian Vyncke, seconded by Scott Raes, made a motion to approve the minutes.  
Motion carried unanimously.
  - B. Minutes of the August 27, 2013 meeting  
Kathy Carr, seconded by Brian Vyncke, made a motion to approve the minutes.  
Motion carried unanimously.
  - C. Minutes of the September 12, 2013 Meeting  
Brian Vyncke, seconded by Mike Rasche, made a motion to approve the minutes. Motion carried unanimously.
4. Report/Expenses:
  - A. Quarterly Investment Report  
Don Stanforth presented the Quarterly Investment report.  
Kathy Carr, seconded by Brian Vyncke, made a motion to approve the following changes to the mutual fund account:  
Buy \$406,000 DFA Invt Dimensions Group In (DFIGX)  
Buy \$145,000 PIMCO Investment Grade Corp Bd Instl (PIGIX)  
Buy \$399,000 Vanguard GNMA Adm (VFIJX)  
Motion carried unanimously.  
Kathy Carr, seconded by Brian Vyncke, made a motion to approve July, August, and September transactions. Motion carried unanimously.
  - B. Expenses  
Scott Raes, seconded by Mike Rasche, made a motion to approve expenses as of 09/30/2013 (checks 30010 to 30015). Motion carried unanimously.
  - C. Treasurer's Report  
Scott Raes, seconded by Brian Vyncke, made a motion to approve the Treasurers Report as of 08/31/2013. Motion carried unanimously.

5. Correspondence
  - A. Letter dated October 2, 2013 from Investment Consulting Group
  - B. IPFA 2013 Fall Pension Seminar Invite
  - C. AFFI Pension Seminar Invite
  - D. Central Illinois Public Safety Pension Conference Invite
  - E. Email from Don Stanforth/Sandy Hofmann dated August 5<sup>th</sup> regarding cash balance from the August 2<sup>nd</sup> meeting.  
All Correspondence was reviewed with no action taken.
  
6. New Business
  - A. IPPFA Annual Membership Dues  
Brian Vyncke, seconded by Kathy Carr, made a motion to approve payment of membership dues. Motion carried unanimously.
  - B. Benefit Discrepancies-DeBacker  
Kathy Carr, seconded by Scott Raes, made a motion to table until ready for action to be taken. Motion carried unanimously.
  - C. Benefit Discrepancies-Kloos  
Kathy Carr, seconded by Scott Raes, made a motion to table until ready for action to be taken. Motion carried unanimously.
  - D. Benefit Discrepancies-Loan  
Kathy Carr, seconded by Scott Raes, made a motion to table until ready for action to be taken. Motion carried unanimously.
  - E. Benefit Discrepancies-Polchow  
Kathy Carr, seconded by Scott Raes, made a motion to table until ready for action to be taken. Motion carried unanimously.
  - F. 2014 COLA's-Allison  
Kathy Carr, seconded by Brian Vyncke, made a motion to table until benefit discrepancies are resolved. Motion carried unanimously.
  - G. 2014 Meeting Dates  
Kathy Carr, seconded by Scott Raes, made a motion to approve meeting dates for 2014. Motion carried unanimously.
  
7. There were no public comments
  
8. Adjournment  
Scott Raes, seconded by Brian Vyncke, made a motion to adjourn at 9:50a.m.  
Motion carried unanimously.

Respectfully Submitted  
Andrea J. Awbrey  
Recording Secretary

Approved by,  
Mike Rasche  
Secretary

# *Special Meeting*

## MINUTES

### MOLINE FIREFIGHTERS' PENSION BOARD

Thursday, November 14, 2013 – 8:30 a.m.

Fire Department Conference Room

1630 8th Avenue, Moline, Illinois

Present: Brian Vyncke (President)  
Kathleen Carr (Treasurer)  
Scott Raes (Appointed Trustee)  
Mike Lucchetti (Trustee)  
Andrea Awbrey (Recording Secretary)

---

President Brian Vyncke called the meeting to order at 8:31 a.m.

1. Roll Call of Members  
Absent-Mike Rasche
2. New Business
  - A. Kathy Carr, seconded by Mike Lucchetti, made a motion to accept the retirement application of Ted Smith. Battalion Chief Smith was appointed to the Moline Fire Department on August 1, 1984 and his retirement will be effective November 30, 2013, with 29 years of service. His salary at the time of retirement was \$102,055.50, and will receive a monthly pension of \$6,219.01 with an annual 3% COLA. All in favor, motion carried unanimously.
3. Benefit Discrepancies
  - A. Scott Raes, seconded by Mike Lucchetti, made a motion to approve the back payment of \$44,801.31 to Patricia DeBacker due to a miscalculation of benefits. All in favor, motion carried unanimously.
  - B. Scott Raes, seconded by Brian Vyncke, made a motion to approve the recoupment of 50% of the pension overpayment made to John Kloos. The pension overpayment was \$291.04. The amount to be recouped will be \$145.52. The Pension Board realized the calculation error and has a fiduciary responsibility to capture part of the overpayment. All in favor, motion carried unanimously.
  - C. Brian Vyncke, seconded by Scott Raes, made a motion to take no action and deem Dennis Loan is being paid correctly as there is no evidence of an unpaid break in service. All in favor, motion carried unanimously.
  - D. Brian Vyncke, seconded by Mike Lucchetti, made a motion to table the benefit discrepancy for Eva Polchow.
4. Adjournment  
Brian Vyncke, seconded by Mike Lucchetti, made a motion to adjourn at 9:04 a.m. All in favor, motion carried unanimously.

Respectfully Submitted,

Andrea J. Awbrey  
Recording Secretary

Approved By  
Mike Rasche  
Secretary

# *Special Meeting*

## **MINUTES**

### **MOLINE FIREFIGHTERS' PENSION BOARD**

**Wednesday, December 18, 2013 – 8:30 a.m.**

Fire Department Conference Room

1630 8th Avenue, Moline, Illinois

Board Members Present: Brian Vyncke (President)  
Kathleen Carr (Treasurer)  
Mike Lucchetti (Trustee)

Others Present: Andrea Awbrey (Recording Secretary)  
Allison Barrett (Lauterbach & Amen, LLP)

---

**President Brian Vyncke called the meeting to order at 8:33 a.m.**

**1. Roll Call of Members**

Absent-Scott Raes

**2. Pre Tax versus After Tax Insurance Deductions**

Kathy Carr, seconded by Mike Lucchetti, made a motion to approve the changes with the insurance deduction as recommended by Lauterbach & Amen. A letter will be sent to the pensioners and this will be effective with the January payment. Motion passed unanimously.

**3. Moline Firefighters Pension Fund Fiduciary Insurance**

Mike Lucchetti, seconded by Mike Rasche, made a motion to approve payment and renew Travelers Insurance in the amount of \$8,041.00. Motion passed unanimously.

**4. Lauterbach & Amen, LLP Engagement Letters**

Brian Vyncke, seconded by Kathy Carr, made a motion to approve a three year agreement with Lauterbach & Amen in the amount of \$6,550.00. Motion passed unanimously.

**5. Other**

**Pension Files**

Allison will submit a quote for organizing and digitalizing the Fire Pension records. She will submit the quote in time to address on January 23<sup>rd</sup> agenda.

**Census Received in Mail**

Census was given to Kathy. Finance will complete.

**Creditable Service for Greg DeKeyser**

He has until he is retired to pay the balance due to the fund, with the understanding there is interest that accrues on the unpaid balance.

**Survivor Benefits for Patricia Lorange**

Kathy Carr, seconded by Brian Vyncke, made a motion to accept the guardianship as authorization to submit her application for survivor benefits. Motion passed unanimously.

Respectfully Submitted,

Andrea J. Awbrey  
Recording Secretary

Approved By  
Mike Rasche  
Secretary

## Firefighters' Pension Expenses for Approval as of 12/31/13

Check #	Date	Payee	Amount	Description
Electronic	9/23/2013	Lauterbach & Amen	\$900.00	Payroll Services
Electronic	10/31/2013	Lauterbach & Amen	\$450.00	Payroll Services
Electronic	10/31/2013	Advisory Research	\$9,576.67	Investment Fee
Electronic	10/31/2013	Investment Consulting Group	\$5,176.40	Investment Fee
Electronic	10/31/2013	Dana Investment	\$5,288.56	Investment Fee
Electronic	10/31/2013	First Midwest Bank	\$2,807.55	Investment Fee
Electronic	10/31/2013	Advisory Research	\$9,052.12	Investment Fees
Electronic	10/31/2013	IPPFA	\$775.00	Membership Fee
30018		Brian Vyncke	\$158.20	Seminar Expenses
30019		City of Moline	\$913.61	Seminar Expenses
30020		Jerry Sottos	\$158.83	Medical Expenses
30021		Kathleen Carr	\$158.20	Seminar Expenses
30022		Mike Rasche	\$158.20	Seminar Expenses
30023		Scott Raes	\$309.25	Seminar Expenses
Total			<b>\$35,882.59</b>	

**MOLINE FIREFIGHTERS' PENSION  
TREASURER'S REPORT  
AS OF December 31, 2013**

	Debit	Credit
<b>ASSETS:</b>		
Cash - Trust Account	\$1,149,025	
Cash - Benefit Account	\$11,692	
Investments - Equities	\$19,247,532	
Other Investments	\$4,214,372	
 <b>REVENUES:</b>		
Employer Contributions		\$3,657,429
Interest Earnings		\$529,494
Employee Contributions		\$427,195
Other		\$10,717
 <b>EXPENSES:</b>		
Pension Payments - Widows	\$618,214	
Pension Payments - Duty Disabled	\$518,280	
Pension Payments - Retirees	\$3,256,766	
Pension Payments - Separation	\$19,768	
Payroll Services	\$10,040	
Medical	\$159	
Investment Fees	\$89,630	
State Filing Fee	\$5,279	
Seminars	\$1,880	
Actuary Services	\$2,500	
Audit Services	\$3,745	
Insurance Bond	\$7,714	
Postage	\$79	
Memberships	\$775	
Other Supplies	\$540	
IRS Coalition	\$300	
 <b>NET ASSETS</b>		 <b>\$24,533,455</b>
	 <b>\$29,158,290</b>	 <b>\$29,158,290</b>

**MOLINE FIREFIGHTERS PENSION FUND**  
**BOARD OF TRUSTEES**

---

**1630 8<sup>th</sup> Avenue Moline, Illinois 61265 Phone (309) 524-2071**

October 24, 2013

Mr. Steve Dembosky, Senior Vice President  
First Midwest Bank-Wealth Management  
506 15th Street  
P. O. Box 990  
Moline, IL 61266-0990

Re: Moline Firefighter's Pension Fund

Dear Mr. Dembosky:

Per the trustees' instructions, please process the following changes to the Moline Fire Pension Account. If you have any questions, feel free to call.

In account #92-5001-01-8, mutual funds:

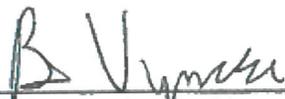
Buy \$406,000 DFA Invt Dimensions Group In (DFIGX)

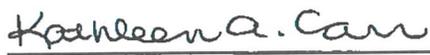
Buy \$145,000 PIMCO Investment Grade Corp Bd Instl (PIGIX)

Buy \$399,000 Vanguard GNMA Adm (VFIJX)

When these purchases have been completed, please let Don Stanforth's office know. 563-322-2322 ext 4306.

Yours truly,

  
\_\_\_\_\_  
Brian Vyncke, President

  
\_\_\_\_\_  
Kathleen A. Carr, Treasurer



5117 JERSEY RIDGE ROAD • SUITE ONE • DAVENPORT, IOWA 52807  
TEL: (563) 322-2322 • TOLL FREE: (800) 824-8668 • FAX: (563) 322-4966

January 14, 2014

Mr. Brian Vyncke  
Moline Firefighter's Department  
3422 76<sup>th</sup> Street  
Moline, Illinois 61265

Dear Brian:

As of December 31, 2013 the First Midwest Bank custodial account balances show The City of Moline Firefighter's Pension Fund is not in violation for equities for the fiscal year. Call if you have any questions.

Yours truly,

INVESTMENT CONSULTING GROUP, INC

A handwritten signature in cursive script that reads "Donald R. Stanforth".

Donald R. Stanforth, President  
Certified Investment Management Analyst®

DRS/sh

Enclosure: Asset Allocation Spreadsheet

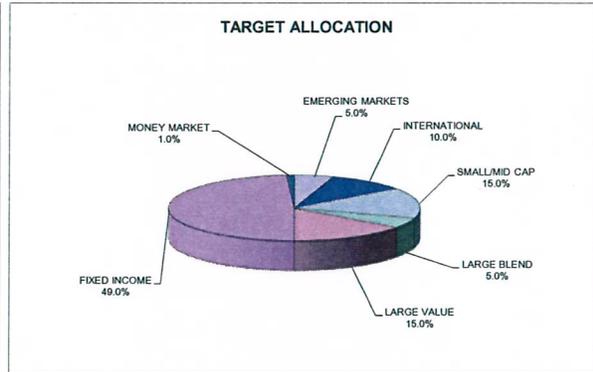
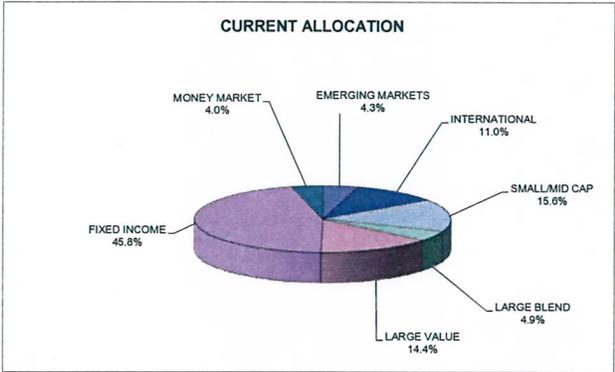
cc: Kathy Carr

MOLINE FIREFIGHTER'S PENSION FUND

ASSET ALLOCATION

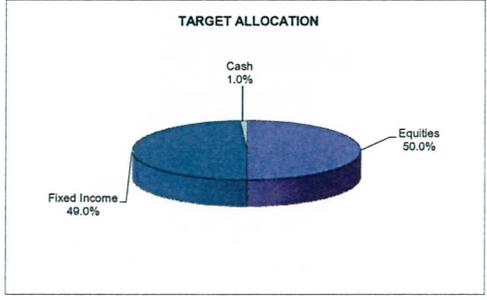
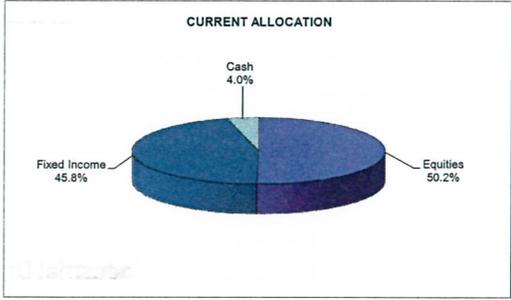
Fiscal Year End December 31, 2013

<u>Current Allocation</u>				<u>Target Allocation</u> August 9, 2011			
<u>Money Manager</u>	<u>Market Value</u>	<u>Percent of Portfolio</u>		<u>Target Percent</u>	<u>Target Range</u>	<u>Target \$</u>	<u>Target Change</u>
DFA Emerging Markets	\$581,618						
T. Rowe Price Emerging Markets	\$567,702						
<b>EMERGING MARKETS</b>	<b>\$1,149,320</b>	<b>4.3%</b>		<b>5.0%</b>	<b>0-10%</b>	<b>\$1,332,066</b>	<b>\$182,746</b>
Fidelity International Discovery	\$1,480,386						
Harbor International	\$1,456,842						
<b>INTERNATIONAL</b>	<b>\$2,937,228</b>	<b>11.0%</b>		<b>10.0%</b>	<b>5-15%</b>	<b>\$2,664,132</b>	<b>(\$273,096)</b>
Advisory Research Small Cap Value	\$4,155,838						
<b>SMALL/MID CAP</b>	<b>\$4,155,838</b>	<b>15.6%</b>		<b>15.0%</b>	<b>10-20%</b>	<b>\$3,996,198</b>	<b>(\$159,640)</b>
First Midwest Bank Large Cap	\$1,307,586						
<b>LARGE BLEND</b>	<b>\$1,307,586</b>	<b>4.9%</b>		<b>5.0%</b>	<b>0-10%</b>	<b>\$1,332,066</b>	<b>\$24,480</b>
Dana Investments Large Cap Value	\$3,833,347						
<b>LARGE VALUE</b>	<b>\$3,833,347</b>	<b>14.4%</b>		<b>15.0%</b>	<b>10-20%</b>	<b>\$3,996,198</b>	<b>\$162,851</b>
DFA Intermediate Government Fixed Income	\$4,062,974						
PIMCO Invst Gr Corp BD Instl	\$4,077,651						
Vanguard GNMA Adm	\$4,055,240						
<b>FIXED INCOME</b>	<b>\$12,195,865</b>	<b>45.8%</b>		<b>49.0%</b>	<b>39-75%</b>	<b>\$13,054,248</b>	<b>\$858,383</b>
MF Money Market	\$928,741						
ARI-Cash	\$44,109						
FMB-Cash	\$62,051						
DANA-Cash	\$27,236						
<b>MONEY MARKET</b>	<b>\$1,062,137</b>	<b>4.0%</b>		<b>1.0%</b>	<b>0-5%</b>	<b>\$266,413</b>	<b>(\$795,724)</b>
<b>Total Portfolio</b>	<b>\$26,641,321</b>	<b>100.0%</b>		<b>100.0%</b>		<b>\$26,641,321</b>	<b>(\$0)</b>



Equity Percent Fiscal Year End Target 12/31/2013      12/31/12 EMV      \$24,520,915      55%      \$13,486,503

<u>Current Allocation</u>			<u>Target Allocation</u>		
<u>Market Value</u>	<u>Money Manager</u>	<u>Percentage</u>	<u>Asset Class</u>	<u>Percentage</u>	<u>Range</u>
\$13,383,319	Equities	50.2%	Equities	50.0%	25-55%
\$12,195,865	Fixed Income	45.8%	Fixed Income	49.0%	39-75%
\$1,062,137	Cash	4.0%	Cash	1.0%	0%-5%
<b>\$26,641,321</b>	<b>Total Portfolio</b>	<b>100.0%</b>	<b>Total Portfolio</b>	<b>100.0%</b>	



\*Maintain \$1,000,000 in Cash Pension Payments per quarter.

## Awbrey, Andrea

---

**From:** Carr, Kathy  
**Sent:** Wednesday, January 15, 2014 9:11 AM  
**To:** Vyncke, Brian; Lucchetti, Michael; Awbrey, Andrea; Raes, Scott  
**Subject:** FW: Lauterbach & Amen Tax Services  
**Attachments:** LA Payroll Letter - Jan 2014.pdf

Any objections? (Andrea, would you give Mike Rasche a call to see if he has any concerns?)

---

**From:** Allison Barrett [<mailto:abarrett@lauterbachamen.com>]  
**Sent:** Wednesday, January 15, 2014 12:02 AM  
**Subject:** Lauterbach & Amen Tax Services

Hello,

In recent years, a number of our pension trustees and pension recipients have asked us why we don't provide tax services. In an effort to meet the requests of our clients and truly be a full service accounting firm, we brought in the personnel and infrastructure to meet that need in 2013. Lauterbach & Amen will continue to offer traditional individual, business, and non-profit tax return preparation services. We continually strive to be an elite personal client service firm and received an overwhelming response to the information we distributed last year from pensioners across the U.S.

For over a decade, our specialty has been the government sector, and this will continue with our tax services. We pride ourselves on extensive knowledge of the intricacies of Social Security, Medicare, and how those are affected by public employee pensions. We have comprehensive knowledge of issues, such as the H.E.L.P.S. credit, the windfall elimination provision, and government pension offset, to ensure your pensioners are receiving the best service for their particular set of circumstances.

Every year we send out tax related information to the pensioners with their year-end payroll information and 1099s. **I would like your permission to include the attached letter with your pensioner's January 2014 direct deposit slips.** Your pensioners will then have the contact information necessary to inquire about the use of these services if they choose. **Please let me know your thoughts by January 20<sup>th</sup>** so we have time to prepare the mailing. If you or anyone else on the board would like additional information on Lauterbach & Amen's tax services, or if you have any questions, please do not hesitate to ask me!

Thank you,

*Allison R. Barrett, Partner*

Lauterbach & Amen, LLP  
Certified Public Accountants  
27W457 Warrenville Road  
Warrenville, IL 60555  
630.393.1483 Office  
630.393.2516 Fax  
[abarrett@lauterbachamen.com](mailto:abarrett@lauterbachamen.com)  
[www.lauterbachamen.com](http://www.lauterbachamen.com)

January 14, 2014

Dear Pensioner,

In recent years, a large number of our pension recipients expressed interest in having Lauterbach & Amen prepare their tax returns. You spoke, and we listened. In an effort to meet the needs of our clients—and further expand our firm’s service offerings—we began offering tax preparation services to our pensioners in January 2013. Over the past year our tax department has experienced rapid growth thanks to the overwhelming response from pensioners like you.

***Lauterbach & Amen offers traditional individual, business, and non-profit tax return preparation services.*** Our longstanding reputation for exceptional client service, and breadth of industry knowledge, make us uniquely suited to serve as BOTH your pension experts and your tax experts.

Our team understands the intricacies of Social Security, Medicare, and how they are affected by public employee pensions. We are well-versed on the gamut of tax issues—including the windfall elimination provision and government pension offset—which enables us to tailor our services to your particular set of circumstances.

**Tax season is rapidly approaching. Please contact A.J. Weber, CPA, at 630.393.1483 or [aweber@lauterbachamen.com](mailto:aweber@lauterbachamen.com) to take advantage of our experienced team.**

We look forward to hearing from you.

Sincerely,



Lauterbach & Amen, LLP

January 7, 2014

Re: Illinois Predatory Lending Certification

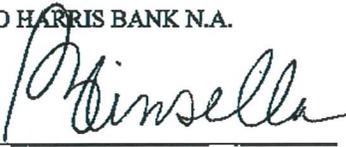
To Whom It May Concern:

We are writing in response to your communication regarding certification by BMO Harris Bank N.A. ("BMO Harris") under Section 5/1-110.10 of the Illinois Pension Code, 40 ILCS 5/1-110.10, (the "Pension Code") of BMO Harris' compliance with the Illinois High Risk Home Loan Act, 815 ILCS 137/1 et. seq, (the "HRHLA"). The Pension Code requests each "Illinois finance entity" (as defined in the Pension Code) to annually certify compliance with the HRHLA in writing to be eligible for investment of retirement system or pension fund assets.

BMO Harris is a national bank chartered by the Office of the Comptroller of the Currency as authorized under federal law. BMO Harris is not an "Illinois finance entity" as defined in the Pension Code, and therefore is not obligated to provide the certification required by the Pension Code in order to be eligible to receive the investment of retirement system or pension fund assets.

Please let us know if you have any questions. Thank you .

BMO HARRIS BANK N.A.

By: 

Peter B. Kinsella  
Vice President and Senior Relationship Manager

