
Minutes

MOLINE FIREFIGHTERS' PENSION BOARD

Thursday October 25, 2012 – 8:30 a.m.

Conference Room-Moline Fire Department

1630 8th Avenue, Moline, Illinois

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

1. President Brian Vyncke opened the meeting at 8:35a.m.
2. Roll Call of Members-All were present
3. Approval of Minutes
 - A. Minutes of the July 26, 2012 Meeting.
Kathy Carr, seconded by Mike Rasche, made a motion to approve the minutes with the proposed corrections. Motion carried unanimously.
4. Report/Expenses:
 - A. Quarterly Investment Report
Don Stanford presented the Quarterly Investment report.
Kathy Carr, seconded by Scott Raes, made a motion to establish an IMET account to use for the Money Market. Motion carried unanimously
Kathy Carr, seconded by Brian Vyncke, made a motion to approve transactions dated July 1, 2012 through September 30, 2012. Motion carried unanimously.
 - B. Expenses
Brian Vyncke, seconded by Dick Brown, made a motion to approve expenses as of 10/10/12. Motion carried unanimously.
 - C. Treasurer's Report
Dick Brown, seconded by Brian Vyncke, made a motion to approve the Treasurers Report as of 8/31/12. Motion carried unanimously.
 - D. Actuary Report
Dick Brown, seconded by Kathy Carr, made a motion to accept the Actuary Report. Motion carried unanimously.
 - E. Compliance Report
Dick Brown, seconded by Scott Raes, made a motion to approve the Compliance Report. Motion carried unanimously
5. Correspondence
 - A. Correspondence received during the quarter was reviewed with no action taken.

6. New Business

A. Increases

Scott Raes, seconded by Brian Vyncke, made a motion to approve a first increase for Ronald Miller. Motion carried unanimously.

Dick Brown, seconded by Mike Rasche, made a motion to approve a first increase for Edward Vize. Motion carried unanimously.

Dick Brown, seconded by Scott Raes, made a motion to approve an increase for Jeffrey Miller. Motion carried unanimously.

Scott Raes, seconded by Dick Brown, made a motion to approve an increase for Michael Radford. Motion carried unanimously.

Kathy Carr, seconded by Brian Vyncke, made a motion to approve an increase for Brett Owen. Motion carried unanimously.

B. Application for Widow Benefits-Dunlop

Kathy Carr, seconded by Brian Vyncke, made a motion to approve the application for Mary Dunlop. Motion carried unanimously.

C. Payroll Service Provider

Brian Vyncke, seconded by Kathy Carr, made a motion to end payroll services with Moorehead & Petersen, and begin payroll services with Lauterbach & Amen LLP effective February 1, 2013. Motion carried unanimously.

D. 2013 Meeting Schedule

Scott Raes, seconded by Mike Rasche, made a motion to approve the 2013 meeting schedule. Motion carried unanimously.

7. Public Comment

There were no public comments

8. Adjournment

Brian Vyncke, seconded by Dick Brown, made a motion to adjourn at 10:10 a.m. Motion carried unanimously.

Respectfully Submitted

Andrea J. Awbrey

Recording Secretary

Approved by,

Mike Rasche

Secretary

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

Check #	Payee	Amount	Description
1282	Investment Consulting Group	\$4,953.25	Investment Fees
1283	First Midwesnt Trust	\$2,657.82	Investment Fees
1284	Brian Vyncke	\$164.70	Seminar Expense
1285	City of Moline	\$1,437.76	Seminar Expense
1286	Advisory Research	\$8,429.52	Investment Fees
1287	IPPFA	\$775.00	Membership Fee
1288	Brett Owen	\$500.00	Returned Direct Deposit
1289	Dana Investment Advisors	\$5,450.65	Investment Fees
Total		\$24,368.70	

**MOLINE FIREFIGHTERS' PENSION
TREASURER'S REPORT
AS OF November 30, 2012**

	Debit	Credit
ASSETS:		
Cash - Checking	\$12,540	
Cash - Trust Account	\$646,104	
Employer Contributions Receivable	\$3,007,810	
Interest Receivable	\$13	
Investments - Equities	\$8,314,634	
Other Investments	\$13,070,998	
 REVENUES:		
Employer Contributions		\$2,185,852
Interest Earnings		\$643,296
Employee Contributions		\$430,686
Other		\$50
 EXPENSES:		
Pension Payments - Widows	\$544,690	
Pension Payments - Duty Disabled	\$511,949	
Pension Payments - Retirees	\$3,442,031	
Pension Payments - Non Duty Disabled	\$0	
Pension Payments - Separation	\$0	
Payroll Services	\$3,519	
Medical	\$0	
Investment Fees	\$75,225	
State Filing Fee	\$5,279	
Seminars	\$5,975	
Actuary Services	\$2,500	
Audit Services	\$4,350	
Insurance Bond	\$7,090	
Postage	\$633	
Memberships	\$775	
Other Supplies	\$90	
 NET ASSETS		 \$26,396,322
	 \$29,656,206	 \$29,656,206

Illinois Department of Insurance



Governor

Toll Free 1-800-207-6958
5978

Pat Quinn

The Siren

Fax 217-524-

Director

Andrew Boron

Bulletin Bulletin

Bulletin

Bulletin Bulletin

TO : Retirement Systems & Pension Funds established under the Illinois Pension Code

FROM : Department of Insurance Public Pension Division

DATE : November 1, 2012

RE : Annual Salary Maximum for Pension and Annuity Purposes, and Annual Cost of Living Allowance (COLA) for New Hires on or after January 1, 2011

In accordance with Public Act 96-0889, Public Act 96-1490 and Public Act 96-1495, the Illinois Pension Code (Code) requires that the Department of Insurance annually determine the annual salary maximum to be used for pension and annuity purposes and the retirement COLA to be applied for participants who first became participants on or after January 1, 2011. These individuals are more commonly known as Tier II employees. The Department is required to determine these amounts by November 1 of each year to all Retirement Systems and Pension Funds operating under the Code.

The annual increase to be used in determining the annual salary maximum and the COLA is derived from the change in the Consumer Price Index-Urban (CPI-U) for the 12 months ending with the September preceding each November 1.

CPI-U, September 2012, unadjusted change in the CPI-U over the prior 12 months: **2.0%**
Source: US Bureau of Labor Statistics.

For the General Assembly Retirement System (Article 2) and the Judges Retirement System (Article 18), the annuity COLA and the increase in the annual salary maximum equals the lesser of 3% or the full CPI-U. For these systems, the 2013 COLA to be applied to the Tier II annuity benefits will be 2% and the 2013 annual salary maximum for annuity purposes will be \$112,204.08 as shown in Table 1 below :

Table 1:

<u>Calendar Year</u>	<u>Prior Year CPI-U</u>	<u>COLA, or Annuity Increase</u>	<u>Annual Earnings, Salary or Wages Maximum</u>
2011		3.00%	\$106,800.00
2012	3.90%	3.00%	\$110,004.00

2013	2.00%	2.00%	\$112,204.08
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For the Retirement Systems and Pension Funds established under the Code other than the General Assembly Retirement System and the Judges Retirement System (see list below), the annuitant COLA and the increase in the annual salary maximum equals the lesser of 3% or ½ the CPI-U. The 2013 COLA applied to Tier II annuitant benefits will be 1% and the 2013 annual salary maximum for pension and annuity purposes will be \$109,971.43.08 as shown in Table 2 below :

Table 2:

<u>Calendar Year</u>	<u>Prior Year CPI-U</u>	<u>½ CPI-U</u>	<u>COLA, or Annuity Increase</u>	<u>Annual Earnings, Salary or Wages Maximum</u>
2011			3.00%	\$106,800.00
2012	3.90%	1.95%	1.95%	\$108,882.60
2013	2.00%	1.00%	1.00%	\$109,971.43

The following is a list of the Retirement Systems and Pension Funds for which the limits provided in Table 2 apply:

State Employee Retirement System	Metropolitan Water Reclamation District
State University Retirement System	Forest Preserve of Cook County
Illinois Teachers Retirement System	Chicago Laborers Retirement Fund
Illinois Municipal Retirement Fund	Chicago Fire Retirement Fund
Suburban & Downstate Police	Chicago Police Retirement Fund
Suburban & Downstate Fire	Chicago Park Employees Retirement Fund
Municipal Employees of Chicago	Chicago Teachers Retirement Fund
Employees and Officers of Cook County	Chicago Transit Authority Retirement Fund

If you have any questions regarding this bulletin, please contact the Public Pension Division of the Department of Insurance at (800) 207-6958.

SAVE THE DATE

FRIDAY - MAY 3 - GOLD SHIFT

Have your Pension Board Trustees completed their continuing education requirements? I.P.F.A. has been conducting educational seminars since 1971.

Our Spring Seminar is scheduled for Friday, May 3, 2013 in Addison, IL. It will provide eight hours of continuing pension board trustee education as required by State Statute. Combined with our 2013 Fall Seminar on November 1st, Pension Board Trustees can complete their annual training requirements locally.

Seminar fees are \$110 per person for I.P.F.A. members and \$135.00 for non-members. Continental breakfast, break refreshments, and lunch are included.

In March all Pension Boards will receive registration information and full details concerning the speakers and topics. We provide quality education at an economical price. Save the date and spend Illinois pension funds in Illinois.

Questions: call 630-833-2405, e-mail ipfa@aol.com, or www.ipfaonline.org.
Thank you.



Illinois Professional
Firefighters Association
188 Industrial Drive, Suite 438
Elmhurst, IL 60126-1612

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Pension Board Secretary
Moline Fire Department
1630 8th Ave
Moline IL 61265-2116



Jismy Raju
161 N. Clark Street
Suite 1000
CHICAGO, IL 60601
Phone: (312) 458-6664
Email: JRAJU@travelers.com

December 18, 2012

Tammy Wakefield
WILLIS OF ILLINOIS INC (0RJ601)
P O BOX 970
MOLINE, IL 61266-0970

RE: MOLINE FIREFIGHTERS PENSION FUND
Fiduciary Liability Insurance Policy - Quotation
Form F-1191-B (05/98)

Dear Tammy Wakefield,

On behalf of Travelers Casualty and Surety Company of America we are pleased to offer this quotation for Fiduciary Liability Insurance pursuant to the following terms & conditions:

No.	Annual Aggregate Limit of Liability	Deductible (Per Claim)	Annual Premium
1	\$2,000,000.00	\$10,000.00	\$7,714.00

NOTICE: A state surcharge may apply. Please refer to your billing statement.

Premium for this policy is paid by the Trust or Plan. The non-binding indication of premium above includes \$25.00 for each Trustee. Endorsement to eliminate recourse will be added.

ENDORSEMENTS (The titles & headings are for convenience only. Please refer to the policy and endorsements for a description of coverage):

Applicable to	Option No. 1	
ILNOT	11-98	Illinois Notice
ILT-1018	01-08	Terrorism Disclosure Notice
ILT-1067	01-08	Cap on Losses from Certified Acts of Terrorism Endorsement
F-1401	01-83	FR-1
ILT-5026	11-02	IL - Cancellation/Nonrenewal Full Cancellation - Insurer
F-1460	01-03	Amend Extension Clause (Additional Premium)
F-2222	04-91	IL Defense Within
F-2043	11-89	Government Plan
F-2576	05-95	Failure to Fund Exclusion
F-1280	02-95	Elimination of Recourse
F-1400	01-83	FR-2
F-2035	09-98	Pollution Exclusion
F-2511	02-95	IL Changes - Cancellation and Non-Renewal

CONTINGENCIES (This quote is subject to the underwriter's receipt and satisfactory review of the following prior to the quotation expiration date set forth below):

NOTES:

TERMS:

Policy Period: Inception: February 01, 2013, Expiration: February 01, 2014

Extended Reporting Period: 12 months at 100% of the annual Premium

Commission: 22.50%

Quotation Expiration Date: 30 days from date of this letter

This quotation is conditioned upon there being no material change in risk between the date of this letter and the inception date of the proposed coverage. In the event of such change, the Underwriter may, at its sole discretion, modify or withdraw this quotation. The coverage offered hereunder may not be accepted after quotation expiration date set forth above.

This quote *automatically includes at no additional cost* Travelers Bond's Risk Management PLUS Online for Plan Fiduciaries, a loss control program for administrators and fiduciaries of employee benefit plans. This program combines online reference material and best practices audits with access to ERISA attorneys via a toll free number.

Thank you for the opportunity to offer this insurance proposal for MOLINE FIREFIGHTERS PENSION FUND. We look forward to discussing this opportunity with you further.

Sincerely,

Jismy Raju

FF-QL001 (09-00)



**IMPORTANT NOTICE TO AGENTS OR BROKERS -
NOTIFICATION REQUIREMENTS UNDER THE
TERRORISM RISK INSURANCE ACT OF 2002**

Dear Agent or Broker:

In order that Travelers may fulfill its requirements under the Terrorism Risk Insurance Act of 2002, as amended, and to protect you from any errors or omissions exposure, it is important that the attached "Disclosure Notice - Terrorism Risk Insurance Act of 2002" (ILT-1066 Ed. 1-08) is delivered with the new or renewal quote for this account.

Delivery may be accomplished in a variety of ways, including U.S. Mail, express mail, fax, or in person.

We appreciate your cooperation.

Sincerely,

The Travelers Companies, Inc.

**DISCLOSURE NOTICE -
TERRORISM RISK INSURANCE ACT OF 2002**

On December 26, 2007, the President of the United States signed into law amendments to the Terrorism Risk Insurance Act of 2002 (the "Act"), which, among other things, extend the Act and expand its scope. The Act establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in the Act) caused by "acts of terrorism". An "act of terrorism" is defined in Section 102(l) of the Act to mean any act that is certified by the Secretary of the Treasury - in concurrence with the Secretary of State and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The Federal Government's share of compensation for Insured Losses is 85% of the amount of Insured Losses in excess of each Insurer's statutorily established deductible, subject to the "Program Trigger", (as defined in the Act). In no event, however, will the Federal Government or any Insurer be required to pay any portion of the amount of aggregate Insured Losses occurring in any one year that exceeds \$100,000,000,000, provided that such Insurer has met its deductible. If aggregate Insured Losses exceed \$100,000,000,000 in any one year, your coverage may therefore be reduced.

Please note that no separate additional premium charge has been made for the terrorism coverage required by the Act. The premium charge that is allocable to such coverage is inseparable from and imbedded in your overall premium, and does not include any charge for the portion of losses covered by the Federal Government under the Act. The charge is no more than one percent of your premium.

Awbrey, Andrea

From: Carr, Kathy
Sent: Tuesday, January 08, 2013 12:36 PM
To: Awbrey, Andrea
Subject: FW: Moline Police and Moline Firefighters Pension Fund Fiduciary Insurance
Attachments: Firefighters Travelers Quote.pdf

Andrea, please include on the January Fire Pension Agenda "Renewal of Fiduciary Insurance"

From: Wakefield, Tammy [<mailto:Tammy.Wakefield@willis.com>]
Sent: Wednesday, January 02, 2013 3:21 PM
To: Carr, Kathy
Cc: Barrett, John
Subject: Moline Police and Moline Firefighters Pension Fund Fiduciary Insurance

Kathy – Attached are the two Travelers renewal quotes for the Fiduciary Liability Insurance for the Police Pension Fund and the Firefighters Pension Fund for the 2/1/13 to 2/1/14 policy terms and the premium breakdown is noted below.

FINANCIAL SUMMARY

Coverage	Travelers Expiring Premium	Travelers Annual Premium	Commission	Policy Service Fee	Quote Expiration Date
Moline Firefighters Pension Fund – Fiduciary Liability	\$7,090	\$7,714	22.5%	Waived	2/1/13
Moline Police Pension Fund – Fiduciary Liability	\$7,129	\$7,804	22.5%	Waived	2/1/13

The premiums on both policies have increased slightly based on the substantial decline in funding from 48.9% to 44.5%.

CONINGENCIES

- Please advise how you are planning to improve funding levels.

Below is a summary of the additional markets we approached on your behalf for both policies.

CARRIER	LINE OF BUSINESS	RESPONSE
ACE	Fiduciary Liability	Declined – Unable to provide a competitive quote at this time.
Chubb	Fiduciary Liability	Declined – Plan funding needs to be around 80%.

The annual aggregate limit of liability on both policies with Travelers remains the same as expiring at \$2,000,000 annual aggregate subject to a \$10,000 per claim deductible.

The payment terms remain agency bill/full pay on both policies.

Please report all claims to the Willis Claim Center as noted below:

WILLIS CLAIM CENTER CONTACT INFORMATION

The claim center is available 24/7/365.

Phone 877-725-9678
Fax 877-945-3676
E-mail claimcentral@willis.com

PANEL PROCESS

Please note that the quotes from Travelers were obtained through the Willis Panel Process.

This proposal is presented in conjunction with the Standard Terms and Conditions for US Property & Casualty Retail Accounts which is attached.

Please review this proposal and advise of any changes or questions you may have. To request the binding of coverage, please contact me by phone or e-mail including the contingency item noted above prior to the 2/1/13 renewal date to be certain coverage is bound with the carrier without a lapse in coverage.

Tammy M. Wakefield, Senior Client Service Specialist, Commercial Lines

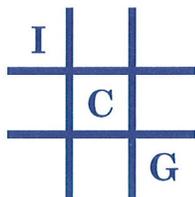
Willis of Illinois, 1800 River Drive, Moline, IL 61265
Direct: 309.743.3005, tammy.wakefield@willis.com, www.willis.com

See what we stand for and how we serve our clients at www.willis.com/williscause

Follow us on [Twitter](#), [LinkedIn](#), [YouTube](#), [Facebook](#) -- and the [WillisWire](#) blog

For information pertaining to Willis' email confidentiality and monitoring policy, usage restrictions, or for specific company registration and regulatory status information, please visit http://www.willis.com/email_trailer.aspx

We are now able to offer our clients an encrypted email capability for secure communication purposes. If you wish to take advantage of this service or learn more about it, please let me know or contact your Client Advocate for full details. ~W67897



**INVESTMENT
CONSULTING
GROUP, INC.**

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

January 8, 2013

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

Dear Brian:

As of December 31, 2012 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 blue ink that reads "Donald Stanforth".

Donald R. Stanforth, President
Certified Investment Management Analyst

DRS/sh

Enclosure: Asset Allocation Spreadsheet

Cc: Kathy Carr ✓

Moline Firefighters Pension Board Education Requirement

Credit Hours -August 14, 2012 through August 13, 2013
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Awbrey, Andrea	IPPFA Conference October 5-8, 2012	16
Brown, Richard	IPPFA Conference October 5-8, 2012	16
Carr, Kathleen	IPPFA Conference October 5 - 8, 2012	16
Raes, Scott	IPPFA Conference October 5 - 8, 2012	16
Rasche, Michael	IPPFA Conference October 5-8, 2012	16
Vyncke, Brian	IPPFA Conference October 5 - 8, 2012	16

Moline Firefighters Pension Board Education Requirement

Credit Hours -August 14, 2011 through August 13, 2012
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Awbrey, Andrea	IPPFA Conference October 5-8, 2011	16
Brown, Richard	IPPFA Conference October 5 - 8, 2011	16
Carr, Kathleen	IPPFA Conference October 5 - 8, 2011	16
Raes, Scott	IPPFA Conference October 5 - 8, 2011	16
Rasche, Michael	IPPFA Conference May 15-18, 2012	16
Vyncke, Brian	IPPFA Conference October 5 - 8, 2011	16