

1 **THE FRANKLIN PARK FIREFIGHTERS' PENSION FUND.**

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BOARD MEMBERS PRESENT:

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MR. ANTHONY BIANCHI, President;

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MR. STEVEN IOVINELLI, Secretary;

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MR. RAFAEL NUNEZ, Trustee;

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MR. JACK PANZICA, Trustee;

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MR. DANIEL ANTIOHO, Trustee.

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1 **COUNSEL PRESENT:**

2 RICHARD J. REIMER & ASSOCIATES, by
3 MR. RICHARD J. REIMER
4 15 Spinning Wheel Road, Suite 310
5 Hinsdale, Illinois 60521
6 (630) 654-9547
7 on behalf of the Franklin Park Firefighters'
8 Pension Fund.

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11 **ALSO PRESENT:**

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13 MR. FRANK GRIEASHAMER, Village Treasurer;

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15 MARQUETTE ASSOCIATES, by
16 MR. DAVID SMITH,
17 MR. CHRIS CAPARELLI and
18 MR. ERIC GAYLORD
19 150 N. Wacker Drive, Suite 1900
20 Chicago, Illinois 60606
21 (312) 527-5500;

22

23 LAUTERBACH & AMEN, LLP, by
24 MR. JAMES F. RITCHIE
25 27W457 Warrenville Road
26 Warrenville, Illinois 60555
27 (630) 393-1483.

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1 MR. IOVINELLI: We will call the meeting
 2 to order at 9:30. Mr. Bianchi?
 3 MR. BIANCHI: Here.
 4 MR. IOVINELLI: Mr. Panzica?
 5 MR. PANZICA: Here.
 6 MR. IOVINELLI: Mr. Antioho, absent. Mr.
 7 Nunez, absent. Mr. Iovinelli, here. We do have a
 8 quorum.
 9 All right, first and foremost,
 10 everybody got a copy of the minutes from the last
 11 meeting? So we need a motion to approve.
 12 MR. BIANCHI: So moved.
 13 MR. IOVINELLI: Okay. Motion by Mr.
 14 Bianchi. Seconded by --
 15 MR. PANZICA: (Nodding).
 16 MR. IOVINELLI: -- Mr. Panzica to accept
 17 the minutes from the meeting of October 25, 2011.
 18 All those in favor?
 19 MR. BIANCHI: Aye.
 20 MR. PANZICA: Aye.
 21 MR. IOVINELLI: Okay. Motion approved.
 22 Next we've got the expense report.
 23 I gave that too. This is for November and
 24 December, and then we're done for the year as far

1 as payouts. The total on the expense report is
 2 \$347,509.76. So I need a motion to approve. Here
 3 they are.
 4 (WHEREUPON, Mr. Nunez and Mr.
 5 Antioho arrived at the hearing.)
 6 MR. IOVINELLI: Mr. Nunéz and Mr. Antioho
 7 are here. Motion on the floor to accept the
 8 treasurer's report of \$347,509.76. Mr. Bianchi?
 9 MR. BIANCHI: Yes.
 10 MR. IOVINELLI: Mr. Panzica?
 11 MR. PANZICA: Yes.
 12 MR. IOVINELLI: Mr. Antioho?
 13 MR. ANTIOHO: Here.
 14 MR. IOVINELLI: And Mr. Nunez?
 15 MR. NUNEZ: Here.
 16 MR. IOVINELLI: All right. Good.
 17 (WHEREUPON, a discussion was held
 18 off the record.)
 19 MR. IOVINELLI: I guess you guys are up.
 20 Before we get into investments, in regards to
 21 expenses, I got the -- from Lauterbach, the
 22 increases.
 23 MR. REIMER: Statutory cost of living
 24 increases.

1 MR. IOVINELLI: Right. So just for
 2 information sake, FYI, we now -- the projected
 3 outlay of the pension fund for next year or this
 4 coming year is going to be two million --
 5 MR. RITCHIE: Annually, \$2,015,458.80.
 6 Monthly it will be \$167,954.90.
 7 MR. IOVINELLI: That's without other fees
 8 involved and stuff like that.
 9 MR. RITCHIE: Right. Those are strictly
 10 the benefits month-to-month based on who is
 11 currently receiving benefits.
 12 MR. BIANCHI: Do we need to make a motion
 13 to accept that?
 14 MR. REIMER: If you're talking about the
 15 statutory cost of living increases that were
 16 awarded in January --
 17 MR. IOVINELLI: That's what it is.
 18 MR. REIMER: -- the Department of
 19 Insurance is of the position that you should do a
 20 roll call vote and approval them.
 21 MR. IOVINELLI: Okay.
 22 MR. REIMER: I personally believe you
 23 don't have to do that because you have no
 24 discretion. You have to do it by statute, but

1 keep of Department of Insurance happy. And maybe
 2 to keep it simple, I recommend you entertain a
 3 motion to pay the statutory cost of living
 4 increases, see attached.
 5 MR. IOVINELLI: What was the total again,
 6 Jim?
 7 MR. RITCHIE: The monthly total was
 8 \$167,954 --
 9 MR. IOVINELLI: No, no. Do we do the
 10 monthly or just a motion to approve the increases?
 11 MR. REIMER: Just do a motion to approve
 12 the increases.
 13 MR. IOVINELLI: We need a motion on the
 14 floor to approve the COLA increases.
 15 MR. PANZICA: So moved.
 16 MR. IOVINELLI: Moved by Mr. Panzica.
 17 Seconded by?
 18 MR. NUNEZ: Second.
 19 MR. IOVINELLI: Mr. Nunez. We will do a
 20 roll call. Mr. Bianchi?
 21 MR. BIANCHI: Yes.
 22 MR. IOVINELLI: Mr. Panzica?
 23 MR. PANZICA: Yes.
 24 MR. IOVINELLI: Mr. Antioho?

1 MR. ANTIOHO: Yes.
 2 MR. IOVINELLI: Mr. Nunez?
 3 MR. NUNEZ: Yes.
 4 MR. IOVINELLI: Mr. Iovinelli, yes.
 5 Motion passed.
 6 MR. BIANCHI: Wolf & Company. Did
 7 everybody get a copy of these?
 8 MR. IOVINELLI: That should have been in
 9 the packets.
 10 MR. BIANCHI: All right. I have extras.
 11 MR. IOVINELLI: Okay. Investments.
 12 MR. SMITH: I think everybody in here met
 13 Eric, but for those of you who didn't, this is
 14 Eric Gaylord, one of our analysts. He will be
 15 joining us just for this meeting. And like Eli
 16 Manning, who has an offensive line to make him
 17 look good, I have Eric and Chris to make me look
 18 good.
 19 MR. IOVINELLI: Wow, all the football
 20 innuendos.
 21 MR. SMITH: Just a quick overview of the
 22 year and what to expect going forward, and Chris
 23 will start us off with that and we'll take a quick
 24 look at the portfolio which performed relatively

1 well. Chris.
 2 MR. CAPARELLI: Good morning everybody.
 3 It's good seeing you all again. I think the last
 4 time we saw you was about the third or fourth week
 5 in October. At that point, we were in the middle
 6 of a bit of a furious rally in the equity markets.
 7 Just to refresh your memory,
 8 September and much of the third quarter was a
 9 pretty rough one for equity markets, really,
 10 around the globe. The S & P 500 was down
 11 14 percent in the third quarter, but we got a lot
 12 of that back in October. October was up
 13 12 percent, and then we closed out the year
 14 relatively flat in November and December, and
 15 that's pretty common.
 16 Financial markets usually are
 17 fairly -- they don't have a lot of volatility
 18 towards the end of the year as people on Wall
 19 Street are away from their desks; and usually
 20 things are pretty calm going into the end of the
 21 year.
 22 But a few good things happened
 23 towards the end of the year which I think sort of
 24 flew under the radar a little bit and sort of

1 spring-boarded us into 2012. There was some
 2 renewed optimism out of Europe. The ECB put
 3 together a loan program, which went a long way to
 4 reducing the yields on sovereign debt in some of
 5 the most troubled countries in Europe. And we
 6 also saw some leadership changes in Greece and
 7 Italy, which I think the markets reacted to
 8 positively.
 9 So I think we didn't really see
 10 much of a pop in December because of that, but I
 11 think that sort of spring-boarded us into 2012.
 12 So far the month of January, we're up about
 13 4.7 percent on the S & P 500. Making that rally
 14 from the bottom in 2011, we're up about 22 percent
 15 since that point. So it's been a nice rally so
 16 far, and, you know, hopefully we can keep that
 17 going.
 18 If you guys take a look at the
 19 books in front of us, the first section is our
 20 fourth quarter market environment; something that
 21 we're all used to seeing. It has our recap of
 22 what went on in the fourth quarter.
 23 And then behind the first tab is
 24 something a little bit different. It's our market

1 preview for 2012. It's sort of what our guys back
 2 at the office are thinking to expect over the
 3 coming year. It includes previews on really all
 4 different asset classes, some of which you guys
 5 are invested in, and some of which are not. So
 6 like it includes real estate and hedge funds,
 7 infrastructure, private equity. So if you have a
 8 few minutes, take a look at it. I think it's a
 9 pretty good read. It's a pretty good preview of
 10 what to expect for the coming year.
 11 And just as a very quick summary,
 12 you know, I think that there will be continued
 13 kind of concern over what's going on in Europe.
 14 There's some uncertainty here with our
 15 presidential election that's coming up. But
 16 provided we can make it through those two events
 17 without any major catastrophes, we could be set up
 18 for a pretty decent year in 2012.
 19 Like I said, we're off to a pretty
 20 good start, and, you know, hopefully we can keep
 21 that going into the next calendar year. So with
 22 that, we can take a look at the portfolio.
 23 MR. SMITH: Any questions on the market;
 24 what to expect?

1 So flipping to the last tab,
2 Exhibit 2, we'll start with pages three and four.
3 On page three, investment manager status report,
4 all of your investment managers are within
5 compliance with their stated guidelines.

6 On page four, market values as of
7 12-31, market value was 20.3 million. We see --
8 as Chris mentioned, we've seen a rally. The fund
9 has returned an additional 2.7 percent for the
10 year; and the market value, as of yesterday, was
11 20.8 million, an increase through year-to-date of
12 about 600,000.

13 All of the allocations are within
14 their target ranges, so there's no need to
15 rebalance.

16 In the third quarter, we increased
17 international equity from 10 to 15 percent by
18 adding one percent each to Artisan and Vanguard,
19 and we added three percent to -- or we added a new
20 allocation, Franklin International, international
21 small-cap fund.

22 On page six, annualized performance
23 gross of fees, and keep in mind this was a market
24 environment where U.S. equities returned one

1 percent, international equities returned negative
2 14 percent, and bonds returned 5.8 percent. This
3 plan returned 4.3 percent for the calendar year
4 2011, outpacing its policy benchmark by 2.4
5 percent.

6 Over every period from year-to-date
7 through 10 years on an annualized basis, this fund
8 has outpaced its policy benchmark, signifying very
9 strong performance by the investment managers.
10 And over a three-year period, as of 12-31, the
11 fund returned 7.8 percent, outpacing its actuarial
12 rate return by 80 basis points. So a significant
13 accomplishment over the last three years by
14 outpacing that actuarial rate of return.

15 Moving on to page ten, just to
16 highlight risk relative to performance as
17 evidenced by this chart at the top, this blue --
18 the blue dot represents the pension plan. It's in
19 this northwest quadrant, which means the plan is
20 earning more return with less risk relative to its
21 peers; exactly where we want it to be.

22 In the fiscal year -- again, the
23 fiscal year ends April 30th -- the plan is down
24 basically 20 basis points. That number is a

1 little bit higher and will be in positive
2 territory year-to-date through yesterday.
3 And, lastly, investment managers on
4 page 11. The yellow signifies outperformance
5 relative to the benchmark. The green signifies
6 performance before the fund was actually added to
7 the plan.

8 Managers have done very well. C.S.
9 McKee, who was hired to replace Rockwood in the
10 third quarter, outperformed its benchmark by 40
11 basis points over the fourth quarter.

12 Wilshire -- I'm sorry -- the
13 Wilshire 5000 Equity Index Fund replicates the
14 risk and return characteristics of the benchmark.
15 It's right on target.

16 Fiduciary Management, small-cap
17 manager in Milwaukee, has been an absolute
18 lights-out manager. They outperformed in the year
19 by almost ten percentage points. They are one of
20 the best managers in the small-cap space.

21 And the international managers have
22 all done very well. The Artisan International
23 Fund is an active compliment to the Vanguard
24 International Stock Fund, which is a

1 passively-managed fund.

2 And then lastly, the new addition
3 is the Franklin International Small-Cap Fund,
4 designed to sort of mirror what fiduciary does in
5 the small-cap space, but internationally.

6 And then, lastly, real estate.
7 Real estate has served as a sizeable buoy to the
8 portfolio. As we saw the volatility and equity
9 markets, real estate returned positive for the
10 year, 15.4 percent.

11 So despite sort of an ugly third
12 quarter, the plan did very well; returned in
13 positive territory. Over three years, the plan
14 has done very well, outpacing the actuarial rate
15 of return by 80 basis points. So not too bad.

16 Any questions?

17 MR. BIANCHI: How did they perform like
18 that, that small-cap fiduciary?

19 MR. SMITH: Well, they are very, very
20 good stock pickers. They can pick winners, but
21 they also have a higher allocation to cash, say
22 ten percent. A lot of investment managers will
23 typically have, say, three percent in cash or
24 less. And when the markets tanked in the third

1 quarter, because they had cash, they didn't drop
2 by as much, but they also picked some good
3 winners.

4 MR. IOVINELLI: Good. I mean, since
5 we've started using them, they've been good.

6 MR. SMITH: Yeah. They are definitely
7 one of the best, and part of the reason is they
8 are focused on value management, and that's all
9 they do. And that's reason to sort of identify
10 those manners who only manage one type of asset
11 class, and, obviously, the proof is in the
12 pudding.

13 MR. IOVINELLI: Good. I noticed you
14 passed out -- oh, no, these are from Lauterbach,
15 the guidelines.

16 MR. BIANCHI: Those would be from Rick,
17 the guidelines.

18 MR. REIMER: No.

19 MR. IOVINELLI: That was from the last
20 meeting, wasn't it?

21 MR. BIANCHI: Investment policy
22 guidelines is what it is so ...

23 MR. IOVINELLI: You guys took care of
24 that, right?

1 MR. SMITH: Yeah, that's all set.

2 MR. IOVINELLI: Okay. That's all set.
3 That's all downstate and everything is ready to
4 go?

5 MR. SMITH: That's right.

6 MR. IOVINELLI: Okay. Any questions on
7 investments? So we don't need to do any
8 rebalancing or reallocation right now; we're all
9 good to go?

10 MR. SMITH: All good.

11 MR. IOVINELLI: Okay, all right, good.
12 I'll put you guys on the agenda now. Lauterbach.

13 MR. RITCHIE: Okay. Coming in,
14 everybody, we just finished up your December
15 monthly accounting. I gave everybody a summarized
16 copy of that.

17 Coming in to let you know where you
18 are, at least so you can follow along with your
19 investment guide and see where we're tracking
20 here. We're fairly close on most of these. I
21 need to take a look at the numbers afterwards and
22 make sure everything is in agreement.

23 But coming in on page 2-1, we see
24 where the plan net assets are as of December 31st.

1 Coming in, plan held just over \$20,250,000. The
2 vast majority of that was in cash investments;
3 just over 20 million 100.

4 Looking at your cash position
5 between your cash investments and the money market
6 mutual funds held, you're looking somewhere around
7 \$700,000. It's probably about maybe 3-1/2 months
8 worth of expenses, to be conservative. You know,
9 maybe a little bit more than that. But you're in
10 a fairly good liquid position concerning the next
11 few months until you start getting in your big
12 majority of Cook County taxes for the --

13 MR. IOVINELLI: Yeah, because the bills
14 will go out -- what? We should be getting them
15 February 1st?

16 MR. RITCHIE: Yeah, you should be seeing
17 the bills probably sometime either by the end of
18 this week or the beginning of next week, just to
19 get everybody's money going out.

20 MR. IOVINELLI: They're due March 1st?

21 MR. BIANCHI: I think it's April. I'm
22 hoping it's April.

23 MR. GRIEASHAMER: It should be March 1st.

24 MR. RITCHIE: We've heard that many a

1 times. So but, anyway, you know, we'll keep track
2 of that, make sure they're coming in all right.

3 But coming in on the next page,
4 2-2, changes for the eight months of the fiscal
5 year so far. Coming in, employer contributions
6 are at just over \$723,966.00. Coming in about
7 \$99,000 of that was personal property replacement
8 tax that you get from the Village that they get
9 from the State. Cook County and DuPage County
10 taxes that you've gotten so far -- oh, no, it's
11 just Cook County. Cook County is \$625,000.00.
12 Probably you're going to see about that same
13 amount coming in March and April.

14 Contributions coming in, you get
15 about \$30,000 a month from your active employees,
16 so you've got about 193,000 coming in.

17 Coming in, you know, we've already
18 looked over the investments; but right now, it's
19 running a little bit of a deficit. Actually,
20 compared to other funds, we're seeing really big
21 deficits here, so your managers are clearly taking
22 care of you here.

23 MR. IOVINELLI: Good.

24 MR. RITCHIE: We have benefits paid out

1 for the year, \$1,316,000.00. As we said, that's
2 been about \$164,000 a month. That's going to go
3 up to about \$167,000 a month coming in.

4 Net decrease of the fund was at
5 \$478,441.57. If I were to take out the net change
6 in cash value, which is sort of the unrealized
7 gain/loss what your investments have done, but,
8 you know, you haven't actually sold most of them,
9 if we take that out, it's about a negative
10 \$220,000 cash flow. But that's kind of what you'd
11 expect to see, because you know those taxes are
12 going to be coming in. You know, you pay your
13 expenses out every month and your taxes tend to
14 get back-loaded into the end of the year for you.

15 So looking at that, you know, I
16 would say you're on track to end the year in a
17 positive balance, the end of the year coming in
18 April. It's just now, you know, of course, we've
19 got to see what the market does. It's pretty
20 much, you know, one of those things we have to
21 sort of wait and see on.

22 MR. IOVINELLI: So we're doing -- as far
23 as monies coming in, we're doing okay compared
24 to --

1 MR. RITCHIE: Yeah, monies coming in,
2 you're doing okay. You've got enough to get
3 through the month. And I'm sure, you know, if
4 things start to get a little bit tight, probably
5 around, you know, the end of February getting into
6 March, you can certainly talk to your investment
7 guys and say, okay, what can we do.

8 MR. IOVINELLI: Okay.

9 MR. RITCHIE: But other than that,
10 everything seems to be rolling along real fine.
11 You guys are looking to be in a better position
12 than some of the other funds I'm seeing here.
13 But, of course, everybody wants to see something
14 running a little bit better than negative.

15 MR. IOVINELLI: Okay.

16 MR. RITCHIE: We also have included the
17 summary of cash and investments, so you can
18 double-check that against what your investment
19 advisors are providing.

20 MR. IOVINELLI: All right. Well, then,
21 that's it. We're good with the cost of living
22 increases? That's taken care of?

23 MR. RITCHIE: Cost of living increases,
24 just want to make sure those got on board as well.

1 So we've done that.

2 MR. IOVINELLI: Good, good. All right.
3 You all got a copy of -- onto old business --
4 Firefighter Sheridan's disability status. Rick,
5 do you want to --

6 MR. REIMER: Yeah. I don't have the
7 report with me. I think I sent a copy to you.
8 It's a big file. You should have -- does
9 everybody have it in your package?

10 As you know, you're required to
11 have any firefighter on disability evaluated at
12 least once a year to determine whether or not they
13 remain disabled and eligible for continued
14 disability benefits.

15 We had Dr. Hudgins, H-U-D-G-I-N-S,
16 evaluate her. There's a report dated
17 September 27th, 2011. As you can see, Dr. Hudgins
18 concludes that she remains disabled and eligible,
19 in my opinion, for benefits, but we still have the
20 same dilemma that we've had in the past, which is
21 the doctor notes that basically there's subjective
22 complaints of left pelvic lower abdominal quadrant
23 of unclear etiology, no objective data, but
24 nevertheless the doctor concludes she remains

1 disabled.

2 So absent anything else, my
3 suggestion is you do a motion to continue the
4 disability benefits subject to further, at least
5 annual, evaluations.

6 One of the things that's in there,
7 if you don't want to make that motion, we talked
8 about a functional capacity evaluation. I don't
9 know if that's something you want to try to do
10 again. That would require the Board to authorize
11 that. I'd have to get a doctor to prescribe one.

12 You can't just walk in and get a functional
13 capacity evaluation. And I don't know how far the
14 Board wants to go. I know you did a little bit --

15 MR. IOVINELLI: We did one already last
16 time regarding the functional.

17 MR. BIANCHI: Yeah, October of --

18 MR. IOVINELLI: Yeah. We did the
19 functional capacity last time and it showed she
20 couldn't perform the duties of, so ...

21 MR. REIMER: How old is she now?

22 MR. BIANCHI: Forty-eight.

23 MR. IOVINELLI: Forty-eight, yes.

24 MR. REIMER: We've got one more year

1 before you can have her evaluated. You might want
2 to just put this on the agenda for your -- say
3 your July meeting and bring it up again.

4 MR. IOVINELLI: Well, July is when we
5 usually -- there's a few people that will have to
6 be going for disability physicals. July is
7 usually when we put them on there. So we'll just
8 bring that one up again in July?

9 MR. REIMER: Yeah. Entertain a motion to
10 continue subject to further, at least annual,
11 evaluations.

12 MR. IOVINELLI: Okay. We need a motion
13 on the floor to continue her disability pension
14 subject to the annual physical evaluations.

15 MR. BIANCHI: So moved.

16 MR. ANTIOHO: Second.

17 MR. IOVINELLI: Motion by Mr. Bianchi,
18 seconded by Mr. Antioho. Okay. There's a motion
19 on the floor. Mr. Bianchi?

20 MR. BIANCHI: Yes.

21 MR. IOVINELLI: Mr. Panzica?

22 MR. PANZICA: Yes.

23 MR. IOVINELLI: Mr. Antioho?

24 MR. ANTIOHO: Yes.

1 MR. IOVINELLI: Mr. Nunez?

2 MR. NUNEZ: Yes.

3 MR. IOVINELLI: Mr. Iovinelli, yes.
4 Okay. That's done.

5 MR. BIANCHI: She's 47. I don't know if
6 that makes -- I'm sorry.

7 MR. REIMER: So you've got a couple of
8 years.

9 MR. IOVINELLI: We still have to go
10 through this a couple more times. Okay. On to
11 new business.

12 I'm very happy to announce that we
13 have two applications, new applications, for entry
14 into our pension fund. These guys were hired
15 November 21st and January 9th. They both filled
16 out the applications. One new applicant is Jason
17 Murphy, and the other one is Jeffrey Mattas. Do
18 we have to do this one at a time or can we bring
19 them both in at the same time?

20 MR. REIMER: I would do them one at a
21 time with their entry dates. And before you
22 entertain the motion -- obviously, you have to
23 take them in. Are either one of these going to be
24 Tier One or are they both --

1 MR. IOVINELLI: They'll both be Tier Two.

2 MR. REIMER: So no prior Article IV
3 experience prior to --

4 MR. IOVINELLI: Jason had prior Article
5 IV experience, but he was only there nine months.
6 No, wait. When did article -- when did the
7 two-tier system start?

8 MR. REIMER: January 1 of '11.

9 MR. IOVINELLI: No. Then he worked for
10 Bloomington or the Bloomington Fire Department.
11 He started with them in the middle of January,
12 2011.

13 MR. REIMER: So as long as you're sure
14 he's a Tier Two.

15 MR. IOVINELLI: He's a Tier Two, yes.

16 MR. REIMER: So I would do them one at a
17 time. Do Murphy first, motion to accept
18 Firefighter Jason Murphy into the pension fund.
19 Entry date is?

20 MR. IOVINELLI: His entry date is the
21 21st of November, 2011.

22 MR. REIMER: That's one motion.

23 MR. IOVINELLI: Yes. So we need a motion
24 to accept Jason Murphy into our pension fund with

1 a start date of the 21st of November, 2011.

2 MR. REIMER: As a Tier Two.

3 MR. IOVINELLI: As a Tier Two pensioner.

4 MR. BIANCHI: So moved.

5 MR. PANZICA: Second.

6 MR. IOVINELLI: Okay. Motion the floor
7 by Mr. Bianchi, seconded by Mr. Panzica. Do we
8 need a roll call?

9 MR. REIMER: Do a roll call.

10 MR. IOVINELLI: Mr. Bianchi?

11 MR. BIANCHI: Here.

12 MR. IOVINELLI: Mr. Panzica?

13 MR. PANZICA: Yeah.

14 MR. IOVINELLI: Mr. Antioho?

15 MR. ANTIOHO: Yes.

16 MR. IOVINELLI: Mr. Nunez?

17 MR. NUNEZ: Yes.

18 MR. IOVINELLI: Mr. Iovinelli, yes.

19 MR. REIMER: Just do the same thing for
20 the second one.

21 MR. IOVINELLI: And then we need a motion
22 on the floor to accept Jeffrey Mattas as a member
23 of our pension fund as of January 9th, 2012 as a
24 Tier Two applicant or participant to the fund.

1 MR. BIANCHI: So moved.
 2 MR. ANTIOHO? Second.
 3 MR. IOVINELLI: Okay. Motion on the
 4 floor by Mr. Bianchi, seconded by Mr. Antioho.
 5 Mr. Bianchi?
 6 MR. BIANCHI: Yes.
 7 MR. IOVINELLI: Mr. Panzica?
 8 MR. PANZICA: Yes.
 9 MR. IOVINELLI: Mr. Antioho?
 10 MR. ANTIOHO: Yes.
 11 MR. IOVINELLI: Mr. Nunez?
 12 MR. NUNEZ: Yes.
 13 MR. IOVINELLI: Mr. IovInelli, yes.
 14 Okay, they're in. You probably don't hear that
 15 too often at meetings lately.
 16 MR. REIMER: Hiring someone?
 17 MR. IOVINELLI: Yeah.
 18 MR. REIMER: Not a lot. That's good
 19 news.
 20 MR. IOVINELLI: These are replacing guys
 21 that have left, so at least we're getting that
 22 done.
 23 The next one is elections. My
 24 position is up. So we'll post the notice, put it

1 on the board. Any -- while we're on the subject,
 2 anything from the IDOI regarding the audit?
 3 MR. REIMER: No response to my response
 4 on your behalf.
 5 MR. IOVINELLI: Okay.
 6 MR. REIMER: So no news is good news.
 7 MR. IOVINELLI: Because I know there was
 8 a question about the elections regarding, you
 9 know, when we would approve by acclimation,
 10 because no one would run against somebody. They
 11 were saying you still had to have the election
 12 so ...
 13 MR. REIMER: No response. I've had one
 14 fund that did a response similar to what you did
 15 where the examiner responded like a rebuttal. But
 16 other than that, no news is good news.
 17 In other words, they haven't called
 18 up and said we got a problem with what you did.
 19 They haven't given you a cease and desist order or
 20 anything like that. So we won't borrow trouble.
 21 MR. IOVINELLI: Good, good. And last,
 22 but not least, did everybody get a copy of the
 23 legislative update? Did I put it in your packets?
 24 If not -- I don't know if I did or not. I don't

1 know if -- here you go.
 2 MR. REIMER: I've basically got two
 3 documents. One is the January, 2012 legal and
 4 legislative update that we do for our clients. No
 5 extra charge.
 6 I won't read all the cases. If you
 7 go to page three, probably the most important
 8 thing you need to know, there's new legislation.
 9 There's more training. As of January 1st, 2012,
 10 all five trustees have to complete Open Meetings
 11 Act training through the Illinois Attorney
 12 General's office.
 13 So you have a year to do it. This
 14 is in addition to anything else you've done. You
 15 have to do it on-line. That's the bad news. The
 16 good news here, though, even though you have to do
 17 the Open Meetings Act training, that would count
 18 towards your 16 hours annual training. It's free.
 19 My understanding is there's been
 20 some problems for people that have tried to go on,
 21 have completed the training and have not been able
 22 to print out a certificate of completion doing
 23 this training on-line. So if you go on and you do
 24 it and you can't print it out, just make sure you

1 log or keep some type of a notation when you did
 2 the Open Meetings Act training.
 3 You can do it at home, in the
 4 comfort and privacy of your own home with an adult
 5 beverage. Probably take you an hour and a half,
 6 maybe two hours, but you got to do it, and you got
 7 to do it within a year.
 8 If for some reason there's a new
 9 trustee that comes on, that new trustee, elected
 10 or appointed, has to undergo the training within
 11 90 days of appointment or election.
 12 Now, right now, you only have to do
 13 it this one time. We didn't see this coming.
 14 This kind of snuck up on us in November, and all
 15 of a sudden there's this new Open Meetings Act.
 16 Who knows what the legislature will
 17 do next year. They make it an annual requirement.
 18 Right now, it's not. And I haven't seen it yet;
 19 they may do the same thing with the Freedom of
 20 Information Act. They may do the same thing.
 21 So this kind of came out of
 22 nowhere, but you do have to do it. Hopefully, it
 23 will be relatively painless.
 24 The other thing is we hired a new

1 attorney. His bio is in there. So we have a
2 newble. You may see him at some of the meetings,
3 Chris Melnyczenko, common spelling. I don't
4 remember how to spell his name yet. I will give
5 it to Michelle. Real good guy, licensed in
6 Indiana.

7 The other thing I have for you is
8 another -- just kind of a courtesy to our clients,
9 you should all have a copy of suggested agenda
10 items; kind of like a checklist for things that
11 you should have on your agenda, things that you
12 are required to do by statute. I know Lauterbach
13 & Amen has a pretty good one. We just added a
14 little bit to it, just so you don't let anything
15 fall off your radar screens. Things you've got to
16 do by statute that sometimes boards forget. So
17 that's just for your convenience and your reading
18 pleasure. Any questions?

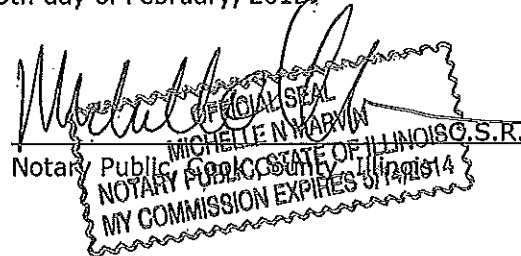
19 MR. IOVINELLI: Real quick, before we
20 close out, we already approved the Wolf audit, but
21 it finally came to hard copy. That's why I sent
22 it out to everybody. So that was already done.
23 Any public comments? Anyone? 10:00 o'clock.
24 Motion to adjourn?

1 MR. BIANCHI: So moved.
2 MR. IOVINELLI: All right. All done.
3 Thank you, gentlemen, for your time.
4 END OF PROCEEDINGS ON THIS DATE.
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1 STATE OF ILLINOIS)
) SS:
2 COUNTY OF C O O K)

3
4 Michelle N. Marvin, a notary public
5 and court reporter doing business in and certified
6 by the State of Illinois, under Certificate No.
7 84-3211, do hereby certify that I reported in
8 machine shorthand the testimony given at the
9 hearing of said matter commencing at 9:30 a.m. on
10 the 24th day of January, 2012; and that the
11 foregoing is a true and correct transcript of my
12 shorthand notes so taken as aforesaid, and
13 contains all the testimony given at said hearing
14 at said time and date.

15 In testimony whereof I have
16 hereunto set my hand and affixed my notarial seal
17 this 25th day of February, 2012.



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