

1 THE FRANKLIN PARK FIREFIGHTERS' PENSION FUND

2

3

4

5

6

7

8

9

10

11

12

BOARD MEMBERS PRESENT:

13

14

MR. TONY BIANCHI, President;

15

MR. STEVEN P. IOVINELLI, Secretary;

16

MR. DANIEL ANTIOHO, Trustee

17

MR. RAFAEL NUNEZ, Trustee;

18

MR. JACK PANZICA, Trustee.

19

20

21

22

23

24

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
8 Firefighters' Pension Board.

9 **ALSO PRESENT:**

10 MARQUETTE ASSOCIATES, by
11 MR. CHRIS CAPARELLI
12 150 N. Wacker Drive, Suite 1900
13 Chicago, Illinois 60606
14 (312) 527-5500;

15 LAUTERBACH & AMEN, by
16 MR. JAMES RITCHIE
17 27W457 Warrenville Road
18 Warrenville, Illinois 60555
19 (630) 393-1483;

20 MR. FRANK GRIEASHAMER, Village Treasurer;

21 MR. RON HELLER, Comptroller.

22

23

24

25

26

27

28

1 MR. IOVINELLI: So we will call the
 2 meeting to order at 9:37 and we will do a roll
 3 call. Mr. Bianchi, he's absent. He's on his way
 4 here. Mr. Panzica?
 5 MR. PANZICA: Here.
 6 MR. IOVINELLI: Mr. Antioho?
 7 MR. ANTIOHO: Here.
 8 MR. IOVINELLI: Mr. Nunez?
 9 MR. NUNEZ: Here.
 10 MR. IOVINELLI: Mr. Iovinelli, here. Mr.
 11 Grieashamer?
 12 MR. GRIEASHAMER: Here.
 13 MR. IOVINELLI: Okay, we're good.
 14 Everybody got a copy of the minutes from the
 15 previous meeting?
 16 MR. GRIEASHAMER: Yes.
 17 MR. IOVINELLI: If there's no changes or
 18 corrections, we need a motion to approve.
 19 MR. ANTIOHO: I motion.
 20 MR. IOVINELLI: Second?
 21 MR. NUNEZ: Second.
 22 MR. IOVINELLI: Who seconded?
 23 MR. NUNEZ: I did.
 24 MR. IOVINELLI: Thank you. Okay. We

1 got a motion on the floor, seconded by Rafael to
 2 approve the minutes of the January 24, 2012
 3 meeting. All those in favor say aye.
 4 (WHEREUPON, all Board Members
 5 responded aye.)
 6 MR. IOVINELLI: Okay. Opposed say no.
 7 All right, the ayes have it. Expense report,
 8 everybody have a copy? Rafael, did I give you
 9 one?
 10 MR. NUNEZ: Yes.
 11 MR. IOVINELLI: Okay. Expense report,
 12 what you have in front of you are all bills paid
 13 to date for February, March and April. The grand
 14 total is \$520,634.24. So we need a motion on the
 15 floor to approve the expense report.
 16 MR. PANZICA: So moved.
 17 MR. IOVINELLI: Made by Jack. Second?
 18 MR. ANTIOHO: I'll second.
 19 MR. IOVINELLI: Seconded by Dan. Motion
 20 on the floor by Mr. Panzica, seconded by Mr.
 21 Antioho to approve the expense report for
 22 \$520,634.24. We will do a roll call. Mr.
 23 Bianchi, absent. Mr. Panzica?
 24 MR. PANZICA: Yes.

1 MR. IOVINELLI: Mr. Antioho?
 2 MR. ANTIOHO: Yes.
 3 MR. IOVINELLI: Mr. Nunez?
 4 MR. NUNEZ: Yes.
 5 MR. IOVINELLI: Mr. Iovinelli, yes.
 6 Motion passed. Okay, gentlemen, you're up.
 7 Chris?
 8 MR. CAPARELLI: Sure. All right. Well,
 9 good morning, everybody. I think we'll start off
 10 with a little bit of a market recap.
 11 So the last time I was out here was
 12 sometime at the end of January. I think the
 13 weather was about the same as it is today. And if
 14 you recall, right then in January stocks were off
 15 to a pretty furious rally.
 16 To refresh your memory, 2011 was a
 17 bit of a crazy year; a lot of volatility in equity
 18 markets. And for 2001, the S & P 500 finished up
 19 two percent and international markets got whacked
 20 pretty good. They were down about eleven percent
 21 last year.
 22 (WHEREUPON, Mr. Bianchi arrived at
 23 the hearing.)
 24 MR. CAPARELLI: But through the first

1 quarter, that rally that we had in January
 2 continued all the way through. So the U.S. equity
 3 markets, S & P 500 was up 12.6 percent for the
 4 quarter. International markets were up
 5 11 percent. And all told, it was one of the best
 6 quarters we've seen for equity markets in the last
 7 15 or 20 years.
 8 It's the result of a few things.
 9 The first is positive economic news. In the
 10 fourth quarter, GDP was up 3 percent versus
 11 1.8 percent the year prior. Unemployment was down
 12 to 8.2 percent versus a high of about 9.7. So all
 13 in all, the first quarter was fantastic. This
 14 plan had a great quarter. A lot of plans like it
 15 did really well, and if we could kind of close the
 16 books on that first quarter, that would be
 17 fantastic.
 18 However, as the calendar flipped
 19 over to April, stocks changed direction a little
 20 bit, and we've seen kind of a reversal in our
 21 fortune.
 22 So the S & P 500 year-to-date
 23 through yesterday is down about three percent. So
 24 it's not a huge move; and all in all, we're still

1 up big for the year. But April has seen a bit of
2 a change in direction.

3 A couple reasons for that. The
4 first would be profit taking. You know, in a lot
5 of plans, a lot of managers said, hey, we had a
6 good quarter; we're going to lock in some of these
7 gains.

8 Additionally, we had a weak jobs
9 report that came out at the beginning of April
10 suggesting maybe our economic footing isn't as
11 steady as we thought.

12 And, also, there were some concerns
13 that the market had got a little bit ahead of
14 itself as far as corporate profits are concerned.

15 So, you know, as a result, the
16 S & P 500 is down about three percent
17 month-to-date; but for the year, we're still up
18 9-1/2 percent. So it's been still a very good
19 year considering what has happened in April.

20 Looking forward, the market will
21 still look to economic news here, and stuff coming
22 out of Europe for direction. There will probably
23 be a fair amount of uncertainty and volatility
24 going forward, but sort of a fear with corporate

1 some pretty good research out there I think that
2 is useful if you have some free time. So just
3 something to check out when you have a minute.

4 And then if you flip past the first
5 tab, this is our executive summary. And I think
6 we may have mentioned to you guys last time, we
7 switched the software provider. So we're now
8 using investor forced database versus what we were
9 using before. So where we get all of our
10 performance summary and our client reports is now
11 coming from a different provider, so it's going to
12 look a little bit different than it has in the
13 past. Our colors are different and that sort of
14 stuff. But for the most part, it should be the
15 same information that you're used to seeing in the
16 past.

17 And this is the first time and this
18 is the first quarter that we're presenting this
19 new report. So if you guys have any questions or
20 comments or even feedback, we'd be happy to take
21 that back to the office and see if we can make any
22 changes going forward.

23 MR. HELLER: It's a nice looking report,
24 by the way.

1 profits really hasn't materialized. So far about
2 one-fifth of the S & P 500 has reported earnings
3 so far for the first quarter; and on the whole
4 those earnings have been very good, about six
5 percent better than expected.

6 So as far as returns and index
7 levels go, we are much better off today than we
8 were three or six months ago; and hopefully we can
9 see the stock market continue to deliver positive
10 returns. So that's about all I have for the
11 market environment.

12 If you guys want to take a look at
13 these books that I passed out, the first thing
14 different you'll see right behind the first page
15 is a Marquette update. It's sort of a marketing
16 piece that we have in here for you just to sort of
17 let you know what's going on back at the office.

18 So the one thing that's relevant to
19 you guys is this gray bar across the bottom. It
20 says all the research that we've been working on
21 back at our office, charts of the week, news
22 letters, webinars, and white papers. So if
23 anybody has any, you know, time, free time, and
24 you want to take a look at our website, there's

1 MR. CAPARELLI: Thank you. So on page
2 one is our total fund composite manager status
3 page. It just says that all of our managers are
4 in compliance with their investment policy
5 guidelines. So nothing much to speak of here.

6 If you flip over to page three,
7 this is our total fund composite and market value
8 page. The fund ended the quarter with a market
9 value -- that first number up at the top -- of
10 \$21,613,210. Since then it's fallen a little bit
11 because April has been kind of a weak month. So
12 as of yesterday's close, we are at \$21,355,000.
13 So we've lost maybe 300,000 from that March 30th
14 market value. But all in all, that number is
15 still quite a bit higher than it was at the end of
16 the fourth quarter.

17 One thing that I had wanted to
18 point out here, if you look at the two columns
19 just to the right of the market value, the
20 percentage of portfolio and the policy, we are a
21 little bit light on our fixed income allocation,
22 46.6 versus 50 percent. And what I would want to
23 recommend is to rebalance the portfolio back to
24 the target asset allocation keeping in mind that

1 the plan year end is April 30th, and just making
2 sure we're in line with the DOI as of April 30th.
3 So any questions or thoughts about
4 that?

5 MR. HELLER: I'm sorry. Where are you?
6 What page?

7 MR. CAPARELLI: Page three.

8 MR. HELLER: Okay.

9 MR. CAPARELLI: Oh, after the first tab,
10 I'm sorry.

11 MR. HELLER: Oh, after the first tab.
12 I'm sorry. Okay. Sorry about that.

13 MR. IOVINELLI: So what do we need to do
14 to rebalance?

15 MR. CAPARELLI: So we would need to take,
16 you know, a little bit of money from the
17 international equity managers and those U.S.
18 equity managers that have a pretty good run in
19 performance. And so on this page, the balance
20 looks like we need to contribute about 700,000 to
21 C.S. McKee. It's probably not that high. Since
22 then, the equity markets have fallen back a little
23 bit. So it might be 3 or 400,000, and we would
24 take those from our international managers and

1 U.S. equity managers.

2 MR. REIMER: So if that's what you want
3 to do, you need a motion to rebalance. Do you
4 want to feed them the motion? Do you want to do
5 that now?

6 MR. CAPARELLI: Yeah. So the motion
7 would just be to rebalance the balance back to its
8 target asset allocation before the end of the plan
9 year.

10 MR. REIMER: So motion to rebalance.
11 It's probably a good idea if you articulate what
12 you're going to liquidate, what's going where.

13 MR. CAPARELLI: Yeah. I mean, it's just
14 a little bit tough to assign a dollar amount just
15 because things are always moving. You know, even
16 yesterday, the stocks were down about a percent
17 and a half.

18 MR. IOVINELLI: So where would we take
19 the money from?

20 MR. CAPARELLI: The money would come from
21 our U.S. equity managers and our international
22 managers.

23 MR. IOVINELLI: All right. So we need a
24 motion to rebalance the fixed income fund by

1 taking money from the U.S. equities accounts to
2 meet the 50 percent.

3 MR. GRIEASHAMER: You want it from both,
4 right, U.S. and International?

5 MR. IOVINELLI: Right, U.S. and
6 international.

7 MR. REIMER: That's a good motion.

8 MR. CAPARELLI: Yeah, it's tough to put a
9 specific --

10 MR. REIMER: No, I got you. I got you.

11 MR. IOVINELLI: Motion on the floor.

12 MR. BIANCHI: So moved.

13 MR. IOVINELLI: Made by Mr. Bianchi. I
14 need a second.

15 MR. ANTIOHO: I'll second.

16 MR. IOVINELLI: Made by Mr. Bianchi,
17 seconded by Mr. Antioho. Okay. We will do a roll
18 call on this. The motion is to rebalance by
19 moving money from the U.S. and international
20 equities into the fixed income. The motion was
21 made by Mr. Bianchi, seconded by Mr. Antioho. Mr.
22 Bianchi?

23 MR. BIANCHI: Yes.

24 MR. IOVINELLI: Mr. Panzica?

1 MR. PANZICA: Yes.

2 MR. IOVINELLI: Mr. Antioho?

3 MR. ANTIOHO: Yes.

4 MR. IOVINELLI: Mr. Nunez?

5 MR. NUNEZ: Yes.

6 MR. IOVINELLI: Mr. Iovinelli, yes.

7 Motion passed.

8 MR. CAPARELLI: Okay, good. One thing --
9 the other one thing I wanted to point out on this
10 page is as of July 1st, the Department of
11 Insurance allows these plans to go from 50 percent
12 in fixed income down to 45 percent. So on the
13 flip side, increasing your equity from 50 to 55.
14 They're allowing you to take just a little bit
15 more risk onto the portfolio.

16 So we don't exactly know exactly
17 how we want to handle this right now, but we'll
18 have some recommendations for you in the July
19 meeting, if you guys did want to go in that
20 direction.

21 MR. REIMER: I have -- I just got an
22 e-mail this morning. Apparently, there is a
23 Department of Insurance, at least an e-mail, where
24 the Department of Insurance is saying the increase

1 can actually be to 65 percent. What they're
2 apparently looking at is -- remember, you can do
3 the 55 percent if you're over 10 million, plus
4 that additional 10 percent. That happened several
5 years ago when they increased from 35.

6 Now, I haven't actually seen an
7 advisory opinion yet, and I'm not giving you
8 advice. I'm not suggesting you do that. I don't
9 know if you've seen that or heard that. But I
10 guess it's kind of like an Elvis sighting, but,
11 you know, I've seen -- we are on the record, of
12 course. I have seen the e-mail from Scott Berant
13 (phonetic), but to me there's a difference between
14 an e-mail and an actual advisory opinion.

15 But it sounds like that's the way
16 the DOI is leaning, for what that's worth to
17 anybody. Again, I'm not suggesting it. I don't
18 give financial advice. But that's interesting.
19 It's a game changer.

20 So that would allow you
21 theoretically with a combination of, you know,
22 mutual funds and stocks and whatever you're doing,
23 to get up to 65 percent. Again, that's what
24 you're here for.

1 MR. CAPARELLI: Yeah, we haven't seen
2 that yet. Fifty-five is sort of the hard -- you
3 know, what we've been able to -- we know that as a
4 fact, the 65. And I would say to move to
5 55 percent, that's something we would probably
6 recommend. Whereas making the jump to 65, that's
7 increasing the risk profile of the fund pretty
8 significantly.

9 MR. IOVINELLI: That goes back to
10 originally when it was 35 plus 10, was it 45 or
11 was it 35?

12 MR. REIMER: There was controversy then.

13 MR. IOVINELLI: Right.

14 MR. REIMER: And then we had the DOI
15 opinion and then they actually changed the statute
16 to make it clear it was 45. And then by statute,
17 they increased it last year to 50; and then again
18 July 1st of this year to 55 percent. And, again,
19 I'm not saying you go there. I'm just -- you need
20 to know what's going on out there. So for what's
21 that's worth.

22 MR. CAPARELLI: We'll bring a
23 recommendation for you in the July meeting if we
24 want to take advantage of that -- or you guys want

1 to take advantage of that additional five percent,
2 if that's something the trustees are comfortable
3 with.

4 But moving to 65 percent, if it is
5 allowed, is probably something that we wouldn't
6 take advantage of because that's more in line
7 with --

8 MR. IOVINELLI: It's a little much.

9 MR. HELLER: Can I ask a question? How
10 often do you rebalance?

11 MR. CAPARELLI: We rebalance the
12 portfolio at least probably quarterly, if it needs
13 to be done, because we need to have trustee
14 approval to do so. But we look at it, you know,
15 on a regular basis; and if something did get out
16 of whack, definitely quarterly, if not more often.

17 MR. HELLER: Thank you.

18 MR. CAPARELLI: So, again, it's something
19 to look for in the July meeting.

20 MR. IOVINELLI: Okay.

21 MR. CAPARELLI: Okay. If you flip over
22 to page six, this is our total fund composite
23 performance. This is going to look a little bit
24 different. In the past, the yellow highlights

1 signified outperformance. Now the green numbers
2 signify outperformance. The red numbers are
3 under-performance. But, again, the same data
4 should be there.

5 So the total fund for the month or
6 for the quarter -- excuse me -- was up 5.8 percent
7 versus 5.9 for its custom benchmark. So all in
8 all, 5.8 percent for the quarter, that's a really
9 good number; something that we would love if that
10 would continue.

11 If you look all the way to the
12 ten-year number, the plan is outperforming its
13 policy benchmark. It's green all the way across
14 in the longer time periods. And something to
15 point out: The one, two and three-year periods
16 are all ahead of its actuarial rate of return of
17 seven percent. So over the last three periods --
18 or last three years, we've earned on average
19 higher than the actuarial rate.

20 If you flip over to page eight,
21 this is with respect to our individual managers.
22 This page looks a little bit different as well.
23 The dark gray bars have the composites, and then
24 the underlying managers within each composite is

1 beneath.

2 So if you look first at the fixed
3 income composite, right below that is C.S. McKee.
4 That is one of our newer managers that is managing
5 to an intermediate government and credit mandate.
6 So they have corporate credits in their portfolio
7 in addition to government treasuries.

8 C.S. McKee returned .5 percent for
9 the three-month period which was just slightly
10 behind its benchmark of .6 percent.

11 Moving down to the U.S. equity
12 composite, the PRIDEX Wilshire Index Fund, it's a
13 passive vehicle. It's designed to replicate the
14 performance of the Wilshire 5000. It does so very
15 cheaply, costing just nine basis points, and that
16 fund has replicated its performance nicely doing
17 exactly what it's supposed to do.

18 Down one line to Fiduciary
19 Management, that's where we take a little bit of
20 risk in this portfolio. We have an active manager
21 here. Fiduciary underperformed a little in the
22 quarter, 10.4 versus 11.6. They were positioned a
23 little bit defensively going into the quarter, so
24 it's not surprising to see them underperform a

1 little. But still, 10.4 is a good number.

2 MR. IOVINELLI: They've been kicking butt
3 pretty good. So if it's one quarter compared to
4 what they've been doing, it's pretty amazing.

5 MR. CAPARELLI: Exactly. It's not a
6 concern at all, because if you look at the
7 one-year number, they're up 8.3 percent versus
8 negative 1.1 for the benchmark. So on the
9 one-year basis, they absolutely knocked it out of
10 the park. And all the way across to a seven-year
11 number, they've outperformed by a good margin, you
12 know, over and over and over again. So it's a not
13 a concern at all with those guys.

14 Out international managers,
15 Artisan, a large-cap international manager, they
16 had a great quarter, up 15-1/2 percent versus 11.3
17 for the benchmark. International markets snapped
18 back pretty good in that first quarter, and they
19 were a beneficiary there.

20 Vanguard is a passive manager there
21 in the international space, again designed to
22 replicate the benchmark, and do so, you know,
23 pretty cheap. They're doing exactly what they
24 should be doing.

1 Franklin International is a
2 small-cap manager, international small-cap. They
3 returned 13.1 percent for the quarter versus 14.4.
4 And just to remind you guys, that's one of the
5 newer managers to the fund as well. We've only
6 had them about a quarter, and it's nice to have
7 that added diversification of international
8 small-cap stocks.

9 And last but not least is
10 Principal, our real estate manager. Real estate
11 turned in another positive quarter, about 2.4 this
12 year, or this quarter. They've been -- real
13 estate has been positive for about 2-1/2 years now
14 coming off the debacle in 2008 and early 2009.
15 And over the one-year time period, real estate was
16 up 14.8 percent, which was the best performing
17 asset class that you guys are invested in. So
18 being able to have that real estate allocation has
19 been a really big positive for the plan.

20 With that, that concludes my
21 executive summary report.

22 MR. IOVINELLI: Okay. If we don't have
23 any questions, we'll move on to Lauterbach.

24 MR. RITCHIE: You should all have a copy

1 of our summarized March financial statements here.
2 I've given you a summary for some of the
3 information so I don't double up on what your
4 investment advisors are doing.

5 But we come in starting on page
6 2-1, statement of plan net assets as of the end of
7 March. Coming in, we see net assets of just under
8 21.5 million dollars; approximately 21.4 of that
9 was cash and investments. Then your actual cash
10 number, including the money markets held at your
11 U.S. Bank Custody accounts, you have about
12 \$875,000. Some of those may be defensive
13 positions held by your investment managers, but
14 that is still cash available for you for paying
15 out expenses and benefits.

16 Coming in on the next page, 2-2, we
17 see the changes for the net assets for the
18 11 months ending. Of course the plan is in April
19 year end, so the end of this year will be the end
20 of your fiscal year.

21 MR. HELLER: Do you have a copy? I don't
22 have a copy.

23 MR. IOVINELLI: Here you go.

24 MR. HELLER: Thank you.

1 MR. RITCHIE: Coming in, we see
 2 contributions from Cook County and also from the
 3 Village for the PPRT, \$1,370,412.46. Your active
 4 member contributions have come in at \$269,805.26.
 5 You are getting right now about \$32,000 a month
 6 from the active member payroll that you're using.

7 Benefits paid out for the year so
 8 far is \$1,820,524.06. Currently with the
 9 increases going into effect in January, you're
 10 paying out just under \$168,000 a month.

11 Planning, about total expenses each
 12 month is coming out about \$180,000 with your
 13 investments and everything. So when you take the
 14 180 a month that you're sending out plus the
 15 32,000 that you get from your active guys, it's
 16 about another 148,000 that the fund has to come up
 17 with. And with the 875 we said on the previous
 18 page, you're just under about the six-month mark
 19 in cash. So, you know, you're in a good position
 20 until about the Cook County taxes start coming in.
 21 But certainly it's something to be aware of.

22 One of the reasons I bring that up
 23 is because we're going to be changing our
 24 reporting coming up soon. We're going to be

1 to your investment financials.

2 Right now at the end of March,
 3 you're about 67 percent fixed income that we're
 4 seeing there. You know, we track a few things
 5 that, of course, your investment advisors don't
 6 necessarily have.

7 But coming in behind that, we also
 8 included in the active member contributions. So
 9 far year-to-date, showing in all the active
 10 members and any members who might have left the
 11 fire department and left their contributions in
 12 the fund, coming in, as we said, total
 13 contributions so far, including past years, at
 14 \$3,430,841.71. That's something, you know, the
 15 members can look at anytime; and, you know, if
 16 they have questions and say how much do I have in
 17 the fund, this would be a great report to show
 18 them and say here is where you are and here's what
 19 you put in so far. That's what we show.

20 MR. IOVINELLI: That helps, because a lot
 21 of times I get requests to do letters when guys
 22 are going for mortgages or refinancing, and the
 23 banks want to know what their total contributions
 24 are, even though they can't touch it.

1 providing you a cash analysis showing you
 2 month-by-month what your cash positions are as
 3 well as the monies coming in from the Village,
 4 from the Cook County taxes, as well as the active
 5 members, and then also showing you where the
 6 benefits and the administrative costs are coming
 7 out to help you know where the strong months are
 8 and where the lulls are in your actual cash flow.

9 Coming in so far for the 11 months
 10 preceding, \$770,821.50. It's good. I mean, we're
 11 looking at over a 3-1/2 percent increase for the
 12 year; and, you know, most funds we're seeing right
 13 now they're probably just about ready to make that
 14 break-even point. Right now, your assets, you're
 15 all in the positive. They're right where we want
 16 to see them, you know. It might not be, you know,
 17 as good as we've seen in the past, but it's still
 18 positive, and that's what you want to see.

19 Coming in behind there is the other
 20 supplementary information we're providing. I
 21 tried to mirror as much as we could to what the
 22 new financials will look for. So, as I said, you
 23 know, we're going to start off and we'll have the
 24 normal pie chart that you can use to be comparing

1 MR. RITCHIE: Right. At least they know
 2 it's something that's there.

3 Behind that, we've also provided
 4 out the March listing for all the benefit checks
 5 that have been paid out for the month. This would
 6 also include any payments listing QILDROs or any
 7 refunds that are also thrown in there. And as I
 8 said, that included in is about \$169,536.86.

9 Like I said, you know, we do have
 10 some QILDRO listed in here, and that would be the
 11 difference between that and almost \$168,000.

12 And then we just have the check
 13 registers for the vendor checks that were remitted
 14 out from the pension fund.

15 MR. IOVINELLI: All set?

16 MR. RITCHIE: Are there any other
 17 questions at this point? Okay. Then just a few
 18 housekeeping items.

19 I know earlier this week we sent
 20 off a calculation for Firefighter Robert Bayus
 21 (phonetic).

22 MR. IOVINELLI: You know what? I haven't
 23 had a chance to show it to him. I will do that
 24 and then sign it, because he's not leaving until

1 the 13th of May. So I'll make sure that we get
2 it.

3 MR. RITCHIE: We do have plenty of time,
4 but I do have another copy here if you want it.

5 MR. IOVINELLI: Okay.

6 MR. RITCHIE: Also, we received in our
7 office an order for QILDRO for Paul Strazalla
8 (phonetic), and we were asked for it for the
9 board's attorney. So just for the record, I give
10 that to Mr. Reimer for his review. Firefighter
11 Strazalla is still an active member, so we don't
12 need to take any action, but it should be in his
13 member file.

14 MR. IOVINELLI: Right.

15 MR. RITCHIE: And, lastly, with the --
16 actually, with the audit coming up, I do have the
17 confirmations that need to be put on the pension
18 fund letterhead and signed by Trustee Iovinelli.
19 But we also have Harris Bank has been paying out
20 the benefits. They've been sort of the wash
21 account that we've been using, and now they're
22 asking to upgrade all their systems. So I do have
23 new signature cards for a new Harris account so we
24 can get that updated here. And any of the

1 MR. IOVINELLI: All right. One quick
2 question.

3 MR. RITCHIE: Sure.

4 MR. IOVINELLI: We got the thing with
5 C.S. McKee straightened out about them billing us
6 or taking it out of the account, I think we did,
7 because I just got another bill from them and I
8 don't know what to do with it.

9 MR. RITCHIE: Okay.

10 MR. IOVINELLI: I believe C.S. McKee, we
11 were actually writing them a check. And so I had
12 written them, asked if they could do, you know, a
13 direct withdrawal and they said yes, and they said
14 it was all taken care of, but then I got a bill.

15 So I've got to take a look to see if that's a
16 copy. Because usually like when I get them from
17 Fiduciary, they say do not pay, you know. This
18 one didn't, so I'll take a look at it and find
19 out.

20 MR. CAPARELLI: Yeah, if you want, just
21 shoot me an e-mail and I can follow up with that.

22 MR. IOVINELLI: Before you leave, I'll
23 give you a copy.

24 MR. CAPARELLI: Okay.

1 trustees or the treasurer, if he so wishes to be
2 on there, we do have those new cards for this new
3 account to be set up.

4 And there's also a few other items
5 with this new system we are allowed to do. If the
6 Board wishes, Lauterbach & Amen can also be listed
7 as signors on this account. Therefore, you know,
8 if you just want to provide us with an approved
9 invoice, good to go, paid, get it out the door.
10 We can now sign the checks, if you want. It's
11 strictly a voluntary program, but this would speed
12 up your vendor payments.

13 Also, there is the option for
14 vendor direct deposit which would allow, you know,
15 whether it be your attorney, court reporter,
16 investment advisors, Lauterbach & Amen, to be paid
17 directly via ACH. That way, we don't have to
18 worry about a check getting lost. That's an
19 option that's also available to the Board. And
20 also, there's the Pay Today program, which is the
21 two-business-day turnaround for vendor payments of
22 any checks that you would automatically say these
23 are approved, they're good to go. You can issue
24 payment for them, and then we turn them around.

1 MR. RITCHIE: But we do have these forms
2 that need to be signed, and we can do that at the
3 end of the meeting.

4 MR. IOVINELLI: Okay.

5 MR. RITCHIE: That's all we have at this
6 time.

7 MR. IOVINELLI: Great.

8 MR. RITCHIE: Moving forward.

9 MR. IOVINELLI: Okay. On to old
10 business. I have William McMurray's disability
11 status. I know we were waiting on a couple
12 depositions of the physicians, so I'm not sure
13 where we're at right now.

14 MR. REIMER: Well, we're waiting -- I
15 think the last thing I did -- I don't have the
16 actual file in front of me. Don't get into the
17 actual merits of the case. We were waiting for
18 one of the doctors' depositions that was going to
19 take place in the workers' comp case. We were
20 going to kind of boot-strap into that so we didn't
21 have to take a separate dep.

22 I wrote the attorney for the
23 applicant a letter saying let me know when this is
24 going to happen. I haven't heard anything from

1 him. So you're still in a holding pattern. So
2 you can let your attorney know I sent him letter.
3 The ball is in his court.

4 MR. IOVINELLI: Okay. Let's go on to new
5 business. For those of you who don't know, Ron
6 Heller is our comptroller for Franklin Park and
7 he's here to discuss a possible proposal of a bond
8 purchase from, maybe the Fund, to the Village.

9 So I spoke with Dave Smith earlier
10 last week about it, and if we decide to do
11 anything like this, it would be through our
12 bondholder, C.S. McKee. They would do the work,
13 but Ron is going to kind of give us a little
14 synopsis of what we're looking for.

15 MR. HELLER: Okay. I planned -- I didn't
16 plan any major presentation, but I wanted to
17 introduce the notion to you guys about our
18 upcoming need for capital funds for the police
19 station.

20 As you know, we issued \$10 million
21 worth of bonds last September to build the police
22 station. We're going to need more funding for
23 that, and we plan to issue bonds or notes or
24 whatever mechanism seems to work best for us at

1 some point toward the end of the summer.

2 The amount at this point is
3 indeterminate. We're still waiting to get the
4 trade bids back, and we'll have a better handle on
5 what our cash needs will be at that point.

6 But at this point, I'm approaching
7 both you folks and the police pension fund to see
8 about your appetite for taking down some of these
9 notes, bonds or, generally speaking, debt
10 instruments.

11 I think it represents -- you know,
12 obviously, here's a little bit of marketing for
13 you. I think it represents a pretty good
14 opportunity for the village and the pension funds
15 to work jointly together for the betterment of the
16 village. In this case, it happens to be a police
17 station, and, you know, that obviously contributes
18 to the betterment of the village and we'd like the
19 unions, if at all possible, to participate.

20 Now, we understand that you work
21 under fairly strict federal -- I guess they're
22 federal --

23 MR. REIMER: State.

24 MR. HELLER: State pension laws. Sorry,

1 I am not at all familiar with state pension laws.

2 MR. REIMER: Neither am I, don't worry.
3 (WHEREUPON, a discussion was held
4 off the record.)

5 MR. HELLER: In any case, again, I
6 understand that you're under pretty strict state
7 legislation and regulations that limit what you
8 can buy, how much of it you can buy, what market
9 rates you can look at, those sorts of things.

10 And so what I'd like to do is at
11 least introduce the notion that this is coming
12 down the road, and we'll be approaching you on a
13 formal basis over the next couple of months. In
14 the meantime, I understand that there was an
15 initial kind of expression of interest of possibly
16 doing this.

17 I don't know where you are in your
18 decision-making, but to the extent that you are
19 down the road at all on this, we need to start
20 kind of looking at the finer points.

21 And there are really four
22 dimensions that I really need you folks to think
23 about as we go along. One is, obviously, the
24 amount that you can take down; the rate of

1 interest that you would require. We are, as you
2 know, a tax exempt issuer, and I don't know how
3 familiar you are with the tax exempt market. But,
4 typically, the tax exempt market yields somewhat
5 less than the taxable market because of the tax
6 advantage status of tax exempt bonds.

7 The last numbers I looked at, and
8 I'm going to introduce the notion of treasuries
9 here as opposed to corporates, basically the
10 statement that I just made applies to treasuries
11 versus corporates comparably rated, comparable
12 terms, comparable risk. But the treasury rate,
13 which is known as the risk-free rate, is kind of
14 the benchmark that all taxable rates build off of.

15 The last numbers that I saw at the
16 end of March, and I got an update late yesterday
17 and I haven't had a chance to look at it yet, but
18 the last spread that I saw between treasuries and
19 tax exempt securities of a 30-year term was
20 168 points, that tax exempts were 168 points over
21 treasuries. That is, they yielded 168 basis
22 points or 1.68 percent more than the comparable
23 treasury of comparable maturity.

24 I don't know if you can take down

1 tax exempt bonds priced as tax exempts bonds, but
2 to the extent that you can, it would be very
3 helpful to us. Obviously, we're going through a
4 difficult time in the village. Revenues are
5 pinched, our sales tax revenues are down, our
6 income tax revenues are down. We're severely
7 limited in property tax increases. In fact, we've
8 had none for the past two years because of the
9 growth in our property tax -- or decline in the
10 property tax base, due to the recession,
11 obviously.

12 But, obviously, every nickel that
13 we can save on interest or other expenses is
14 important to us. So to the extent that, you know,
15 you can work with us in terms of an interest rate,
16 we'd be very much appreciative of that.

17 The third dimension would be
18 maturity. The third dimension would be maturity;
19 that is how long the bonds would be out.
20 Typically, we issue 20-year bonds, but we might
21 like to look at a 30-year possibility, if you can
22 do that. That would help us on the debt service.
23 It would take it out, obviously, ten extra years,
24 but it would reduce our annual debt service

1 significantly.

2 And the fourth dimension that I'd
3 like you to think about is premium and discount
4 bonds. They -- the use of premium and discount
5 bonds prevents -- excuse me -- presents a little
6 bit of wiggle room in terms of paramount versus
7 actual receipts from the bond. And I can -- if
8 you'd like, I can come back to the next session
9 and talk a little bit about premium and discount
10 bonds, if you like. I used to teach that stuff at
11 First Chicago a long time ago. So I think I can
12 dig out my old material on that and make a
13 reasonable presentation about how that works.

14 So those are the four dimensions
15 that we'd like you to be thinking along the lines
16 of. Again, you know, it's obviously your option.
17 We're coming to you and saying, you know, we need
18 your help; and to the extent that you can
19 participate in this project and help us, we'd
20 obviously appreciate it.

21 I brought some material with me
22 today. I brought our latest comprehensive annual
23 financial report. I see you have the one I sent
24 along. I will distribute these in a moment.

1 This is our first, I should
2 mention, because we've really come a long way. I
3 don't know how many of you paid attention to the
4 discussion that Steve and I have were having
5 earlier, but when I arrived a little over two
6 years ago, we hadn't issued an annual report
7 within the prescribed six-month time frame since
8 2003. And when I arrived, we were four months
9 late on the 2008.

10 But we got three audits done in
11 about 14 months, and this is the third of those
12 three audits, and this is the first comprehensive
13 annual financial report that we've constructed.
14 We submitted this to the Government Finance
15 Offices Association for their certificate of
16 achievement in excellence in financial reporting,
17 and we were awarded that out first time out, which
18 is -- I think that's pretty good.

19 So we have a very, very
20 comprehensive annual financial report here that's
21 more or less easily readable to the extent that
22 any financial report is easily readable.

23 We also, when we went to market
24 last year with our bonds, we went to Standard &

1 Poor's and requested a rating. We received our
2 rating, uninsured rating on our own ever for
3 Franklin Park, Ken Zurich's comments to the
4 contrary. I'm still waiting for him to come up
5 with that rating.

6 MR. BIANCHI: I was waiting for that name
7 to come up.

8 MR. HELLER: Well, he claims that we've
9 had ratings before, and we have, but those have
10 been insured ratings. Not our credit, but the
11 insurance company's credit. This is the first
12 time we were rated on our own, and we were rated
13 poorly. I mean, we're investment grade, but we're
14 just two notches above the bottom of investment
15 grade. We're at S & P triple B.

16 Now, I do understand that if we
17 drop below investment grade, you're required to
18 sell those securities. Unfortunately, the market
19 for --

20 MR. REIMER: No, that would just be for
21 corporate. There's a different section that
22 applies to --

23 MR. HELLER: Municipals?

24 MR. REIMER: Yes.

1 MR. HELLER: Oh, good, because that could
2 present liquidity issues if you had to sell it.
3 Because it's a pretty thin market out there for
4 Franklin Park GO's, and particularly if we were to
5 drop, which I don't intend to, obviously, if we
6 were to drop below investment grade, but the
7 trajectory is up.

8 In terms of our performance this
9 year, it looks like the general fund, which is
10 where all the action takes place in a
11 municipality, really, we're going take about a
12 million dollar loss in the general fund this year,
13 just to be perfectly candid with you. And that
14 was due to a reimbursement that we had to make
15 that was unanticipated to the State, the Illinois
16 Department of Transportation, for a project that
17 goes back, the Seymour Avenue project. That there
18 was just a lot of miscommunication and, quite
19 frankly, somewhat of a screw-up by the Village
20 back when -- I guess it's been seven or
21 eight years ago now.

22 MR. IOVINELLI: It was about seven years
23 ago, yeah.

24 MR. HELLER: Seven years ago. So we did

1 take that hit this year in the general fund, and
2 that was a million one, and that's about the loss
3 we anticipate seeing this year in the general
4 fund. So it's a one-time event; but, again, the
5 trajectory is up.

6 Other than that, we're basically
7 right on target in terms of budget this year. So
8 much so that we could afford to buy you two fire
9 engines. We have supplied two ambulances in the
10 last two years, turn-out gear, air packs, that
11 sort of thing. So, you know, we're doing what we
12 can.

13 MR. IOVINELLI: Stretchers.

14 MR. HELLER: We're doing what we can to,
15 you know, strengthen the fire department and the
16 police department, and we'd appreciate any help
17 you can give us in return.

18 So that's about the end of my
19 pitch. Any questions, I'd be happy to take them.
20 I didn't -- did I bring cards with me? I think I
21 did. Yes, I did. I will give you my card too
22 with these documents so if you have any questions
23 or would like to get together in any way, I'm
24 happy to talk and answer any questions that you

1 have either on the phone, in person,
2 correspondence, whatever you like.

3 So my own personal style of doing
4 business is to be very open and honest. I don't
5 have agendas other than the betterment of the
6 village at this point. That's what I get paid to
7 do and that's how I spend my day, just trying to,
8 you know, make things a little bit better in the
9 village.

10 So I'm not looking to do anything
11 fancy here, but I want -- I need to request your
12 help in helping me and the Village. So let me
13 just pass these out.

14 MR. REIMER: I don't know if you want me
15 to weigh in on the legal aspects of what's being
16 proposed, and I did get a call from Steve and he
17 kind of ran it by me.

18 Initially, it sounded like the
19 village was looking for a loan. As you know, you
20 do not have any statutory authority to loan money.
21 However, the Pension Code does allow you, under
22 Article I, Section 111, to invest in bonds of your
23 own municipality. So it's actually contemplated.
24 It's authorized.

1 The restriction, though, is that
2 you can't invest in more than 10 percent of the
3 market value of your assets. So you are limited
4 to that. So that's one consideration.

5 You have a bond manager, which is
6 C.S. McKee, so I would tell you this: Just
7 because its legal doesn't mean that it's prudent.
8 And I'm not trying to tell you not to do this.
9 I'm all about trying to work together, but you
10 have to be real careful.

11 For example, I'll just give you a
12 short little horror story where a suburban police
13 pension fund, who shall remain nameless but the
14 initials are Dolton, it turns out that the
15 treasurer took some money in that was not supposed
16 to be taken by the municipality and used for
17 corporate purposes. It was actually pension fund
18 dollars. It was a half a million.

19 We got the money back, and at the
20 next meeting the treasurer came up and said, will
21 you invest in bonds? Well, you know, you can do
22 that. You can invest in bonds. So I looked at
23 the investment consultant and I said, it's going
24 to depend really on what your consultant says and

1 what's the bond rating of the Village of Dolton.
2 At the time is there such a thing called triple Z
3 bond rating? It wasn't good.

4 So the answer really was: Even
5 though it was legal, it wasn't prudent at the time
6 to do so. And that's not a reflection on the
7 Village of Dolton.

8 So my suggestion to you is:
9 There's a couple things you got to keep in mind.
10 Number one, since you do have a bond manager, it's
11 got to be vetted through your bond manager. I
12 wouldn't be telling you to make the investment and
13 then run around your bond manager unless your
14 manager vets it and is comfortable with it. And
15 that's not a problem. Its legal as long as it's
16 within those requirements, and your bond manager,
17 who is going to sign-off as a fiduciary or is a
18 fiduciary, is willing to say they think that this
19 is a prudent investment.

20 The other thing, though, in terms
21 of the -- perhaps the negotiation as far as the
22 interest rate, the other thing you have to keep in
23 mind is: There's what's called a prohibited
24 transaction under the Pension Code, which

1 basically says that you can engage in an
2 investment transaction with a party in interest.
3 And the Village is what's called a party in
4 interest under the Pension Code. And what the
5 prohibition is that the pension fund cannot make
6 an investment with a party in interest, the
7 Village, for greater than or less than adequate
8 consideration. So it really has to be an arm's
9 length, aboveboard, fair market value transaction.

10 So the Board could run into
11 problems if they were investing in bonds at, say,
12 a lower rate than a consumer could walk in and buy
13 them. And, again, I know enough about municipal
14 bonds to be dangerous. That's something that I'd
15 be glad to try to work out with C.S. McKee, the
16 Village, the Board, if they instruct me to. I
17 think you can get there from here as long as you
18 do it the right way.

19 MR. HELLER: Is that defined as like a
20 band or is that like a point in time kind of thing
21 or a band around that point in time?

22 MR. REIMER: In terms of what?

23 MR. HELLER: The interest rate. Let's
24 say, for instance, that the market rate for a

1 taxable -- well, let me just back up. The -- I'm
2 sorry. I don't mean to throw you off here.

3 Can you invest in a tax exempt
4 rate, I guess would be my question.

5 MR. REIMER: Sure.

6 MR. HELLER: You can. So you can invest
7 in a tax exempt market rate?

8 MR. REIMER: Sure. Even though this fund
9 is tax exempt anyways.

10 MR. HELLER: That's why I asked, because
11 you don't have the need for the tax advantage.

12 MR. REIMER: Correct. So here's what I'm
13 saying is that I don't think the pension board
14 could purchase bonds -- a bond under terms that
15 are different than any member of the public or any
16 other entity could go out on the market or on the
17 street and buy the bond. I think that could be
18 considered a prohibited transaction.

19 So you just got to be careful on
20 that. Does that make sense?

21 MR. HELLER: It does, and I'm just
22 relieved to hear that you can buy a tax exempt
23 security at a tax exempt yield. We're not looking
24 for a lot of concessions here. What we're looking

1 for is a fair -- is a fair transaction in which
2 you give us the most latitude that you feel
3 comfortable with and legally can.

4 So I want to be clear about that.
5 We're not asking you to make any special
6 concessions for us; but to the extent that, you
7 know, there is some wiggle room, we'd appreciate
8 whatever you can do in that.

9 MR. REIMER: So you're going to do
10 another bond issue, like a second series? Is
11 that --

12 MR. HELLER: Well, it probably won't be a
13 general market issue, no. It will probably be a
14 private placement, arm's length transaction.
15 These will not be -- we don't anticipate that
16 these will be negotiable securities. We don't
17 anticipate that they -- you know, most likely will
18 not be a bond. It will be some sort of debt
19 instrument. And, you know, obviously, the
20 downside of that is limited liquidity.

21 MR. REIMER: Yep. Here is my suggestion,
22 and I also represent your Police Pension Fund,
23 although I'm not on retainer. I don't go to the
24 board meetings, so I haven't had any conversations

1 with them, but it's probably best to bring them in
2 the loop. I'll give you a card. Do you have bond
3 counsel or --

4 MR. HELLER: Um -- hmm.

5 MR. REIMER: You know, maybe --

6 MR. HELLER: I would anticipate this
7 taking place between our bond counsel and whoever
8 you designate. He's done a couple of transactions
9 for us. We have good faith in him, and I'm
10 entirely comfortable in trusting him with those
11 negotiations.

12 MR. REIMER: I think probably the first
13 thing to do would be maybe whoever the contact is,
14 if you're interested -- if the Board is interested
15 -- it's not about me. It's about you.

16 MR. HELLER: Yeah, that's the caveat that
17 has to be at the head of --

18 MR. REIMER: I would go through your
19 contact at C.S. McKee. Who is that?

20 MR. CAPARELLI: It's Eugene Natalli, Jr.,
21 (phonetic). And if I can speak to it, that
22 process has sort of already begun. Again, this is
23 not something that we can encourage or discourage
24 you guys to do; just simply give our opinion.

1 But before we would do anything, we
2 would want to have that security vetted through
3 our fixed income manager. We would do our own
4 research and our own due diligence, but we would
5 need to get them comfortable first before we would
6 become comfortable with that security in order to
7 recommend to you guys.

8 So, you know, obviously, we would
9 be open to anything that the Fund would want to
10 look at, but it would require due diligence.

11 MR. REIMER: I've never had a situation
12 with any of my clients that bought their own
13 municipality's security that wasn't an actual
14 bond, a municipal bond, as opposed to any type of
15 a private security. So that, I don't know about.
16 I'm not saying you can't do it, but that's
17 something that you got to get C.S. McKee on, get
18 them in, and you've already done that.

19 I'd be happy to take a look at it
20 if that's what the Board wants me to do. I don't
21 think you need to vote on that now, but if it's
22 something you want done --

23 MR. BIANCHI: I would ask you to go with
24 that. And as Ron said, he's going to get

1 something more -- a proposal, right? Something
2 that we can --

3 MR. HELLER: Well, yeah, when we start
4 coming a little bit closer --

5 MR. BIANCHI: Right.

6 MR. HELLER: -- I'll talk to my bond
7 counsel and Richard and see where we go.

8 MR. REIMER: We might -- you might need,
9 even if this is one of those you're kind of
10 pushing the envelope here, you might even have to
11 get the Department of Insurance to give you their
12 blessing. In other words, get an advisory
13 opinion. So it could take some work, but --

14 MR. HELLER: Well, that's why I wanted to
15 come here in April, because we're looking at the
16 need for this sometime around September or
17 October. So I'm thinking that that's enough lead
18 time to dot all the i's and cross all the t's to
19 satisfy all parties.

20 MR. IOVINELLI: Okay.

21 MR. BIANCHI: We don't have to make a
22 motion or anything like that to have you --

23 MR. REIMER: No. At this point, it's
24 informational only. So it's if that's the

1 consensus of the Board, that you want C.S. McKee
2 to work with the Village, obviously Marquette,
3 they've got to vet it too.

4 Remember, you've hired fiduciaries,
5 you've hired a consultant. What I wouldn't want
6 you to do is just say, well, we're going to do it.
7 Because you've now circumvented the checks and
8 balances that you've put into place here to
9 protect yourself from any type of a fiduciary
10 issue.

11 Again, I'm not trying to blowup a
12 deal or anything like that. If it's legal and the
13 people that you pay to watch your back say it's
14 okay, have at it.

15 MR. BIANCHI: That's where we're at, Ron.

16 MR. IOVINELLI: And that's something that
17 we've done in the past regarding advisory opinions
18 and stuff like that, just so you know. Like when
19 Former Chief Dave Traiforos retired and there was
20 an issue about his salary, before we did anything
21 we had an advisory opinion from the DOI. They
22 said yep.

23 This way -- because we just went
24 through an audit. By the way, we haven't heard

1 anything. We just went through an audit, and this
2 way, as long as there's a piece of paper to say
3 yeah, then there's not an issue.

4 MR. HELLER: Yeah, we're not looking for
5 any special dispensations here. We understand
6 that you have to do things according to Hoyle.
7 There's no question about that.

8 What we are saying is: It's coming
9 down the pike at you. Let's start preparing for
10 it. And to the extent that you've got some wiggle
11 room, we'd appreciate using it. That's basically
12 my message today.

13 MR. IOVINELLI: Okay.

14 MR. REIMER: Better to ask for permission
15 than forgiveness, unless you're at my house.

16 MR. HELLER: I think it's the other way
17 around.

18 (WHEREUPON, a discussion was held
19 off the record.)

20 MR. REIMER: I'd be happy to talk to
21 whoever I need to talk to.

22 MR. HELLER: And, again, I'd be happy to
23 talk to whoever wants to talk to me about any of
24 this stuff. More than happy to fill you in on

1 where we are and where we're going and what some
2 of the plans are and that sort of thing.

3 MR. CAPARELLI: Sure. And on our end,
4 those wheels are already in motion.

5 MR. IOVINELLI: And Ron and Dave have
6 spoken.

7 MR. CAPARELLI: Perfect.

8 MR. IOVINELLI: Okay. Legislatively,
9 everybody got a copy of Rick's newsletter? Any
10 questions? Anything new going on that we should
11 be aware of?

12 MR. REIMER: You know, not really. I
13 will let you read this at your leisure if you need
14 to go to sleep. Just some case law, nothing
15 earth-shattering.

16 I think the only legislative change
17 that you should be aware of, we talked about at
18 the January meeting, which is the requirement that
19 all members have to get to the -- have to get
20 certified through the Illinois Attorney General's
21 Office Public Access Council. We all have to
22 complete on-line Open Meetings Act training. You
23 can't get that anywhere else. You can't go to a
24 IPPFA or an IPFA or an AFFI seminar. You've got

1 to get that training within one year, those of you
2 that were on the Board as of January 1st of 2012.

3 It takes -- you know, you log on.
4 It's free. They run you through it. You take a
5 test and then you get a certificate. Make sure
6 you turn your certificate over to Steve or whoever
7 is keeping your training. So that's the bad news.

8 The good news is: The training
9 on-line to get that certificate counts towards
10 your annual 16 hours training.

11 So the question is: How long did
12 it take you? I got to go with 16 hours. You're a
13 slow reader --

14 MR. PANZICA: It took me that long.

15 MR. REIMER: It takes you about an hour
16 and a half and you do get a certificate. So get
17 that done. If for some reason there's a change in
18 the Board -- I think you got elections coming up.
19 If there's a new trustee that comes on as elected
20 or appointed, that trustee has three months to get
21 the Open Meetings Act training. That's really it.

22 As far as what's going on in
23 Springfield, you read all this stuff in the paper
24 in terms of what's going to happen to your

1 pension. I'm not the lobbyist, but I try to keep
2 up with what we think is going on down there
3 through the actual lobbyists that are in the
4 trenches. What's going on now is apparently Quinn
5 is focusing on the State funds so that he can --
6 is able to work on balancing the budget and
7 getting bonds.

8 There's not really anything going
9 on with respect to Article III and Article IV this
10 year. So everybody from the special interest
11 groups, other than the Municipal League, most of
12 the unions and the pension organizations are
13 taking a hands-off approach. We're going to leave
14 it alone.

15 Nothing is supposed to happen this
16 year in terms of Article III and Article IV, so
17 we're taking a wait-and-see approach. What
18 happens with the State funds, what pans out there,
19 I would expect you'll see something next year that
20 will address Article III, Article IV, Article V,
21 VI, the Chicago funds and probably IMRF. That's
22 what I'm hearing. So nothing to panic about yet.

23 MR. BIANCHI: All right.

24 MR. IOVINELLI: Okay. All right.

1 Elections. We haven't had them yet. A lot of
2 stuff going on, so we will have everything ready
3 for the July meeting. And my question is: Since
4 the Department of Insurance gave us a bit of an
5 issue regarding the elections, remember when, you
6 know, you win by acclimation because no one else
7 runs against you. So if there is somebody out
8 there and no one is running against him, should we
9 run an election?

10 MR. REIMER: No, won by acclimation.

11 MR. IOVINELLI: Okay. That's what we
12 needed to know.

13 MR. NUNEZ: Quick question, Rick. On the
14 certification, is there a link that you go to?

15 MR. REIMER: You know, I don't have it.
16 I think if you do a Google search for the Illinois
17 Attorney General's office, you should have a
18 screen on the left that should say, I think,
19 Public Access Counselor or Open Meetings Act
20 Training. It's not the Freedom of Information
21 Act. You want the Open Meetings Act training.

22 MR. IOVINELLI: I think it just says
23 training or something like that, and then you go
24 into it and it will walk you through it pretty

1 quickly. You'll have to register and all this
2 other stuff.

3 MR. PANZICA: I had it in my folder, but
4 I took it out because I went through it. It took
5 me --

6 MR. IOVINELLI: Well, it's more credit
7 hours if you bring it back.

8 MR. PANZICA: Yeah, it took me actually
9 15 hours and 45 minutes.

10 MR. IOVINELLI: Other than that, any
11 public comments?

12 MR. McMURRAY: Why wasn't there an
13 election this month?

14 MR. IOVINELLI: We didn't get a chance to
15 do it yet. We will. There's a lot of things
16 going on. There's some issues going on with --
17 just it's been busy, and we haven't had a chance
18 to do it. Tony is -- because I can't run it
19 because it's my term, so Tony has got to run it
20 and we'll get it done.

21 MR. BIANCHI: Hopefully in the next
22 month.

23 MR. IOVINELLI: Right. There's a
24 nominating petition up. We do have it, but we

1 haven't spoken with the gentleman regarding
2 whether or not he actually wants the position. We
3 got to talk to him. So Tony has got to take care
4 of that because I can't do it.

5 MR. BIANCHI: Next month we hopefully
6 will have that settled.

7 MR. IOVINELLI: Anything else? Motion to
8 adjourn?

9 MR. BIANCHI: So moved.

10 MR. PANZICA: Second.

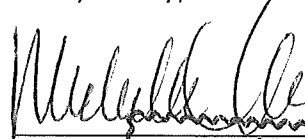
11 MR. IOVINELLI: Okay.

12 END OF PROCEEDINGS ON THIS DATE

1 STATE OF ILLINOIS)
2) SS:
3 COUNTY OF C O O K)

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 April, 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 31st day of May, 2012.

18
19
20
21 
22 Notary Public, Cook County, Illinois C.S.R.
23 OFFICIAL SEAL
24 MICHELLE N MARVIN
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 5/14/2014