

OFFICIAL PROCEEDINGS FOR A REGULAR MEETING
OF THE BOARD OF
TRUSTEES OF THE FIREMEN'S PENSION FUND OF PEORIA, ILLINOIS

A Regular Meeting of the Board of Trustees of the Firemen's Pension Fund of Peoria, Illinois, was held this date at City Hall, Room 110, Peoria, Illinois, at 2:02 P.M., proper notice having been given, for the purpose of conducting regular Firemen's Pension Fund business.

ROLL CALL

Roll Call of the following members: Haynes, Hogan, Modglin, Ulrich, Wiles, Wiltz, President Nieukirk – 7; Absent: Klasing - 1.

Others Present: Mr. Tom McShane of Prudential Securities, Inc. and Beth Ball of the City Clerk's Office.

MINUTES

Approval of the Minutes of the Regular Meetings held on February 26 and March 5, 2001.

Trustee Ulrich moved to approve the Minutes of the regular meeting held on February 26 and March 5, 2001, as printed; seconded by Trustee Wiles.

Approved by viva voce vote.

REPORTS

Reports of Mary Ulrich, Treasurer for the month of FEBRUARY, 2001, and Gordon & Sweetland, P.C., for the month of FEBRUARY, 2001.

Trustee Wiltz moved to receive and file the reports of Mary Ulrich, Treasurer, for the month of February, 2001, and Gordon & Sweetland, P.C., for the month of February, 2001; seconded by Trustee Hogan.

Approved by viva voce vote.

FIRE MARSHAL

Report of Roy Modglin, Acting Fire Marshal, of Pension Fund Contributions which were made by payroll deductions during the MONTH of FEBRUARY, 2001, from the active members of the Peoria Fire Department and which checks were turned in to the City Treasurer's Office by Director of Finance/Comptroller.

CREDIT TO
PEORIA FIREMEN'S PENSION FUND

| <u>Payroll Period</u> | <u>When Deducted</u> | <u>Amount</u> |
|--------------------------------|-----------------------------|----------------------|
| Jan. 21, 2000 – Febr. 5, 2001 | February 15, 2001 | \$35,789.86 |
| Febr. 6, 2001 – Febr. 20, 2001 | February 28, 2001 | <u>\$35,603.26</u> |
| | | \$71,393.12 |

Trustee Ulrich moved to receive and file the Fire Marshal's Report for February, 2001; seconded by Trustee Wiltz.

Approved by viva voce vote.

BILLS

The following bills were read by the Secretary:

| | |
|---|------------------|
| Pensions for March 2001, (dated Apr 1, 2001)..... | \$460,187.00 |
| Gordon & Sweetland – Dec/Jan, 2001..... | 1,508.97 |
| Leonard A. Unes Printing – Pension Letterhead..... | 89.00 |
| Oncology Hematology Associates – R. McCammon Exam..... | 87.00 |
| First Quarter Secretarial Services – B. Ball..... | 550.00 |
| Federal Express-Delivery to Prudential and C.Manhattan Bank.. | 33.04 |
| U. S. Post Master – 100 Stamps | 34.00 |
| M. Wiles – Per Diem and Mileage – Springfield IPPFA Seminar | 100.10 |
| M. Wiles – Hotel for March 13 – IPPFA Seminar..... | 82.22 |
| SUB-TOTAL..... | \$462,671.33 |
| Prudential Securities, Inc. – Consulting Services – 7/1 thru 12/31/00 | 5,699.07* |
| Back Pay – Don Lagron..... | 6,656.04 |
| TOTAL..... | \$475,026.44 |

*No check should be processed for this amount. This amount is to be automatically deducted from the account.

Trustee Ulrich submitted an invoice from Prudential Securities, Inc. in the amount of \$5,699.07 for consulting services for July 1, 2000, through December 31, 2000, and requested that this invoice be included in the bills.

President Nieukirk explained that in a review of Retired Firefighter Don Lagron's increases, it was determined that the auditor figured the increases incorrectly over a four-year period. He said the Pension Fund owed Mr. Lagron \$6,656.04 in back pay, and Mr. Lagron's monthly benefit check should be changed to \$3,232.26 per month. He requested that the \$6,656.04 be included with the bills.

Trustee Wiles moved to approve bills in the amount of \$475,026.44, which included the additional \$5,699.07 for Prudential Securities, Inc. and \$6,656.04 in back pay for Mr. Don Lagron; seconded by Trustee Wiltz.

Approved by roll call vote.

Yeas: Haynes, Hogan, Modglin, Ulrich, Wiles, Wiltz, President Nieukirk – 7;

Nays: None.

CONSIDERATION OF RESOLUTION – POWER TO INVEST

Consideration of Resolution authorizing Trustee Ulrich the power to invest.

Trustee Wiles moved to approve the Resolution authorizing Trustee Ulrich with the power to invest the Pension monies in the best interest of the Firemen's Pension Fund; seconded by Trustee Wiltz.

Motion to approve the Resolution authorizing Trustee Ulrich with the power to invest the Pension monies in the best interest of the Firemen's Pension Fund was approved by viva voce vote; Abstention: Ulrich - 1.

INVESTMENT REPORT – TREASURER MARY ULRICH

Investment Report provided by Trustee Mary Ulrich as of March 23, 2001:

Bank One Checking \$3,376.94 Money Market \$294,066.40

IL Funds (IPTIP) \$693,650.48 Interest Rate as of March 22, 2001 4.981%

Financial Investors \$986,005.36 Interest Rate as of February 28, 2001 5.61%

Smith Barney \$1,021.60 Interest Rate as of March 22, 2001 4.89%

Total assets available for pension payments \$1,978,120.78.

Amount paid to Prudential since the initial contract of 4/1/98 through 6/30/00 \$40,808.96 including the soft dollars.

Total payments made to Money Manager for 1999 \$95,325.44.

Total payments made to Money Managers for 2000 \$140,986.34.

| | |
|-----------------|----------------------|
| Bank One | \$36,228.97 |
| Mesirow | 41,150.37 |
| Messner & Smith | <u>63,607.00</u> |
| Total | <u>\$ 140,986.34</u> |

Fixed income buys and sells

Purchased from Stanford Group Company \$2,500,000. FHLM @97.96875 = \$2,449,218.75 plus accrued interest \$5,000. = \$2,254,218.75, 6% coupon 6.383 yield settled 3/13/01. Matures 3/01/2031. Three bids were received.

Respectfully submitted,
Mary A. Ulrich
Treasurer

Trustee Klasing moved to receive and file the Investment Report provided by Trustee Ulrich; seconded by Trustee Wiles.

Approved by viva voce vote; Abstention: Ulrich - 1.

Note: This is in line with the State Statute and Investment Policy.

PRUDENTIAL SECURITIES CLIENT STATEMENT – FEBRUARY, 2001

Discussion regarding the Prudential Securities, Inc. Client Statement for February, 2001.

Trustee Wiles moved to receive and file the Prudential Securities, Inc. Client Statement for February, 2001; seconded by Trustee Wiltz.

Approved by viva voce vote.

MONTHLY PORTFOLIO REVIEW – PRUDENTIAL SECURITIES**Report from representative of Prudential Securities to provide the monthly Portfolio Review.**

Mr. Tom McShane of Prudential Securities, Inc. distributed a copy of the monthly performance sheet for fixed income, equities, and cash accounts and a copy of the Performance Review through February 28, 2001.

Mr. McShane discussed the condition of the current market and the volatility of the market in the past three weeks. He urged the Board to focus on the long term picture and to stay on track with their plan. He said the Fund totaled \$85,226,151 for the end of February compared with \$84,795,007 for the end of January, 2001. He said \$57,042,208 was invested in fixed income and \$25,180,087 in equities, with the remainder in cash accounts.

Mr. McShane reported that Mesirow's return was -3.82% compared with the S&P 500 at -5.89 and the Russell 1000 at -2.41%; Bank One's return was -3.93%; and Messner's return was -2.14%. He further reported that Fixed Income's return was 0.96% compared to the Lehman Long Government at 1.91% and Lehman Government at 2.16%.

Mr. McShane projected that rates may be cut another half percent, but this should level off and then there would be a wait to determine how the economy responded.

Trustee Wiles moved to receive and file the Prudential Securities Monthly Portfolio Review for February, 2001; seconded by Trustee Wiles.

Approved by viva voce vote.

Note: This is in line with the State Statute and Investment Policy.

ILLINOIS PROFESSIONAL FIREFIGHTERS ASSOCIATION
2001 WAGES & WORKING CONDITIONS SURVEY**Review of the Illinois Professional Firefighters Association 2001 Wages & Working Conditions Survey.**

Trustee Wiltz requested to receive a copy of the 2001 Wages & Working Conditions Survey Booklet.

Trustee Hogan expressed concern that this survey information may not be the most up-to-date version. It was determined in discussion that the report was tallied by the Department of Insurance.

Trustee Haynes moved to receive and file the Illinois Professional Firefighters Association 2001 Wages & Working Conditions Survey; seconded by Trustee Hogan.

Approved by viva voce vote.

PRUDENTIAL SECURITIES CLIENT NOTIFICATION**Trustee Ulrich distributed Prudential Securities Client Notification.**

It was determined in discussion that this item had already been discussed. Trustee Haynes moved to receive and file; seconded by Trustee Ulrich.

Approved by viva voce vote.

UNFINISHED BUSINESS**RECEIPT OF LETTER REQUESTING DEDUCTION OF
INSURANCE PREMIUMS from RETIRED FIRE CHIEF ERNIE RUSSELL**

Letter from Retired Fire Chief Ernie Russell requesting deduction of insurance premiums from his monthly benefit check when the time is appropriate.

Trustee Haynes moved to receive and file the letter from Retired Fire Chief Ernie Russell regarding deduction of his insurance premiums; seconded by Trustee Wiltz.

Approved by viva voce vote.

NEW BUSINESS**MONTHLY PENSION INCREASE AND BACK PAY FOR DONALD W. LAGRON**

President Niekirk explained that Mr. Lagron's percent of increase had been figured incorrectly and the Fund owed him \$6,656.04 in back pay, which was included in the list of bills to be paid for the month of March, 2001. He also explained that this increase would be reflected in Mr. Lagron's monthly benefit check which would increase to \$3,232.26 per month.

Trustee Haynes moved to increase Mr. Lagron's monthly pension benefit amount to \$3,232.26 effective immediately; seconded by Trustee Ulrich.

Approved by roll call vote.

Yeas: Haynes, Hogan, Modglin, Ulrich, Wiles, Wiltz, President Niekirk – 7;

Nays: None.

**IPPFA 2001 ANNUAL TRAINING CONFERENCE to be Held
October 9 through October 12, 2001 in COLLINSVILLE, IL**

Trustee Wiles moved to authorize per diem and mileage for any Board Member who wished to attend the IPPFA 2001 Annual Training Conference to be held October 9 through October 12, 2001, in Collinsville, Illinois; seconded by Trustee Wiltz.

Approved by roll call vote.

Yeas: Haynes, Hogan, Modglin, Ulrich, Wiles, Wiltz, President Niekirk – 7;

Nays: None.

**IPPFA 2001 SEMINAR ON DISABILITY HEARINGS to be Held at
EAGLE RIDGE INN & RESORT on May 4, 2001, in GALENA, IL**

Trustee Wiles moved to authorize per diem and mileage for any Board Member who wished to attend the IPPFA 2001 Seminar on Disability Hearings to be held at Eagle Ridge Inn & resort on May 4, 2001, in Galena, Illinois; seconded by Trustee Ulrich.

Approved by roll call vote.

Yeas: Haynes, Hogan, Modglin, Ulrich, Wiles, Wiltz, President Nieukirk – 7;

Nays: None.

ADJOURNMENT

Trustee Wiles moved to adjourn the meeting; seconded by Trustee Ulrich.

Approved by viva voce vote.

The meeting adjourned at 2:35 P.M.

Mary L. Haynes, Secretary
Firemen's Pension Fund of Peoria, Illinois

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