

MASCOUTAH POLICE PENSION FUND QUARTERLY MEETING MINUTES

July 14th, 2015

CALL TO ORDER

President Lembke called the meeting to order at 3:30 p.m.

ROLL CALL

Members present, Dave Lembke, Bruce Fleshren, Terry Giles, Tony Weck, Attorney Orsey, and Treasurer Klingelhoefner were also present.

PREVIOUS MINUTES

The minutes from the previous April 2015 meeting were handed out and reviewed. Weck made a motion to accept the minutes, seconded by Lembke. The motion passed by unanimous vote.

PUBLIC COMMENTS

There were no public comments made.

TREASURER'S REPORT

The treasurer's report was handed out by Tom Klingelhoefner and reviewed, it will be attached to the minutes. A Motion to accept the treasurer's report was made by Fleshren. Seconded by Weck. The motion passed by unanimous vote.

The Bank of Edwardsville (TBE) then presented their report on funds held by them. A statement will be attached. A motion was made by Weck to approve the TBE report and seconded by Fleshren. The motion passed by unanimous vote.

MAYORAL/CITY APPOINTMENTS

Terry Giles expires in 2017-- Confirmation letter from the Mayor will be included with minutes.
David Lembke expires in 2016.

NEW POLICE ELECTIONS

Fleshren indicated that elections were held among the membership on April 20th 2015. Both Fleshren and Weck were returned to office.

BENEFICIARY ELECTION

Fleshren indicated that nomination requests were sent to all retirees and beneficiaries requesting any nominations due April 10th, for the April 20th elections. There were no new nominations made. Ken Bouas was returned to office.

MASCOUTAH POLICE PENSION FUND QUARTLEY MEETING MINUTES

INTERNAL ELECTIONS

Members were advised on the nomination and election process by Attorney Orsey. Giles made a nomination to return all current officers to their elected positions. There were no other nominations. The officers were elected by unanimous vote to return to their offices. President-Dave Lembke, VP- Terry Giles, Secretary Bruce Fleshren, Asst. Secretary Tony Weck.

INVESTMENTS

Investments were reviewed during The Bank of Edwardsville report. No action was taken.

BILLS

The State of Illinois compliance fee was received for \$819.26. A motion was made by Weck and seconded by Giles to pay the fee for \$819.26. The motion passed by unanimous roll call vote.

ANNUAL REPORT TO MUNICIPALITY

Treasurer Klingelhofer advised that a report had been provided to the City in May regarding the fiscal year 14-15 fund activities.

OFFICER DOCUMENTATION

None needed.

BENEFIT APPLICATION CASES

There was no action needed.

BENEFICIARY INCREASE ACKNOWLEDGMENT

No action needed.

ANNUAL TAX LEVY DISCUSSION

No action needed.

OLD BUSINESS

The membership election results were recorded.

**MASCOUTAH POLICE PENSION FUND
QUARTERLY MEETING MINUTES**

NEW BUSINESS

A) Board officers were elected.

B) A date change for the next meeting was requested by Attorney Orsey, due to a schedule conflict. A motion was made by Giles and seconded by Weck to move the October meeting to October 14th, 2015 at 3:00 pm. The motion passed by unanimous vote.

C) There was discussion about the Annual Report and Interrogatories due in October. Klingelhofer advised that he has been in contact with the City auditors and providing information to them to complete the city audit and begin the interrogatories for the Fund's annual report. As soon as they are received members will receive copies to review so that a vote can be taken to approve and send them in immediately in October.

MISCELLANEOUS

There was no other action.

ADJOURNMENT

The meeting was adjourned at 4:25 p.m. The next meeting will be on October 14th, 2015 at 3:00 pm.

Respectfully Submitted,



Bruce Fleshren
Secretary

**TREASURER'S REPORT
POLICE PENSION TRUST FUND - CITY OF MASCOUTAH
FOR THE QUARTER ENDING JUNE 30, 2015**

CHECKBOOK ACTIVITY

Citizens Bank checkbook balance March 31, 2015		\$ 11,097.44
Receipts:		
Employee Contributions by Payroll Deductions	\$ 18,541.48	
2014 Property Taxes	\$ 30,441.47	
Clara Beatty's AFLAC payment (ACH from Bank of Edwardsville)	\$ 83.70	
Interest on Checking	<u>\$ 0.61</u>	
Total Receipts		\$ 49,067.26
Disbursements:		
TheBank of Edwardsville (transfer)	\$ 20,500.00	
Bruce Fleshren (IPPFA May training conference registration & expenses)	\$ 711.36	
Anthony Weck (IPPFA May training conference registration & expenses)	\$ 738.96	
Terry Giles (IPPFA regional seminar registration for Terry & Dave Lembke)	\$ 300.00	
Kenneth Bouas (IPPFA regional seminar registration)	\$ 150.00	
Clara Beatty's AFLAC payment transfer	<u>\$ 83.70</u>	
Total Disbursements		\$ <u>22,484.02</u>
Citizens Bank checkbook balance June 30, 2015		\$ <u>37,680.68</u>

Mascoutah Police Pension Fund - Direct and Indirect Fee Disclosure as of June 30, 2015

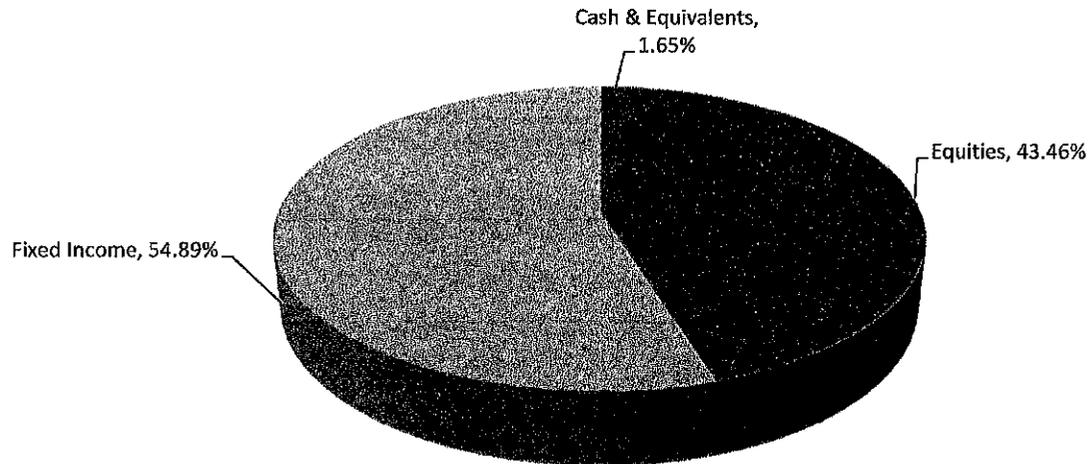
Investment Management Expenses	
Market Value * as of June 30, 2015	\$4,201,546.14
Direct Management Costs	
Total Annualized Investment Management Expense	\$14,682.70
Total Average Annualized Investment Management Expense % (Excluding Mutual Fund Expenses)	0.35%
+	
Indirect Management Costs	
Total Projected Annualized Mutual Fund Expense	\$7,928.32
Total Projected Annualized Mutual Fund Expense %	0.19%
=	
Total Average Annualized Investment Management Expense (Including Total Projected Annualized Mutual Fund Expenses)	\$22,611.02
Total Average Annualized Investment Management Expense % (Including Total Projected Annualized Mutual Fund Expenses)	0.54%

* Note: Market value does not include accruals.

As noted in the above fee analysis, the account is subject to mutual funds expenses. These mutual fund expenses are paid at the mutual fund level and are not reflected at the account level. However, in the interest of full disclosure, it is important for the account holder to understand the total level of expenses paid for the management of their account. The Bank of Edwardsville does not derive any economic benefit from the use of these mutual funds.

Mutual Fund	Ticker	Market Value 6/30/2015	Annual Expense Ratio	Total Annual Expense
Federated International Leaders R6	FGRSX	\$309,499.92	0.94%	\$2,909.30
Fidelity Spartan Intl Idx Advtg 1522	FSIVX	\$304,889.41	0.12%	\$365.87
Hodges Small Cap Institutional	HDSIX	\$222,130.92	1.03%	\$2,287.95
Vanguard Mid Cap Index Adm #5859	VIMAX	\$216,328.39	0.09%	\$194.70
Vanguard Russell 1000 Index I 1848	VRNIX	\$664,343.78	0.08%	\$531.48
Virtus Emerging Markets	HIEMX	\$125,117.19	1.31%	\$1,639.04

Mascoutah Police Pension Asset Allocation as of June 30, 2015



Cash & Equivalents
 Equities
 Fixed Income

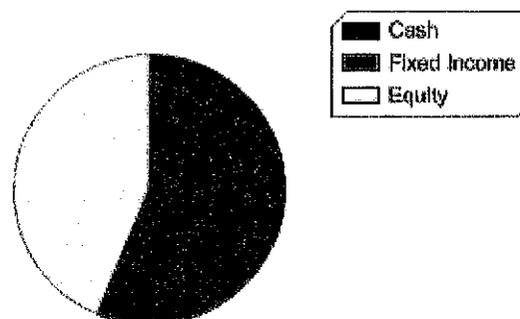
Assets Held	Asset Class	Description	Market Value 6/30/2015
Bank of Edwardsville	Cash & Equivalents	Money Market Fund	\$32,127.48
Citizens Community Bank	Cash & Equivalents	Checking Account	\$37,680.68
	Cash & Equivalents		\$69,808.16
Bank of Edwardsville	Equities	Bank of Edwardsville	\$1,842,309.61
	Equities		\$1,842,309.61
Bank of Edwardsville	Fixed Income	Fixed Income	\$2,327,109.05
	Fixed Income		\$2,327,109.05
	Grand Total		\$4,239,226.82

Account Profile



Administrative Information

Account Title: MASCOUTAH POLICE PENSION FUND
Account Number: 900020017
Capacity: POL FIRE
Inception Date: 05/14/2010
YTD Realized Gain/Loss: 121,269.60
Administrator: Bryan Gorman
Portfolio Manager: Darren Wright



Investment Profile

Investment Objective: Income
Investment Authority: Sole Authority

Asset Class	Income	Yield	Total Cost	Market Value	Percent
Cash	38.59	0.12%	32,158.00	32,158.00	0.77%
Fixed Income	42,427.50	1.82%	2,344,508.19	2,327,109.05	55.48%
Equity	27,485.00	1.50%	1,794,255.60	1,835,561.97	43.76%
Total Portfolio	69,951.08	1.67%	4,170,921.79	4,194,829.02	100.00%

City of Mascoutah

#3 West Main
Mascoutah, Illinois 62258
(618) 566-2964



Chartered in 1837

To: Cody Hawkins
cc Jerry Daugherty
City Council.
✓ Bruce Fleshren
Dennis Orsey
Police Pension Fund Board Members

Re: Police Pension Trust Fund Fiscal Year Report

Date: 05/11/15

The Police Pension Trust Fund report for the fiscal year May 1, 2014 thru April 30, 2015 is attached. If you have any questions please contact either Bruce Fleshren or myself.

Thank you,

Thomas J. Klingelhoefner – treasurer

**TREASURER'S REPORT
POLICE PENSION TRUST FUND - CITY OF MASCOUTAH
FOR THE FISCAL YEAR ENDING APRIL 30, 2015**

CHECKBOOK ACTIVITY

Citizens Bank checkbook balance May 1, 2014		\$	10,603.18
Receipts:			
Employee Contributions by Payroll Deductions	\$ 77,961.28		
2013 Property Taxes & Interest	267,621.17		
Beatty's AFLAC payment (ACH from TheBank of Edwardsville)	306.90		
Interest on Checking	6.16		
	<hr/>		
Total Receipts			345,895.51
Disbursements:			
Beatty's AFLAC payment transfer	334.80		
Illinois State Treasurer (FY2015 compliance fee)	713.63		
Illinois Public Pension Fund Assoc.(2015 membership dues)	775.00		
TheBank of Edwardsville (transfer)	341,900.00		
Bruce Feshren (2014 IPPFA spring conference expenses)	344.96		
NIU Outreach (2014 IPPFA spring conf. registration for Tony Weck)	370.00		
Tony Weck (2014 IPPFA spring conference expenses)	360.64		
Ken Bouas (2014 IPPFA spring conference expenses)	629.80		
Tony Weck (2015 IPPFA spring conference registration)	450.00		
Bruce Fleshren (2015 IPPFA spring conference registration)	400.00		
	<hr/>		
Total Disbursements			346,278.83
Citizens Bank checkbook balance April 30, 2015		\$	10,219.86

TheBank of Edwardsville Market Reconciliation For the Period 05/01/14 thru 04/30/15

Beginning Market Value	3,816,727.67		
Contributions			
Employee	-1,062.21		
Other Receipts	341,900.00		
Distributions			
Benefits Paid	-103,832.82		
Fees/Expenses	-18,901.53		
Other Payments	-6,138.35		
Income			
Interest Income	59,472.28		
Dividend Income	37,387.11		
Non-Cash Activity	0.00		
Realized Gains/(Losses)	149,361.46		
Long Term Cap Gain Dist.	105,853.73		
Accrued Income (Current Minus Prior)	-4,604.23		
Unrealized Appreciation/(Depreciation)	-127,195.73		
	<hr/>		
Ending Market Value			\$4,248,967.38

TOTAL POLICE PENSION TRUST FUND BALANCE AT APRIL 30, 2015	\$ 4,259,187.24
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May 15, 2015

Mascoutah Police Pension Fund
Attn: Police Chief Bruce Fleshren
3 West Main Street
Mascoutah, IL 62258

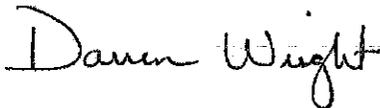
RE: Pension Plan Performance

Dear Board,

In accordance with Public Act 95-950, we are providing you performance of the Mascoutah Police Pension Fund for the period of 5/1/14 - 4/30/15.

The total return of the fund net of fees was 5.15%. The total return of the fund reported in this letter does not include the returns of any assets held outside of this investment account.

Sincerely yours,



Darren W. Wright, CFA
Vice President – Investments

City of Mascoutah

*Office of Mayor
#3 West Main
Mascoutah, Illinois 62258
(618) 566-2964*



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Terry Giles
1224 Antique Lane
Mascoutah, IL 62258

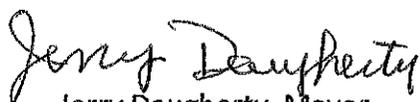
May 13, 2015

Dear Terry,

This letter is to confirm your reappointment to the City of Mascoutah Police Pension Board. The appointment is for 2 years, expiring on April 30, 2017.

Thanks for your interest and continued support on this board. It is volunteers such as yourself that make our city a better place to live.

Best Regards,



Jerry Daugherty, Mayor
City of Mascoutah

cc: Bruce Fleshren

City of Mascoutah

Office of Mayor
#3 West Main
Mascoutah, Illinois 62258
(618) 566-2964



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Steve Beimfohr
119 East Poplar
Mascoutah, IL 62258

May 13, 2015

Dear Steve,

This letter is to confirm your reappointment to the City of Mascoutah Fire and Police Commission. The appointment is for 3 years, expiring on April 30, 2018.

Thanks for your interest and continued support on this board. It is volunteers such as yourself that make our city a better place to live.

Best Regards,

A handwritten signature in cursive script that reads "Jerry Daugherty".

Jerry Daugherty, Mayor
City of Mascoutah

cc: Bruce Fleshren

DATE: 05/12/2015

INVOICE NO: F76471

MASCOUTAH POLICE PENSION FUND
 FY 2016 Compliance Fee
 Total Assets
 \$4,096,303.45
 P04013

TOTAL: \$819.26

**NOTICE
 PUBLIC PENSION FUNDS
 COMPLIANCE FEE**

40 ILCS 5/1A-112 provides that any pension fund that is required to file an annual statement is also required to pay an annual compliance fee of .0002 of the total assets of the fund, not to exceed an amount of \$8,000. The annual compliance fee is due June 30 of the current calendar year.

The Department is requiring that the annual compliance fee be submitted and paid by check. In order for the Department to meet the State requirements associated with accepting checks, certain procedures must be followed. One such procedure is the issuance of an invoice to each and every pension fund. The invoice number should be referenced on your check upon payment. Please detach the bottom portion of the invoice and return with payment. Please note that the invoice indicates "Payment Due Upon Receipt, Interest May Be Assessed After 30 Days" but such language does not affect the due date of June 30 as established in 40 ILCS 5/1A-112 and should be disregarded.

The check should be made payable to the Illinois State Treasurer and should be submitted on or before June 30 of the current calendar year. Additionally, the check must be sent to the attention of the Department of Insurance, P.O. Box 7087, Springfield, Illinois 62791 and not the Public Pension Division. Failure to submit the annual compliance fee payment on or before June 30 of the current calendar year or to make payment in the amount owed, as indicated on the invoice, is a violation of 40 ILCS 5/1A-112 and 50 Ill. Adm. Code 4415. Any discrepancies in the calculated annual compliance fee indicated on the invoice should be reported to the Public Pension Division within 15 days of receipt of this notification. This invoice serves as your notification pursuant to 50 Ill. Adm. Code 4415.50.

SHOW INVOICE NUMBER (F76471) ON REMITTANCE. DETACH BOTTOM PORTION AND RETURN WITH REMITTANCE.

DATE: 05/12/2015

INVOICE NO: F76471

Make checks payable to: ILLINOIS STATE TREASURER

Send to: DEPARTMENT OF INSURANCE

P O BOX 7087

SPRINGFIELD IL 62791

PAYMENT DUE UPON RECEIPT - INTEREST MAY BE ASSESSED AFTER 30 DAYS

BILL TO:

ITEMIZED BILLINGS:

MASCOUTAH POLICE PENSION FUND
 Attn: Secretary
 3 West Main Street

75 PUBLIC PENSION FEES

\$819.26

Mascoutah

IL 62258

TOTAL: \$819.26

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Illinois Department of Insurance

Bruce Rauner
Governor

James A. Stephens
Acting Director

DATE: 06/30/2015

MASCOUTAH POLICE PENSION FUND
ATTN: SECRETARY
3 WEST MAIN STREET
MASCOUTAH IL 62258

Re: Past Due Invoice # F76471

To whom it may concern:

Our records indicate invoice #F76471 is now 49 days old and carries an unpaid balance of \$819.26. This invoice was issued by the Pension Division on 05/12/2015, to charge for:

Code 75 - PUBLIC PENSION FEES \$819.26

The following remarks were printed on this invoice:

FY 2016 COMPLIANCE FEE
TOTAL ASSETS
\$4,096,303.45
P04013

If you do not agree with the amount of this invoice you may request a hearing within 15 days of the date on this letter. However, a request for hearing must be made, after the assessment has been paid in full and pursuant to the grounds set forth in Section 412 of the Code [215 ILCS 5/412].

Section 412 of the Illinois Insurance Code requires that the taxpayer first pay the taxes, fees or other charges before relief is allowed. Your request for hearing will be granted and the requisite notice issued upon the Department's receipt of the amounts due and owing.

In the absence of payment within 15 days of the date of this letter your request for hearing will be denied and in that event this is a final administrative decision pursuant to Section 3-101 of the Administrative review Law (735 ilcs 5/3-101 et seq.)

All correspondence and questions concerning this debt should be addressed to the attention of:

Department of Insurance
Attn.: Tax Unit
320 W. Washington (217) 782-1766
Springfield, IL 62767-0001 (217) 557-4639

Thank you for your immediate attention to this matter. Disregard this notice if payment was sent on or after, 06/30/2015.

Sincerely

Director of Insurance