

Dutkiewicz discussed the reallocation of the funds; \$1.0 million is needed for cash needs. The following is the reallocating/rebalancing: \$1.5 from Fidelity, \$1 million from Dimensional, \$1.5 million from Kayne Anderson Rudnick, \$1 million from Vanguard Mid Cap Index, \$500,000 from Vanguard Institutional Index, \$1.5 million from Vanguard Value Index. \$2 million would be transferred to NTGI 1-10 Year Intermediate and Long Term, \$1 million to NTGI Collective Mortgage Back, and \$3 million to Segall Bryant and Hamill.

Motion by Mueller and seconded by Laue to accept reallocation as follows: \$1.5 from Fidelity, \$1 million from Dimensional, \$1.5 million from Kayne Anderson Rudnick, \$1 million from Vanguard Mid Cap Index, \$500,000 from Vanguard Institutional Index, \$1.5 million from Vanguard Value Index. \$2 million would be transferred to NTGI 1-10 Year Intermediate and Long Term, \$1 million to NTGI Collective Mortgage Back, and \$3 million to Segall Bryant and Hamill. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

Motion by Mueller and seconded by Laue to allow Dutkiewicz to reallocate to stay in line with the policy targets at year end pending market changes with the limitation of holding the amount in cash and restricting adjustment to Vanguard Institutional Indexes. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

Motion by Laue and seconded by Mueller to approve purchases and sales. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

PRESENTATION BY SEGALL BRYANT & HAMILL

G. Hosbein stated that he was the portfolio manager. Mr. Hosbein discussed the history of the firm. Mr. Hosbein stated that the company invests in higher quality securities. Year-to-date the portfolio is down approximately is down .50% and the benchmark is down .25%. The overweight in corporate bonds helped the performance. Mr. Hosbein stated that the economic stimulus has not helped the economy as much as originally thought. The lack of performance in 2013 was due to the bonds being sold too early. Laue questioned the Corporate Intermediate exposure. Mr. Hosbein said that the exposure was 50%.

Mr. Hosbein presented the board with the change of consent letter.

Motion by Williams and seconded by McDonald to approve the consent letter from Segall Bryant and Hamill. APPROVED.

CITY BILLS

Motion by Mueller and seconded by Laue to approve December City Services of \$9,300.00. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve November postage charges of \$128.80. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue
Nays: None

Motion by Mueller and seconded by Laue to approve payment to Holmstrom & Kennedy, P.C. for November attorney fees for general in the amount of \$990.00. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue
Nays: None

Motion by Mueller and seconded by Laue to approve payment to Holmstrom & Kennedy, P.C. for November attorney fees for the Soria disability matter in the amount of \$22.50. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue
Nays: None

Motion by Mueller and seconded by Williams to approve payment to Holmstrom & Kennedy, P.C. for November attorney fees for the Lesmeister disability matter in the amount of \$135.00. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue
Nays: None

Motion by Mueller and seconded by Laue to approve payment to Holmstrom & Kennedy, P.C. for November attorney fees for the Drnek disability matter in the amount of \$2,902.50. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue
Nays: None

Motion by Mueller and seconded by Laue to approve payment to Holmstrom & Kennedy, P.C. for November attorney fees for the Honzel disability matter in the amount of \$713.30, which includes \$630.00 for services and \$83.30 for disbursements. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue
Nays: None

Motion by Mueller and seconded by Laue to approve payment to Holmstrom & Kennedy P.C. for November attorney fees for the Ahrens disability matter in the amount of \$3,418.98, which includes \$3,285.00 for services and \$133.98 for disbursements. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue
Nays: None

Motion by Mueller and seconded by Laue to approve payment to Holmstrom & Kennedy P.C. for November attorney fees for the Fysh matter in the amount of \$855.00. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue
Nays: None

Motion by Mueller and seconded by Laue to accept the application for consideration submitted by Phil Statler for a duty/non-duty disability. APPROVED.

Motion by Mueller and seconded by Laue to approve payment to Holmstrom & Kennedy P.C. for November attorney fees for the Statler disability matter in the amount of \$815.00, which includes \$540.00 for services and \$275.00 for disbursements. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue
Nays: None

Nielsen suggested the changes to the following paragraphs for the Fysh order:
#2 mention "as a result of the audit by the Department of Insurance"
#4 include "the audit of the fund"
#5 add "Mrs. Fysh was given an opportunity to address the board and did so"

Attorney Holzwarth will make the changes as suggested and will have the final order ready to present at the January meeting.

Motion by Mueller and seconded by Laue to approve the findings of order as attached for non-duty related pension for Peter Dmek. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue
Nays: None

Attorney Holzwarth stated that a letter was received from Attorney Honzel requesting omitting and destroying psychological records submitted as part of the hearing process for Mark Honzel. The board will take the request under advisement and will rule on it later.

Motion by Mueller and seconded by Laue to authorize the prepayment of \$2,250.00 for dictation fees of Dr. Wight. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue
Nays: None

Motion by Mueller and seconded by Laue to move the regular February meeting date to February 12, 2014 at 8:00 a.m. and schedule the Ahrens hearing for February 12, 2014 at 10:00 a.m. APPROVED.

Motion by Mueller and seconded by Laue to approve the increase for John Hoshaw in the amount of \$167.31. The monthly benefit will be \$5,744.41 or \$68,932.92 annually. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue
Nays: None

Wlaznik stated that Oda Poole is no longer in the Police Pension fund.

Nielsen recommended notifying the widows that payment will be made upon receipt of paperwork from widow.

Motion by Mueller and seconded by Laue to commence pension payment to Betty White and Gail Hodge if we receive their completed applications by December 30, 2013. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue
Nays: None

PAYROLL

Motion by Mueller and seconded by Williams to approve the December estimated payroll amount of \$1,159,181.17. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue
Nays: None

Motion by Mueller and seconded by Williams to approve the November actual payroll amount of \$1,157,004.95. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

A motion to adjourn was made and seconded at 10:37 a.m.

A handwritten signature in black ink, appearing to be 'M. Williams', written vertically on the right side of the page.