



**ADMINISTRATION & FINANCE COMMITTEE**  
**Meeting Minutes**

*Thursday, February 16, 2012*  
*IRMA Office*  
*9:30 a.m.*

**PRESENT:** David Clark, Chair                      David Danielson  
                  Scott Anderson                      Dan Nisavic  
                  Janet Binder                                John Prejzner  
                  Ron Pfeiffer                                 Kelly Amidei

**ALSO PRESENT:** Laura Vesecky                      Larry Bush  
                          Mary Henzler                                 Brian Goding

**ABSENT:** George Schafer                      Andrianna Peterson

**I. CALL TO ORDER**

Chair Clark called the meeting to order. Roll was taken and a quorum declared. Vesecky suggested that everyone introduce themselves, since there are new people on the committee this year.

**II. APPROVAL OF MINUTES – November 10, 2011**

A motion was made by Danielson and seconded by Anderson to approve the Administration & Finance Committee meeting minutes of November 10, 2011. A voice vote was taken and the motion carried.

**III. WELCOME TO THE 2012 ADMINISTRATION & FINANCE COMMITTEE**

Clark commented that the meeting packet contained several documents under this agenda item that he felt should be kept as a resource or reference for the committee.

Clark stated that he did want to review the Anticipated Committee Activity List. Vesecky stated that when she put the list together this year, it was all routine things. Goding is at all of the meetings; we do the audit in the spring; and, the budget is reviewed in the fall. Vesecky explained that the one unknown right now is anything that may come out of the Organizational Planning Workshop scheduled for February 29<sup>th</sup> that would be assigned to the Administration & Finance Committee as a result of the workshop.

Clark mentioned that each year toward the end of the year, we start talking about the performance evaluation for the Executive Director and working on the goals for the next year. Clark requested that this be communicated to the committee early on, so everyone has an idea of what we are expecting before we are asked to complete an evaluation form.

In regards to the audit, Clark asked about controls. Vesecky stated that we have Segregation of Duties that is reported on at the June meeting along with the audit. Clark asked whether the auditors test. Vesecky stated that they do.

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Pfeiffer commented that the June meeting was scheduled the day before the GFOA meeting workshops start and asked whether it makes a difference to any of the committee members. Vesecky stated that staff would poll the committee for other dates earlier that same week.

#### **IV. FINANCIAL REPORTS**

- A. IRMA Financial Statements as of December 31, 2011
- B. IRMA Investment Portfolio as of December 31, 2011
- C. IRMA Payables for the period 10/27/11 – 1/26/11

Vesecky explained that even though the investment income that is allocated to 2011 was under budget, we ended up in total over the budget. Vesecky explained that the way it works is that the investment income gets allocated to each year, but we only budget for the current year, which is a very conservative approach. We budgeted \$1.6 million, but in total we earned \$2.4 million. In total we had a surplus, but when you look at 2011 stand-alone, it looks like it is under budget.

Vesecky commented that we had a good year. Expenses were under budget. Vesecky noted that everything isn't in here – there are still a few things that have to be accrued.

A motion was made by Danielson and seconded by Anderson to approve the Financial Reports. A voice vote was taken and the motion carried.

#### **V. INVESTMENT CONSULTANT – Brian Goding**

Goding reviewed the 4<sup>th</sup> Quarter 2011 Investment Performance Report for the committee.

Goding reported that it was a very good quarter for the market. The Russell 3000 was up a little over 12% for the quarter. EAFE, the developed international markets, was up only 3.38% for the quarter. Goding commented that this isn't surprising given what was going on in Europe and all the uncertainty. Bonds were pretty flat for the quarter – 1.12%.

In looking at IRMA's Fund, Goding stated that we have targets of 50% equities, 45% fixed income and 5% alternatives. Goding noted that the targets were changed at the last meeting and this change will be reflected as we go further. The change was to 50% equities, 40% fixed income and 10% alternatives. Goding reported that as of December 31<sup>st</sup>, we were very close to targets. We started the quarter with \$116.8 million and ended the quarter at \$123.8 million. We added two managers, one of which was counted – Siguler Guff IV. The Siguler Guff real estate fund will be funded starting in January 2012.

Goding referred to page 17, which is a snapshot of each manager versus their particular index. Goding reported that Chicago Equity underperformed for the quarter. Denver Investment underperformed by 1.8%. International Equity Fund outperformed. Lazard Emerging Markets underperformed and Lazard Developing Markets outperformed. PIMCO and Western Asset both outperformed. TIPS Fund underperformed a little bit for the quarter. Mainstream outperformed by about 1.3%. If you put all these together, total

performance was 6.13% versus 6.68% for the benchmark, so we are only about .5% under for the quarter.

Goding reported that with our equity managers, we started with \$61.9 million and ended the quarter at \$61.7 million. For fixed income, the quarter started at \$59 million and ended the quarter at \$55.2%.

Goding distributed performance summaries for the month ending January 31, 2012, reporting that totals went from \$123.7 million at the beginning of the month to \$129.1 million at the end of the month.

Goding distributed an overview of IRMA's asset allocation as of February 15, 2012. Goding noted that there is about \$3,000,000 that we can allocate to Alternatives. Goding noted that we had listened to presentations from Siguler Guff at the last meeting and they are open on their funds until June. The Committee, at the time, stated that they would discuss this at this meeting, as to whether they wanted to invest either in the Small Buyout Fund, which is the fund we are already in, or the Siguler Guff BRIC Fund. Goding stated that Vesecky and he had discussed this and, since we already have \$1.5 million in the Small Buyout Fund, that maybe another \$1.5 million in Small Buyout II would be appropriate. Then, depending on how the Committee feels, invest \$1.5 - \$2 million in the BRIC Fund.

Clark said it would have been nice to have the performance information, since there are new people on the committee this year. Vesecky stated that the information could be sent out.

After discussion by the Committee, a motion was made by Pfeiffer and seconded by Danielson to invest \$1.5 in the Small Buyout II Fund and \$2 million in the BRIC Fund, and to take the money from whatever funds are over weighted at the time. A voice vote was taken and the motion carried.

Goding stated that if anyone had any questions they should feel free to call him.

## **VI. GFOA CERTIFICATE OF ACHIEVEMENT**

Vesecky reported that on the back page, she didn't understand the 1<sup>st</sup> comment and stated that she would get this resolved.

In the second comment, Vesecky explained that we have always put the members' contributions to members' reserve under the capital portion of the cash flow and they want it under operating, so we will comply.

Clark asked Vesecky whether IRMA does a PAFR, which is a more condensed version of the CAFR. Vesecky indicated that IRMA does not.

## **VII. INVESTMENT NEWSLETTERS**

Vesecky noted that the investment newsletters were on the IRMA website.

**VIII. ADDITIONS TO AGENDA**

None.

**IX. CONFIRMATION OF NEXT MEETING**

Clark stated that the next Administration and Finance Committee meeting was scheduled for June 7, 2012 at 9:30 a.m. at the IRMA office, but reminded staff that they would be polling for another date earlier in that week.

**X. ADJOURNMENT**

A motion was made by Danielson and seconded by Pfeiffer to adjourn the meeting. A voice vote was taken and the motion carried.

Submitted by:

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Laura Vesecky  
Director of Financial Services & Administration

Approved by:

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David Clark, Chair  
Administration & Finance Committee