

**BOARD OF TRUSTEES  
WEST CHICAGO POLICE PENSION FUND**

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P.O. BOX 165, WEST CHICAGO, ILLINOIS 60186 – 0165

**Board of Trustees, Regular Quarterly Meeting  
Thursday, October 15, 2015 at 8:30 A.M.  
West Chicago City Hall**

1. Call to Order:
  - a. Board President Joe Trefilek called the meeting to order at 8:32 a.m.
2. Establish Quorum:
  - a. A quorum was established with Joe Trefilek, John Murphy, Tony Cargola, John Zurick, and Michael Guttman all present. Also present was Board Clerk Jodi Rucks, Kevin Crain, Dave Russo, Toby Zwingelberg, Director of Administrative Service/Board Treasurer Linda Martin, Bruce Malkin, City Attorney Patrick Bond, Police Chief Michael Uplegger, Commander Eric Shipman, Sergeant Chris Shackelford, Commander Stephen Laub, and Assistant Director of Administrative Services Nikki Giles.
3. Election of Officers:
  - a. A motion to nominate Joe Trefilek to be elected Board President was made by Trustee Zurick and seconded by Trustee Cargola. The motion was approved 5-0.
  - b. A motion to nominate John Zurick to be Board Vice-President was made by Trustee Guttman and seconded by Trustee Murphy. The motion was approved 5-0.
  - c. A motion to nominate Tony Cargola to be Board Secretary was made by Trustee Zurick and seconded by Trustee Guttman. The motion was approved 5-0.
  - d. A motion to nominate John Murphy to be Assistant Secretary was made by President Trefilek and seconded by Trustee Guttman. The motion was approved 5-0.
4. Approval of August 6th and August 20th 2015 Board Minutes:
  - a. Trustee Cargola made a motion to approve the August 6<sup>th</sup> and August 20<sup>th</sup> Board Meeting minutes; the motion was seconded by Trustee Murphy. Trustee Guttman made a substitute the motion to table the approval of minutes until the next meeting. He offered to go through and help with the format of the minutes with Board Clerk Jodi Rucks. Trustee Cargola agreed with the suggestion. The substitute motion was seconded by Trustee Zurick. The motion was approved 4-1, with President Trefilek voting no.
5. Officer Status: New/Regular/Retired/Disabled
  - a. Trustee Zurick made a motion to approve Daniel DuBois and John Lewis entry into the Pension Fund. The motion was seconded by Trustee Guttman. The motion was approved 5-0.

- b. Spousal Benefit paperwork was presented to the Board regarding John Steele's passing. Board Treasurer Linda Martin will sign upon reviewing it.

6. Investments

- a. Review of 3rd Quarter Investment Portfolio: Mr. Russo began his report stating that the Investment Portfolio is down 1.12% for the quarter and up 3.63% for the year. The Fund's portfolio is comprised of 28% Annuities, 29% Equity Mutual Funds, 27% Fixed Income Funds, 12 % U.S. Government Securities, and about 4% cash. The Fund's portfolio is currently compromised of 56% Total Mutual Fund Holdings and remains under the statutory maximum. Despite the quarterly loss, the Portfolio is still on target to achieve the actuarial assumption for investment earnings. While reviewing the Fixed Income Summary he noted that the majority of our Reserve Accounts will be maturing in 3-8 years. The value of the funds at maturity is \$2,869,000. After concluding his report, Mr. Russo brought up selling the Natural Resource Fund and Van Eck Global Hard Asset Fund because each investment had decreased by at least 25%. He wanted to know if the Board would like to keep or sell them. Mr. Russo's opinion is to hold on them. Since this decision was not listed on the agenda, the Board could not take action. A motion was made to accept Mr. Russo's Report by President Trefilek and seconded by Trustee Zurick. The motion was approved 5-0.
- b. Discussion and Vote on New Investment Policy: Trustee Guttman explained that he did not respond to the questionnaire regarding the New Investment Policy because he wanted clarification on Baycliff Management being registered to do business in the State of Illinois. He also brought forth his concern on the Investment Advisors creating the Investment Policy rather having the Board Members. Trustee Guttman made a motion that the Board find out how other Police Pension Funds create their Investment Policies and determine if Baycliff Capital Management is registered to do business in the State, and table the New Investment Policy . Trustee Murphy seconded the motion. The motion was approved 5-0.

7. Custodian Report: No Report

8. Treasurer Report:

- a. Board Treasurer Martin brought the signature cards signed. She also informed the Board that according to 40 ILCS 5/3-132, "all money received and collected shall be credited by the treasurer of the municipality to the account of the pension fund and held by the treasurer of the municipality subject to the order and control of the board. The treasurer of the municipality shall maintain a record of all money received, transferred, and held for the account of the board. She has not received any financial documents for the 2014 year and cannot give the Annual Report by Treasurer until she starts receiving all documents." She presented a signed Annual Report explaining her reasoning stated above. The Board discussed and committed to making sure that Board Treasurer Martin receives all of the documents needed along with being a signer on all of the Pension Fund's accounts.

9. Board Attorney Report: Board Attorney Bill Stogsdill resigned as the Board's Attorney effective October 14, 2015. A motion to accept his resignation was made by Trustee Murphy and seconded by Trustee Cargola. The motion was approved 5-0. There was subsequent discussion about issuing an RFP for a new Board Attorney and a special meeting will be held to further discuss.
10. Bills Paid 3<sup>rd</sup> Quarter of 2015: Board Clerk Jodi Rucks distributed documentation of all the bills paid in the 3<sup>rd</sup> Quarter of 2015. Trustee Guttman made a motion to approve the bills, which was seconded by Trustee Zurick. The motion was approved 5-0. Trustee Guttman suggested meeting more frequently (monthly) to approve and pay bills. The Board agreed to approve the bills prior to them being paid.
11. Unfinished Business: Board President Trefilek made a motion to get the Board's authorization to retain counsel to initiate litigation against the City of West Chicago to stop Michael Guttman from acting as both City Administrator and a Board member of the West Chicago Police Pension Fund due to a conflict of interest and incompatibility of office. The motion died for lack of a second.
12. Old Business: None
13. New Business
  - a. Board President Trefilek requested that the Board take action to compel the West Chicago City Council to follow the Illinois Pension Code 40 ILCS 5/3-125 / Section 3-125. Board President Trefilek stated that the West Chicago Fire Protection District specifically levies a tax for pension purposes and that its Fund is fully funded. Trustee Guttman stated that city councils are not required to levy a tax in the amount requested by the Board, and cited the *City of Evanston* cases. He further stated that if you to look over the last six years, the Police Pension Fund's total requests for funding is at 97%. Board Treasurer Martin indicated that the City has made its payments on time every quarter, so there is no need for a levy. The Pension has received its intended portion every year. Trustee Cargola asked to postpone this discussion until we have hired a new Board Attorney.
  - b. The Board discussed hiring a court reporter to take meeting minutes. The Board instead decided to purchase a tape recorder to keep at the Police Station and upload the recordings on their computer for future reference.
  - c. The Board acknowledged that Requests for Proposals for Investment Advisors need to be issued every five years, and that doing so will be a priority once a new attorney has been hired.
  - d. Public Participation has historically been placed at the end of the agenda and Trustee Guttman suggested it be moved to the beginning, so the Board may take others comments into consideration before taking action. The Board agreed to place Public Participation after Establish Quorum on the agendas.
  - a. Board Treasurer Martin shared that she heard from Department of Insurance (DOI) staff that they had concerns about certain fees for mutual funds not being waived and that load fees were being charged and both are prohibited. She further

informed the Board that the DOI staff also said that the Fund's Financial Consultants are not allowed to have floating rates. A discussion with the Board's Financial Consultants ensued. The Board decided to postpone the discussion until an attorney has been hired.

14. Executive Session: None

15. Schedule Next Meeting and Public Comment

- a. Special Meeting on November 10<sup>th</sup> at 9:00 a.m. to discuss and possibly interview for a new Board Attorney, as well as to pay bills and vote to officially change to monthly meetings.
- b. Commander Shipman asked if Fund members will be able to see the RFPs for a new attorney before the interview process. The Board indicated that it would make the documents available to any member who is interested in reviewing them.
- c. The next quarterly meeting is scheduled for January 21, 2016 at 8:30 a.m.

16. Adjourn: A motion to adjourn was made by Trustee Murphy and seconded by Trustee Zurick. The motion was approved 5-0.