

BOARD OF TRUSTEES

WEST CHICAGO POLICE PENSION FUND

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

Board of Trustees, Quarterly Meeting
Friday, October 13, 2017 at 8:00 A.M.
West Chicago City Hall-Room A

1. Call To Order
 - a. Board Vice President Bruce Malkin called the meeting to order at 8:02 A.M.
2. Roll Call
 - a. Roll call was taken with Trustee Malkin, Trustee Cargola, Trustee Guttman, and Trustee Murphy all present. Absent was Trustee Zurick. Also present were Investment Advisors John Falduto and Tom Sawyer, Board Treasurer Linda Martin, and Board Attorney Keith Karlson.
3. Approval of September 4, 2017 Board Meeting Minutes
 - a. Trustee Guttman made a motion to approve of the September 4, 2017 Board Meeting Minutes. The motion was seconded by Trustee Murphy. The motion passed 4-0.
4. Public Comment: None
5. Treasurer's Report
 - a. The City made it's third quarterly payment to the fund in the amount of \$550,000 on October 11, 2017. A motion was made by Trustee Cargola to approve the Treasurer's Report. The motion was seconded by Trustee Murphy. The motion passed 4-0.
6. Investment Manager's Report
 - a. Review of and Possible Update to Investment Policy and Asset Allocation
 1. Board Investment Advisor John Falduto reviewed the Board's Investment Policy and no action was taken. He then gave a full report about the Quarterly Investment Performance. He started his report by reviewing our Target Allocation consisting of 50% equity and 50% fixed income. He noted that our equity could go up to 65% due to the fact that our fund has over \$1 million. It is always an option to gradually up our equity if we wanted to. No action was taken to do so at this time. Our Performance Cash Flow for the Third Quarter was \$740,797. This is from pure Investment Returns. This makes our year to date Investment Return \$2.05 million for 2017. Our total Account Return for the Third Quarter is 3.38%. Our total Equity Return for the Third Quarter is 5.03%. Long term those numbers are 11.15% in Total Account Return and 20.57% in total Equity Return. Board Investment Advisor Tom Sawyer began talking about economic growth. He explained that the economic growth in the U.S, has accelerated to an annual rate of 3%. Right now we will see solid growth and low inflation with little risk of a recession. Interest rates are holding steady for the

third quarter. He finished the report by reviewing the Fixed Income Portfolio and discussing that 5.15 years is our duration. The benchmark is at 6.08 years. Trustee Cargola made a motion to approve the Investment Manager's Report. Trustee Murphy seconded the motion. The motion was approved 4-0.

b. Potential Sale or Purchase of Annuities

1. Board Investment Advisor John Falduto reminded the Board that there are 4 annuity contracts that are coming up for renewal. Two Brighthouse Light annuities, one on 12/13/17 and one on 1/22/18. There are also two Protective Life annuities, one on 11/20/17 and 12/29/18. Their recommendation is to get rid of the annuities and not renew them. Annuities give you a lack of flexibility and today there is a lower interest rate environment. You will not get 5.25% return like you did before. They would rather keep the Board's dollars more liquid where they can invest the money. Their recommendation is to liquidate the annuities as they come due. They will reinvest in a fixed income security. A motion was made by Trustee Murphy to liquidate the annuity contracts at their renewal date and reinvest the money as the Advisors deem appropriate. The motion was seconded by Trustee Cargola. Roll call vote was taken and passed 4-0. A motion was made to approve Trustees Cargola, Zurick, and Guttman to execute and draft any paperwork necessary to accomplish the liquidation of annuities at their maturity date. Motion was made by Trustee Cargola and seconded by Trustee Malkin. The motion passed 4-0.

7. Accountant's Report: None

8. Attorney's Report

- a. Board Attorney Keith Carlson handed out their Quarterly Legal and Legislation Update. He did mention that Emergency Meetings under the Open Meetings Act requires at least 48 hours public notice of any meeting except a meeting that is held in a event of a bona fide emergency. That means that there was an unforeseen event not that there could be terrible consequences to something earlier forgotten.

9. Communications: None

10. Board Officers' Report: None

11. Approval of Disbursements

a. Approval of Bills to be Paid in October 2017

1. A motion was made to approve the Bills in October 2017 in the amount of \$11,310.81 by Trustee Guttman. The motion was seconded by Trustee Malkin. Roll call vote was taken and approved 4-0.

12. Applications of Memberships

13. Applications for Benefits

14. Applications for Refund

15. Old Business

16. New Business

- a. Officer James Bickle Survival Spouse Eligibility

1. The Board made a motion to terminate the benefit of Officer James Blickle by Trustee Guttman, The motion was seconded by Trustee Cargola. Roll call vote was taken and approved 4-0.

17. Executive/Closed Session: None

18. Adjournment

- a. We will be waiting for Board President John Zuirck before making the Quarterly Meeting Dates for the year of 2018. Trustee Malkin made a motion to adjourn the meeting at 8:34 A.M. The motion was seconded by Trustee Murphy. The motion passed 4-0.