

BOARD OF TRUSTEES WEST CHICAGO POLICE PENSION FUND

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

Board of Trustees, Quarterly Meeting
Wednesday, April 4, 2018 at 9:00 A.M.
West Chicago City Hall-Room A

1. Call To Order
 - a. Board President John Zurick called the meeting to order at 9:01 A.M.
2. Roll Call
 - a. A quorum was established with Trustee Zurick, Trustee Cargola, Trustee Malkin, Trustee Guttman, and Trustee Murphy all present. Also present was Board Treasurer Linda Martin, Board Attorney Keith Karlson, Board Investment Advisors Tom Sawyer and John Falduto, and Lauterbach and Amen's Todd Schroeder and Robert Rietz.
3. Approval of Feb. 20, 2018 Board Meeting Minutes
 - a. A motion was made to approve the February 20, 2018 Board Meeting Minutes by Trustee Zurick. The motion was seconded by Trustee Murphy. The motion was approved 5-0.
4. Public Comment- None
5. Treasurer's Report
 - a. The City made it's First Quarterly payment of 2018 to the fund in the amount of \$575,000 on April 3, 2018.
6. Investment Manager's Report
 - a. Review of and Possible Update to Investment Policy and Asset Allocation
 1. Board Investment Advisor John Falduto begun his report by reviewing the Investment Policy and no action was taken. He then gave a full report about the Quarterly Investment Performance. He started his report by reviewing the Portfolio Allocation for the fund. We currently have 45% of the fund in Fixed Income and 55% in Equity. Our Performance Cash Flow for the First Quarter of 2018 had an Investment Return of -\$120,669. Our Total Account Return was -0.40% but the Account Benchmark was -0.88%. Looking at our Long-Term Account Return over the past year we have a 9.91% return. This is higher than the Account benchmark of 8.68%. Total Investment gain since inception on 3/4/16 has been \$3.7 million. Board Investment Advisor Tom Sawyer begun his report on economic growth and the federal reserve. He explained that the potential for recent tariffs imposed on Chinese imports, steel, and aluminum may escalate into a trade war, resulting in short-term market swings. This is not something to be too worried about at this point. The economy is doing well and corporate earning are doing well at this time. Trustee

Cargola made a motion to approve of the Investment Manager's Report. The motion was seconded by Trustee Zurick. The motion was approved 5-0.

b. Potential Sale or Purchase of Annuities- None

7. Accountant's Report- None

8. Actuarial Report

a. Discussion and Vote to approve the Actuarial Valuation and GASB 67/68 Reporting

1. Todd Schroder and Bob Reitz from Lauterbach and Amen handed out the Drafted 2018 Actuarial Valuation and reviewed their findings. They started their report by going over the Management Summary. They gave their contribution recommendation for the fund be \$2,563,133. This is a recommended contribution increase of \$63,851 from last year. The funded percentage has increased 2.16% on an Actuarial Value of Asset Basis from last year. He reviewed why the contributions are expected to change from last year. Increases occur due to expected pay increases under the funding policy for the Fund. Trustee Guttman asked a question about the numbers they used in their Actuarial Assumptions. In the CPI-U column Lauterbach used 2.5% in the calculations. This number represents an average of increases in pay. A motion was made by Trustee Carogla to run a sensitivity study on a separate chart using 2.75% and 3% for CPI-U to recalculate the recommendation contribution. The motion was seconded by Trustee Murphy. The motion was approved 5-0.

9. Attorney's Report

a. Update on the Police Pension Fund Board's Prior Investments in Question

1. Board Attorney Keith Karlson handed out and made note to the Quarterly Review of Legal and Legislative Update. Executive Session will take place later in the meeting citing Section 2-C1.

10. Approval of Disbursements

a. Approval of Bills to be Paid in April 2018

1. A motion was made by Trustee Guttman to approve of the Bills to be Paid in April 2018 in the amount of \$20,955.15. The motion was seconded by Trustee Cargola. Roll call vote was taken and approved 5-0.

11. Applications for Membership

a. Approval of Justin Rigler's application for membership into the Police Pension Fund

1. A motion was made to approve Justin Rigler's application to be admitted into the pension as a Tier II effective March 20, 2018 by Trustee Zurick. The motion was seconded by Trustee Murphy. The motion was approved 5-0.

12. Applications for Benefits- None

13. Applications for Refund- None

14. Old Business- None

15. New Business

- a. Official Ballot Count for the Pension Board's Active Trustee Election
 - 1. A motion was made by Trustee Murphy to certify the election results of John Zurick winning the Active Trustee Election as he ran uncontested. The motion was seconded by Trustee Guttman. The motion was approved 4-0. Trustee Zurick abstained from voting.
- b. Official Ballot Count for the Pension Board's Retiree Trustee Election
 - 1. A motion was made by Trustee Carogla to certify the election results of Bruce Malkin 21-0. The motion was seconded by Trustee Zurick. The motion was approved 4-0. Trustee Malkin abstained from voting.
- c. Acknowledgement of Mayor's Trustee Appointment to the Pension Board
 - 1. Mayor Ruben Pineda appointed Michael Guttman to a two year (2018-2020) term on the West Chicago Police Pension Board. Trustee Guttman accepted the appointment.

16. Executive/Closed Session

- a. A motion was made at 9:39 A.M. to go into closed session citing Section 2-C1 by Trustee Zurich. The motion was seconded by Trustee Cargola. The motion was approved 5-0.
- b. A motion was made at 9:44 A.M. to leave closed session by Trustee Murphy. The motion was seconded by Trustee Cargola. The motion was approved 5-0.

17. Adjournment

- a. Trustee Guttman made a motion to adjourn the meeting at 9:45 A.M. The motion was seconded by Trustee Malkin. The motion was approved 5-0.