

BOARD OF TRUSTEES

WEST CHICAGO POLICE PENSION FUND

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

Board of Trustees, Quarterly Meeting
Thursday, January 17, 2019 at 9:00 A.M.
West Chicago City Hall-Room A

1. Call To Order
 - a. Board President John Zurick called me meeting to order at 9:01 A.M.
2. Roll Call
 - a. A quorum was established with Trustee Zurick, Trustee Cargola, Trustee Malkin, and Trustee Guttman all present. Absent was Trustee Murphy. Also present was Board Treasurer Linda Martin, Board Attorney Keith Karlson, Board Financial Advisor John Falduto, and Derek Flessner from Lauterbach and Amen.
3. Approval of December 11, 2018 Board Meeting Minutes
 - a. Trustee Guttman made a motion to approve the December 11, 2018 Board Meeting Minutes. The motion was seconded by Trustee Cargola. The motion was approved 4-0.
4. Public Comment- None
5. Treasurer's Report
 - a. Board Treasurer Linda Martin informed the Board that the City has made it's fourth quarterly payment of 2018 in the amount of \$575,000 on January 8, 2018 to the pension fund.
6. Investment Manager's Report
 - a. Review of and Possible Update to Investment Policy and Asset Allocation
 1. The Investment Policy was reviewed by the Board and no action was taken. Board Financial Advisor John Falduto then began reviewing the Quarterly Investment Performance Report ending on December 31, 2018. He started by going over the cash flow and performance review. The fund started the fourth quarter with \$28,496,060 and ended this year with \$26,354,504. This means we were down \$1,186,525 for the year. The total equity return for this year to date was -8.23%, which was better than the benchmark of -13.36%. When reviewing our long term equity return since date of inception 6/30/16 we see a 8.59% gain. He went on to give some market commentary explaining that during periods of above average volatility, price declines provide opportunities to rebalance and take advantage of divergences in asset classes. He also noted that they will be migrating a portion of the fixed income portfolio to investment grade corporate bonds consistent with all internal and regulatory considerations as cash flow occurs. The Investment Policy will be reviewed and updated if necessary.

b. Potential Sale or Purchase of Annuities

1. A motion was made to liquidate the Lincoln National Life annuity that has a renewal date of 1/11/19 in the amount of around \$185,000 and to liquidate the Lincoln National Life annuity that has a renewal date of 5/3/19 in the amount of around \$901,000 by Trustee Zurick. The motion was seconded by Trustee Malkin. Roll call vote was taken and approved 4-0.

7. Accountant's Report

- a. Derek Flessner handed out the Monthly Financial Report for the month ending in December 31, 2018. He reviewed the Financial Report making note that the Total Assets ended with \$29,021,105.10 for December 31, 2018. The Net Position held in trust for pension benefits coming to is \$29,010,416.49. A motion was made to accept the Accountant's Report by Trustee Cargola. The motion was seconded by Trustee Malkin. The motion was approved 4-0.

8. Attorney's Report

- a. Board Attorney Keith Karlson began by updating the Board on two open matters. He informed the Board that the ongoing securities litigation is set for arbitration in April. There are expected damages anywhere south of \$50,000, whether or not the Board will win will be determined based on if you win on liability. The next open matter is Officer Woodill, he is scheduled for a March 5, 2019 annual exam for his disability. Keith then handed out the Karlson Garza LLC Quarterly News Letter and reviewed a few of the ongoing cases noted in the newsletter.

9. Communications- None

10. Board Officers' Report- None

11. Approval of Disbursements

- a. Approval of Bills to be Paid in January 2019
 1. A motion was made by Trustee Guttman to approve of the Bills to be Paid in December 2018 in the amount of \$9,881.64. The motion was seconded by Trustee Malkin. Roll call vote was taken and the motion was approved 4-0.

12. Applications for Membership

- a. Ryan Moore's Application for Membership
 1. A motion was made to accept Ryan Moore's application for Membership to become a Tier II member of the West Chicago Police Pension Fund by Trustee Zurick. The motion was seconded by Trustee Malkin. The motion was approved 4-0. The application is complete and will be on file with the fund.

13. Applications for Benefits- None

14. Applications for Refund- None

15. Old Business

- a. Trustee Guttman informed the Board that the City has approved of a higher contribution to the pension fund then recommended by the actuary.

16. New Business

- a. Determine need for Election of Beneficiary and Active Trustees and/or reappointment of appointed Trustees
 - 1. Trustee Zurick made a motion to direct Jodi to conduct an election for any active/retired member Trustees up for reelection before the April 2019 meeting. The motion was seconded by Trustee Cargola. The motion was approved 4-0.
- b. Update Corporate Resolution Signers for Lincoln Annuity
 - 1. This has been updated.
- c. Schedule Annual Examinations for Disabled Police Officers under 50
 - 1. A motion was made for Keith Karlson to direct Officer Woodill for his annual examination for disability benefits by Trustee Cargola. The motion was seconded by Trustee Zurick. The motion was approved 4-0.
- d. Annual Verifications of Eligibility for Beneficiaries
 - 1. A motion was made to engage Lauterbach and Amen to conduct their annual verification of eligibility for beneficiaries for the 2019 year by Trustee Cargola. The motion was seconded by Trustee Malkin. Roll call vote was taken and approved 4-0.
- e. Review/ Update contracts with vendors
- f. Approval of Life Status 360
 - 1. A motion was made for Lauterbach and Amen to conduct this supplemental service for no additional charge to help monitor the life status of the pensioners by Trustee Zurick. The motion was seconded by Trustee Cargola. The motion was approved 4-0.
- g. Approve COLAs for Pensioners
 - 1. A motion was made to approve of the COLA for pensioners in the amount calculated by Lauterbach and Amen by Trustee Cargola. The motion was seconded by Trustee Gutman. The motion was approved 4-0.

17. Executive/Closed Session- None

18. Adjournment

- a. Trustee Zurick made a motion to adjourn at 9:36 A.M. Trustee Malkin seconded the motion. The motion was approved 4-0.