

# **BOARD OF TRUSTEES**

## **WEST CHICAGO POLICE PENSION FUND**

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

Board of Trustees, Quarterly Meeting  
Thursday, April 18, 2019 at 9 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 Murphy, Trustee Guttman, Trustee Zurick, and Trustee Cargola. Absent was Trustee Malkin. Also present was Board Treasurer Linda Martin, Board Attorney Keith Karlson, Board Financial Advisor Ed Lavin, and Derek Flessner and Bob Rietz from Lauterbach and Amen.
3. Approval of the March 14, 2019 Board Meeting Minutes and Executive Session Minutes, and of the February 14, 2019 Executive Session Meeting Minutes
  - a. Trustee Cargola made a motion to approve of the March 14, 2019 Board Meeting Minutes and the Executive Session Minutes, as well as, the February 14, 2019 Executive Session Meeting Minutes. The motion was seconded by Trustee Murphy. 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 first quarterly payment of 2019 in the amount of \$300,000 on April 16, 2019 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 Ed Lavin began reviewing the Quarterly Investment Performance Report for the first quarter in 2019. We ended last year with \$26,354,504 in the fund and ended the first quarter of 2019 with \$29,091,752. That is an Investment Return of \$2,395,494. The Total Equity Return for the first quarter 13.84%. The long-term equity return is 4.61% for the year and up 8.01% since date of inception on 6/30/16. Ed continued the report by giving some market commentary regarding expectations for economic growth, which continues to be positive but at a slowing rate. He noted that equities have posted solid gains during the first quarter both domestically and internationally.
  - b. Potential Sale or Purchase of Annuities

1. Trustee Zurick made a motion was made to liquidate the Lincoln Life annuity that has a renewal date of 5/3/19 in the amount of \$908,396.16 and to move that money to Sawyer/Falduto for them to invest as they see fit. The motion was seconded by Trustee Murphy. Roll call vote was taken and approved 4-0.

7. Accountant's Report

a. Approval of the IDOI Report

1. Derek reviewed the drafted DOI report. The Board brought forth a few changes regarding the Trustee's term dates and the levy of tax returns for the pension that they would like to be made prior to Lauterbach sending in the Report. Trustee Guttman made a motion to approve of the DOI Report as amended at the meeting. The motion was seconded by Trustee Murphy. The motion was approved 4-0.
- b. Derek Flessner handed out the Monthly Financial Report for the month ending in February 28, 2019. He reviewed the Financial Report making note that the Total Assets ended with \$31,364,819.24 for February 28, 2019. The Net Position held in trust for pension benefits coming to is \$31,352,911.24. A motion was made to accept the Accountant's Report by Trustee Cargola. The motion was seconded by Trustee Murphy. The motion was approved 4-0.

8. Actuarial Report

a. Approval of the Actuarial Report

1. Bob Rietz with Lauterbach and Amen handed out the drafted 2019 Actual Valuation and reviewed the findings. He started the report by going over the Management Summary recommending that the contribution for the fund be \$2,662,434. That is an increase of \$99,301 from the prior year. The funded percentage has increased by 1.46% on an actuarial value of assets basis. No action needs to be taken at this time. The final draft of the Actuarial Report will be presented at the July 2019 Quarterly Meeting.

9. Attorney's Report

- a. Board Attorney Keith Karlson handed out the Quarterly Review of Legal and Legislative Update. He commented on a few topics that may be of interest to the pension board including the causation in psych cases and the murky ongoing and evolving area of law that involves.

10. Communications- None

11. Board Officers' Report- None

12. Approval of Disbursements

a. Approval of the Bills to be Paid in April 2019

1. A motion was made by Trustee Guttman to approve of the Bills to be Paid in April 2019 in the amount of \$11,926.64. The motion was seconded by Trustee Cargola. Roll call vote was taken and approved 4-0.

13. Applications for Membership- None



14. Applications for Benefits

- a. Approval of Eric Shipman's pension benefit calculation
  - 1. A motion was made to approve of Eric Shipman's adjustment to longevity pay calculation in the amount of \$6,711.88 a month which is a \$300 increase in his longevity by Trustee Murphy. The motion was seconded by Trustee Zurick. Roll call vote was taken and approved 4-0.
- b. Approval of Waylon Pott's pension benefit calculation
  - 1. A motion was made to approve of Waylon Pott's pension benefit calculation of \$3,697.71 per month effective on his retirement date of 4-6-19 by Trustee Cargola. The motion was seconded by Trustee Zurick. Roll call vote was taken and approved 4-0.

15. Applications for Refund- None

16. Old Business- None

17. New Business

- a. Official Ballot Count for the Pension Board's Active Trustee Election
  - 1. A motion was made by Trustee Zurick to certify the election results of Anthony Cargola winning the Active Trustee Election as he ran uncontested. The motion was seconded by Trustee Guttman. The motion was approved 3-0. Trustee Cargola abstained from voting.
- b. Acknowledgement of Mayor's Trustee Appointment to the Pension Board
  - 1. Mayor Ruben Pineda appointed Jack Murphy to a two-year (2019-2021) on the West Chicago Police Pension Board. Trustee Murphy accepted the appointment.
- c. Approval of sending out a second request for a completion of the Annual Affidavit Eligibility Form
  - 1. The Board approved of Lauterbach and Amen sending out the second request of the Annual Affidavit Eligibility Form to those who have not responded.
- d. Vote to dismiss the litigation case and notify John Kehoe's Firm
  - 1. A motion was made to authorize a dismissal of the litigation case and to notify John Kehoe's Firm by Trustee Zurick. The motion was seconded Trustee Cargola. The motion was approved 4-0.
- e. Discussion on Officer Jacob Fuller to purchase military buy back time
  - 1. Officer Jacob Fuller will finalize his decision and inform the Board of how he would like to purchase his military buy back.

18. Executive/Closed Session- None

19. Adjournment

- a. Trustee Cargola made a motion to adjourn the meeting at 10:05 A.M. The motion was seconded by Trustee Murphy. The motion was approved 4-0.