

# 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, February 27, 2020 at 9 A.M.  
West Chicago City Hall-Room A

1. Call To Order
  - a. John Zurick called the meeting to order at 9:02 A.M.
2. Roll Call
  - a. A quorum was established with Trustee Zurick, Trustee Murphy, Trustee Cargola, and Trustee Guttman all present. Absent was Trustee Malkin. Also present were Board Financial Advisors John Falduto and Tom Sawyer, Board Treasurer Linda Martin, Derek Flessner from Lauterbach and Amen, and Board Attorney Keith Karlson.
3. Approval of January 23, 2020 Board Meeting Minutes
  - a. Trustee Guttman made a motion to approve of the January 23, 2020 Board Meeting Minutes. Trustee Murphy seconded the motion. The motion was approved 4-0.
4. Public Comment- None
5. Treasurer's Report
  - a. Board Treasurer, Linda Martin, informed the Board the City made it's fourth quarterly payment for 2019 in the amount of \$486,752.00 on 12/23/19 to the pension fund. The City will be making it's first quarterly payment for 2020 in the amount of \$665,000 to the pension fund next month.
6. Investment Manager's Report
  - a. Review of and Possible Update to Investment Policy and Asset Allocation
    1. John Falduto handed out the Quarterly Investment Performance Report for the fourth quarter of 2019. He stated that we started the fourth quarter with a \$31,531,505 Cash Flow. We had an Investment Return of \$1,503,102 for the fourth quarter. The Ending Market Value was \$33,101,701. That made the year-to-date Investment Return \$5,197,640. The year-to-date equity return is at 28.29%, fixed income return 7.39% and total account return since inception 6/30/16 is 8.99%. Tom Sawyer gave a quick Equity Overview. One of the 2019 Key Observations included that the U.S. economic data and monetary policy continues to provide equity market support. International equities posted solid 4Q returns, but continue to trail U.S. equity market performance. He finished by noting that as of 12/31/19 the yield curve on fixed incomes regained a positive slope with 2-year rates at 1.57% and 10-year rates at 1.92%. A motion was made by Trustee Cargola to accept the Investment Report and to make no

changes to the Investment Policy at this time. The motion was seconded by Trustee Zurick. The motion passed 4-0.

b. Potential Sale or Purchase of Annuities

1. A motion was made by Trustee Murphy to liquidate the specific annuities on their listed renewal dates without facing a penalty for the Hartford annuity up on 5-14-20 and the Protective Life annuity up on 11-20-20. The motion was seconded by Trustee Guttman. Roll call vote was taken and passed 4-0.

7. Accountant's Report

- a. Derek Flessner from Lauterbach and Amen handed out the Monthly Financial Report ending on January 31, 2020. He reviewed the Financial Report informing the Board of the total Assets and Liabilities as of January 2020, bringing a net position held in trust for the pension benefits to 34,645,972.48. He then reviewed the Additions and Deductions over the past month in 2020. There was a change in position of \$86,243.84 occurring over the past month. A motion was made to approve of the Accountant's Report by Trustee Murphy. The motion was seconded by Trustee Zurick. The motion passed 4-0.

8. Attorney's Report

- a. Board Attorney Keith Karlson handed out the Karlson Garza LLC Response Time Quarterly News For First Responders. He went over all the information he currently knows about Police and Fire Pension assets moving to be consolidated. A lot of the Who, What, Where, and Why have not be answered yet. What he does know is that it will most likely take 1-3 years for all the assets to be consolidated. He will continue to keep the Board updated as elections for the Board starts to unfold.

9. Communications- None

10. Board Officers' Report- None

11. Approval of Disbursements

- a. Approval of Bills to be Paid in February 2020
  1. A motion was made to approve of the Bills to be Paid in February 2020 in the amount of \$8,546.94 by Trustee Guttman. The motion was seconded by Trustee Murphy. Roll call votes was taken and approved 4-0.

12. Applications for Membership- None

13. Applications for Benefits- None

14. Applications for Refund- None

15. Old Business- None

16. New Business

- a. Review Trustee Term Expirations and Election Procedures

1. A motion was made to run Trustee elections for one Active Police Board Member and one Retiree Police Board Member for the 2020-2022 term by Trustee Zurick. The motion was seconded by Trustee Guttman. The motion was approved 4-0.

b. Statements of Economic Interest

1. The Board must complete and return their Statements of Economic Interested by May 1, 2020.

c. Approve COLAs for Pensioners

1. A motion was made by Trustee Cargola to approve of the COLAs for Pensioners as required by statue and provided by Lauterbach and Amen. The motion was seconded by Trustee Guttman, Roll call vote was taken and approved 4-0.

17. Executive/Closed Session- None

18. Adjournment

- a. A motion was made to adjourn the meeting at 9:57 A.M. The motion was seconded by Trustee Cargola. The motion was approved 4-0.