

BOARD OF TRUSTEES

WEST CHICAGO POLICE PENSION FUND

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

Board of Trustees, Quarterly Meeting
Thursday, April 16, 2020 at 9 A.M.
Zoom Conference Call

1. Call To Order
 - a. Board President John Zurick called the meeting to order at 9:02 A.M.
2. Roll Call
 - a. A quorum was established with Trustee Zurick, Trustee Cargola, and Trustee Guttman, and Trustee Malkin all present. Absent was Trustee Murphy. Also present were Board Financial Advisors John Falduto and Tom Sawyer, Board Treasurer Linda Martin, Derek Flessner and Kevin Cavanaugh from Lauterbach and Amen, and Board Attorney Keith Karlson.
3. Approval of the March 26, 2020 Board Meeting Minutes
 - a. Trustee Cargola made a motion to approve of the March 26, 2020 Board Meeting Minutes. The motion was seconded by Trustee Malkin. 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 had made the first quarterly payment for 2020 in the amount of \$300,000 to the pension fund on 3-31-20.
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 first quarter of 2020. He started by reviewing our Investment Policy and making a recommendation to insert a new paragraph which is required language due to Public Act 101-0473. He went on to explain that they changed the way they measure assets slightly which has changed the fixed income benchmark. He went through the Cash Flow and Performance Review noting that we had a -\$3,447,896 Investment Return for the first quarter. The Ending Market Value for the quarter was \$29,460,803. The year-to-date equity return is -21.39%, fixed income return 4.90% and total account return since inception 6/30/16 is 5.20%. Tom Sawyer gave a quick Equity Overview. One of the 2020 Key Observations/discussion regarded COVID-19 concerns quickly erasing equity market gains amid escalating volatility and the equity market decline

based on the uncertainty around the global economic slowdown. A motion was made by Trustee Zurick to accept the Investment Report. The motion was seconded by Trustee Cargola. The motion passed 4-0. A motion was made to update the Investment Policy as recommended by John Falduto and to direct Lauterbach and Amen to file the new Investment Policy with the IDOI once updated was made by Trustee Cargola. The motion was seconded by Trustee Malkin. The motion passed 4-0.

b. Potential Sale or Purchase of Annuities

1. A motion was made for Sawyer/Falduto to liquidate the Hartford Life annuity that comes up for renewal on 5-14-20 in the amount of \$796,905 by Trustee Zurick. The motion was seconded by Trustee Cargola. Roll call vote was taken and the motion passed 4-0.

7. Accountant's Report

a. Review and Approval of the IDOI Report

1. Derek from Lauterbach and Amen went through the March 2020 Accounting Report. Next, he started going through the drafted IDOI Report. He asked the Board to review the Interrogations Statement as well as the rest of the report and to reach out if they have any question/changes by June. They will be waiting for the final Actuarial Report before they can finalize the IDOI Report.

8. Actuarial Report

a. Review and Approval of the Actuarial Report and Tax Levy

1. Kevin Cavanaugh from Lauterbach and Amen went through the Drafted Actuarial Report and Tax Levy. The Recommended Contribution has increased by \$334,854 from the Prior Valuation. The Recommended Contribution is \$2,997,288. The Percent Funded has decreased by 0.05% on an Actuarial Value of Assets Basis. Key demographic changes were discussed as well as assumption and plan changes. He discussed that the Statutory Minimum Contribution is \$2,211,901. There is no action to be taken at this point.

9. Attorney's Report

- a. Board Attorney Keith Karlson handed out the Karlson Garza LLC Response Time Quarterly News For First Responders. He updated the Board on the information he currently knows about Police and Fire Pension assets moving to be consolidated. He also let the Board know that Board Meetings are available by streaming and to look up Illinois Police Officers Police Pension Fund.

10. Approval of Disbursements

- a. Approval of the Bills to be Paid in April 2020

1. A motion was made to approve of the Bills to be Paid in April 2020 in the amount of \$8,546.94 by Trustee Guttman. The motion was seconded by Trustee Zurick. Roll call vote was taken and passed 4-0.

11. Applications for Membership- None

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 and Retiree Trustee Elections
 1. 17 ballots were turned in for John Zurick for the Active Trustee Election and 12 ballots were turned in for Bruce Malkin for the Retiree Trustee Election. A motion was made to certify the election results for John Zurick as Active Trustee and Bruce Malkin as Retiree Trustee from May 2020- May 2022 by Trustee Cargola. The motion was seconded by Trustee Malkin. The motion passed 4-0.
- b. Acknowledgement of Mayor's Trustee Appointment to the Pension Board
 1. Micheal Guttman has been reappointed by the Mayor until May 2022.

16. Executive/Closed Session- None

17. Adjournment

- a. A motion was made by Trustee Zurick to adjourn the meeting at 9:55 A.M. The motion was seconded by Trustee Cargola. The motion passed 4-0.