

**WASHINGTON POLICE PENSION FUND  
BOARD MEETING  
April 25, 2016**

The meeting was called to order by President Michael Hillary at 8:32 a.m. on Monday, April 25, 2016 in the Conference Room at City Hall.

Roll Call

Present

Michael Hillary, President  
Jim Wetzel, Vice President  
Greg Gordon, Secretary  
James Fussner, Representative

Absent

Troi Westbrook, Assistant Secretary

Also in attendance were Controller Joanie Baxter, Treasurer Ellen Dingleline, City Administrator Jim Culotta and David Vaught and Dwight Ower from Mitchell Vaught & Taylor. Dennis Hermann arrived at the meeting at 8:55 a.m.

The agenda was reviewed and a Discussion Item was added as E. Police Pension Fund Actuary. Also, Item D under Discussion Items D & O Insurance Policy – Alexander Murray was moved under the Investment Reporting. It was pointed out that the agenda items were misnumbered and Action Items should be number 8, Discussion Items number 9 and Adjournment number 10.

The issue of D & O coverage was discussed. Dennis Hermann from Alexander Murry indicated that the Board has a \$600,000 fidelity bond coverage but that it is not D & O coverage for directors and officers in regard to errors and omissions. This coverage is specifically excluded in the City's policy due to coverage for pension related issues and therefore the Board must seek a separate policy. This coverage is difficult to find due to the size of the Fund but Dennis would suggest contacting Mesirow Financial and ULLICO.

David Vaught and Dwight Ower from Mitchell, Vaught and Taylor (MVT) provided a summary of investment activity for the year. They indicated that the brokered CD's transferred from Baird on January 8 and the mutual funds began transferring on January 15. They stated that the gains could be kept in the account and exceed the 45% which the DOI has agreed is acceptable for gains or the Board could sell a few shares and get back to 45% as of April 30. Wetzel made a motion, seconded by Gordon to rebalance \$90,000 as of April 30, 2016. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes. Motion carried. The status of the Hartford accounts was discussed. A letter needs to be signed by Hillary to approve the transfer of the funds. A full quarterly report will be submitted by MVT for the July meeting.

Investment transactions for the quarter need to be ratified by the Board. Wetzel made a motion, seconded by Hillary to ratify the investment transactions for the quarter ended March 31, 2016. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes. Motion carried.

Wetzel made a motion, seconded by Hillary to approve the January 25, 2016 meeting minutes with a correction to add City Administrator Cullota as in attendance. Motion carried and minutes approved as corrected.

There were no public comments.

Financial reports as of March 31, 2016 were reviewed by Baxter. A question was raised as to the inactive contributions and Staff will follow up with the Department of Insurance to see what additional steps need to be taken. Hillary made a motion, seconded by Fussner to approve the financial reports as presented. Motion carried.

A CD at Washington State Bank in the amount of \$212,096.11 matured on 3/20/16 and was redeemed and deposited into the money market account for cash flow purposes. Wetzel made a motion, seconded by Hillary to ratify this transaction. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes.. Motion carried.

There is one CD maturing before the next quarterly board meeting and Hillary made a motion, seconded by Wetzel to reinvest with MVT at the maturing balance. The current balance of the CD is \$106,225.95. MVT questioned if the Board was comfortable with a 6-year term and it was the consensus to stay with 5 or less. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes. Motion carried.

Police pension expenses since the last meeting were as follows:

- Atwell & Atwell – paid \$100.00 on February 16, 2016 for legal fees.
- Morton Community Bank Visa – paid \$750.00 on February 16, 2016 for trustee training for Fussner.
- Morton Community Bank Visa – paid \$750.00 on February 16, 2016 for trustee training for Westbrook.
- Morton Community Bank Visa – paid \$335.00 on March 22, 2016 for IPPFA Pension Conference for Wetzel.
- Morton Community Bank Visa – paid \$335.00 on March 22, 2016 for IPPFA Pension Conference for Gordon.

Gordon made a motion to ratify these expenses, seconded by Fussner. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes. Motion carried.

An application to the Police Pension Fund was considered for Ashley N. Clare, sworn in on March 21, 2016. Gordon made a motion to accept Ashley Clare's application, seconded by Fussner. Motion carried by voice vote.

An application to the Police Pension Fund was considered for Joshua P. Sutter, sworn in on March 21, 2016. Gordon made a motion to accept Joshua Sutter's application, seconded by Fussner. Motion carried by voice vote.

An application for a retirement pension was considered for Donald J. Volk, who is retiring on April 30, 2016. The pension is based on creditable service of 31 years and 5 days and age 58 with a salary attached to rank of \$97,850.00. The pension will be in the amount of \$6,115.63 with an initial pension of \$6,115.63. Fussner made a motion, seconded by Hillary to approve the retirement pension as stated. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes. Motion carried.

Upcoming training opportunities include the annual pension conference being held May 2 – May 5 at Embassy Suites in East Peoria which Wetzel and Gordon are scheduled to attend. Westbrook and Fussner are also scheduled to attend the certified trustee training during the conference which will fulfill their requirements. Hillary still needs 16 hours by August 13, 2016.

The Cash Flow Analysis was reviewed and will continue to be monitored. Proceeds from several CDs have been deposited to money market recently to provide for needed cash flow due to CDs been compounded, thus decreasing interest deposits to the account.

Predatory lending letters have been received from all banks except PNC Bank and thus the Board may not do business with them in compliance with the High Risk Home Loan Act.

The RFP for a new actuary was discussed. The Board is aware of legal issues with the previous actuary, Timothy Sharpe although had decided earlier to put the services out to bid due to dissatisfaction with services provided by him. MVT recommended sending an RFP to Foster & Foster and Hillary also suggested Alliance Benefit. A draft RFP will be developed and forwarded to the Board for discussion.

There being no further business to come before the Board, Gordon made a motion to adjourn the meeting, seconded by Fussner. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes. The meeting was adjourned at 10:12 a.m.

Respectfully Submitted,



Greg Gordon, Secretary