

**WASHINGTON POLICE PENSION FUND  
QUARTERLY BOARD MEETING  
Monday, January 29, 2018 - 8:30 A.M.**

**AGENDA**

1. Call to Order
2. Roll Call
3. Review Agenda – Deletions or Additions (Discussion Items Only)
4. Investment Reporting by Mitchell, Vaught, & Taylor
5. Approval of October 30, 2017 Quarterly Meeting Minutes
6. Public comment
7. Financial Reports
9. Action Items:

A. Ratify investments made via phone/memo approval (roll call vote):

<u>Bank Name</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>	<u>Action Taken</u>
			<u>\$ 0.00</u>	

B. Investments Maturing before next quarterly meeting:

<u>Bank Name</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
Morton Community Bank	1.60%	03/05/2018	\$104,505.46
		TOTAL	<u>\$104,505.46</u>

- C. Ratification of Police Pension Fund Expenses (roll call vote)
  - D. Ratification of 3<sup>rd</sup> Quarter 2017 Investment Transactions – MVT (roll call vote)
  - E. Ratification of 4<sup>th</sup> Quarter 2017 Investment Transactions – MVT (roll call vote)
  - F. Investment Policy
  - G. Military credit buyback – Sutter
  - H. Designation of FOI and Open Meetings Act Officer – City Clerk Brown
10. Discussion Items:
    - A. Predatory Lending Law Compliance
    - B. Training requirements and opportunities
  11. Adjournment (roll call vote)

**Next meeting Monday, April 24, 2018 @ 8:30 a.m.**

**Mitchell,  
& Vaught  
Taylor Inc.**  
**Investment Advisors**

53 W. Jackson Suite 905  
Chicago, IL 60604  
312-922-1717 phone  
312-922-1772 fax

January 18, 2018  
Statement for First Quarter 2018  
For Services Rendered

To: Washington Police Pension Fund

Investment Management Fee  
First Quarter 2018  
January 1 through March 31, 2018

December 31, 2017 Portfolio Value: \$4,859,899\*

Quarterly Fee:

First \$2 Million at 0.50%	=	\$2,500.00
Next \$3 Million at 0.40%	=	\$2,860.00

Total Fee:	-----	\$5,360
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Allocate bill to individuals within group:

Name	Acct. Number	Portfolio Value	Bill Amount
Washington Police Bonds		\$1,809,585.47	\$1,711
Washington Police Equity		\$3,336,701.31	\$3,649

Each account listed above at Charles Schwab has been charged its corresponding fee.  
Charles Schwab, as custodian, makes no independent verification of the calculation of the billing amount, which is the client's responsibility.

\*Portfolio amount less bank certificate holdings value at 12/31/2017 (\$286,387)

January 18, 2018



# Portfolio Statement

As of 12/31/2017

12/29/2017 Prices

Washington Police Pension Fund

Weight	Symbol	CUSIP	Trade Date	Maturity Date	Description	Cost Basis	Current Price	Current Value
<b>Fixed Income</b>								
<b>Money Funds</b>								
<b>Money Funds</b>								
0.9%	SNVXX		11/15/2017		Schwab Government Money	47,415.27	1.000	47,415.27
0.1%	SWGXX				Schwab U. S. Treasury	3,616.98		3,616.98
1.0%						51,032.25		51,032.25
<b>TIPS</b>								
2.0%			11/08/2016	07/15/2024	Treasury Inflation-Indexed 07/15/2024 0.125% Par 103,888.00 (1.03888) Accrued Income	102,512.85	98.734	102,573.19  5.93
<b>Treasury Inflation-Indexed</b>								
2.3%			08/03/2016	01/15/2021	Treasury Inflation-Indexed 01/15/2021 1.125% Par 112,766.00 (1.12766) Accrued Income	116,430.20	102.953	116,096.09  56.38
4.3%						218,943.05		218,731.59
<b>Corporate Bonds</b>								
<b>Corporate Bond</b>								
0.2%			02/03/2016	11/01/2018	National Rural Electric 11/01/2018 10.375% Accrued Income	12,248.60	106.686	10,668.64  172.92
0.6%			02/01/2016	02/15/2019	General Electric Capital 02/15/2019 5.10% Accrued Income	30,513.84	102.672	28,748.16  539.47
0.6%			02/01/2016	05/15/2019	Potash Corp of Saskatchewan 05/15/2019 6.50% Accrued Income	34,215.00	105.132	31,539.45  249.17
0.2%			02/01/2016	01/15/2020	Deere & Company 01/15/2020 2.50% Accrued Income	11,114.40	99.003	10,890.32  126.81
0.6%			02/01/2016	02/15/2020	Union Pacific 02/15/2020 6.125% Accrued Income	34,443.00	107.664	32,299.08  694.17
1.0%			02/01/2016	03/25/2020	JP Morgan Chase 03/25/2020 4.95% Accrued Income	54,614.00	105.655	52,827.35  660.00
0.4%			02/01/2016	09/14/2020	American Express 09/14/2020 2.60% Accrued Income	20,160.20	100.416	20,083.22  154.56
1.0%			01/13/2017	02/28/2021	Cisco Systems 02/28/2021 2.20% Accrued Income	50,027.00	99.531	49,765.65  369.72

## Portfolio Statement

As of 12/31/2017  
12/29/2017 Prices

Washington Police Pension Fund

Weight	Symbol	CUSIP	Trade Date	Maturity Date	Description	Cost Basis	Current Price	Current Value
<b>Fixed Income</b>								
<b>Corporate Bonds</b>								
<b>Corporate Bond</b>								
0.8%			09/22/2016	03/15/2021	ConocoPhillips 03/15/2021 4.20%	32,543.40	104.640	41,856.00
					Accrued Income			494.67
1.5%			09/08/2016	04/21/2021	Morgan Stanley 04/21/2021 2.50%	75,995.50	99.708	74,781.30
					Accrued Income			370.88
1.0%			10/12/2016	05/14/2021	AbbVie 05/14/2021 2.30%	50,320.50	99.278	49,639.15
					Accrued Income			150.14
1.0%			07/13/2017	07/13/2021	Toronto Dominion 07/13/2021 1.80%	49,151.00	97.668	48,833.85
					Accrued Income			420.00
1.0%			07/22/2016	07/26/2021	Wells Fargo 07/26/2021 2.10%	50,107.14	98.234	49,116.80
					Accrued Income			453.67
1.0%			01/13/2017	02/06/2022	Procter & Gamble 02/06/2022 2.30%	50,366.90	99.555	49,777.35
					Accrued Income			463.19
2.0%			05/10/2017	03/07/2022	Bank Of Nova Scotia 03/07/2022 2.70%	101,107.50	99.823	99,822.70
					Accrued Income			855.00
1.0%			06/16/2017	03/15/2022	Medtronic 03/15/2022 3.125%	51,876.50	102.168	51,083.80
					Accrued Income			460.07
2.0%			03/29/2017	05/20/2022	Qualcomm Inc 05/20/2022 3.00%	101,441.00	100.101	100,101.30
					Accrued Income			341.67
0.9%			08/07/2017	06/12/2022	Sysco Corporation 06/12/2022 2.60%	45,496.00	99.274	44,673.21
					Accrued Income			61.75
1.0%			05/23/2017	07/13/2022	Toyota Motor Credit 07/13/2022 2.80%	50,792.00	101.010	50,505.10
					Accrued Income			653.33
1.0%			05/23/2017	07/15/2022	Anheuser-Busch 07/15/2022 2.50%	50,088.00	99.132	49,565.85
					Accrued Income			576.39
1.0%			07/18/2017	08/09/2022	Altria Group Inc 08/09/2022 2.85%	51,234.00	100.537	50,268.40
					Accrued Income			562.08
1.0%			10/06/2017	01/15/2023	Brown Forman 01/15/2023 2.25%	49,338.00	97.781	48,890.50
					Accrued Income			518.75
1.0%			07/13/2017	01/17/2023	Anheuser-Busch 01/17/2023 2.625%	50,012.50	99.440	49,719.85
					Accrued Income			597.92
1.0%			10/06/2017	03/03/2023	Bnp Paribas 03/03/2023 3.25%	51,533.00	101.788	50,893.75
					Accrued Income			532.64
0.9%			12/04/2017	03/06/2023	Philip Morris 03/06/2023 2.625%	44,781.40	98.995	44,547.84
					Accrued Income			377.34
1.0%			10/06/2017	05/02/2023	Altria Group Inc 05/02/2023 2.95%	50,951.77	100.269	50,134.55
					Accrued Income			241.74

**Portfolio Statement**As of 12/31/2017  
12/29/2017 Prices

Washington Police Pension Fund

<u>Weight</u>	<u>Symbol</u>	<u>CUSIP</u>	<u>Trade Date</u>	<u>Maturity Date</u>	<u>Description</u>	<u>Cost Basis</u>	<u>Current Price</u>	<u>Current Value</u>
<b>Fixed Income</b>								
<b>Corporate Bonds</b>								
<b>Corporate Bond</b>								
0.9%			10/06/2017	08/16/2023	Bank of NY Mellon Corp 08/16/2023 2.20% Accrued Income	49,064.00	96.837	48,418.55
								412.50
25.3%						1,303,536.15		1,300,962.27
<b>Bank Certificates</b>								
2.0%			01/08/2016	06/17/2019	Goldman Sachs Bank 06/17/2019 1.85% Accrued Income	0.00	99.756	99,755.80
								901.14
<b>Bank Loan</b>								
3.6%			01/08/2016	08/27/2018	Capital One Bank 08/27/2018 1.75% Accrued Income	0.00	100.088	184,162.10
								1,568.09
5.6%						0.00		286,387.13
36.1%						1,573,511.45		1,857,113.24
<b>Domestic Equities</b>								
<b>Domestic Index Fund</b>								
18.9%	VTSAX		01/19/2016		Vanguard Total Stock Admiral	713,841.70	66.720	970,386.96
<b>Large Growth</b>								
4.2%	VGIAX		01/20/2016		Vanguard Growth & Income	172,328.46	77.110	213,944.93
<b>Large Value</b>								
5.7%	VDIGX		01/20/2016		Vanguard Dividend Growth Fu	247,815.00	26.550	293,173.46
<b>Mid Cap Growth</b>								
2.1%	BMDIX		01/20/2016		Baird Midcap Institutional	84,348.34	19.160	107,298.61
<b>Small Growth</b>								
1.8%	PRDSX		06/22/2016		T Rowe Price Small Cap Growt	67,015.07	34.890	90,288.59
<b>Small/MidCap</b>								
4.9%	DHMIX		01/20/2016		Diamond Hill Small Mid Cap In	203,424.31	22.450	252,779.32
37.5%						1,488,772.88		1,927,871.87
<b>Alternatives</b>								
<b>Technology</b>								
2.6%	USSCX		10/20/2016		USAA Science And Technolog	121,312.12	26.450	132,194.14
<b>Health Care</b>								
2.8%	PRHSX		01/20/2016		T Rowe Price Health Sciences	125,932.77	70.350	143,384.20

**Portfolio Statement**As of 12/31/2017  
12/29/2017 Prices

Washington Police Pension Fund

Weight	Symbol	CUSIP	Trade Date	Maturity Date	Description	Cost Basis	Current Price	Current Value
Domestic Equities								
Alternatives								
Real Estate								
1.9%	CSRIX		07/15/2016		Cohen & Steers Institutional	107,241.37	43.310	95,747.41
7.2%						354,486.26		371,325.75
44.7%						1,843,259.14		2,299,197.62
International Equities								
International								
Large Growth								
1.0%	APDIX		08/03/2017		Artisan International Fund	50,434.13	33.250	52,887.25
Large Value								
10.0%	OANIX	OANIX	11/16/2017		Oakmark International Fund In	513,280.53	28.590	514,737.56
Small Cap								
4.4%	OSMYX		01/20/2016		Oppenheimer Intl Smid Cap In	162,075.25	49.120	228,529.23
Emerging Market								
3.8%	ODVYX		01/20/2016		Oppenheimer Developing Mark	137,571.02	42.940	193,821.88
19.2%						863,360.93		989,975.92
99.7%						4,280,131.52		5,132,244.69
Total Accrued Income								
100.0%								14,042.09
								5,146,286.78

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January 2, 2018

**Income Report**  
From 06/30/2017 to 09/30/2017

Washington Police Pension Fund

**Interest: Tax Free**

<u>Account Number</u>	<u>Last Date Received</u>	<u>Name of Payer</u>	<u>Symbol</u>	<u>Activity</u>	<u>Non-Qualifi Amount</u>	<u>Qualified Amount</u>	<u>Unclassifi Dividend Amount</u>	<u>Total Amount</u>
	08/09/2017	Altria Group Inc	02209SAN3	Interest	712.50			712.50
		08/09/2022 2.85%						
	est paid at purchase				(641.25)			(641.25)
	09/14/2017	American Express	0258M0DX4	Interest	260.00			260.00
		09/14/2020 2.60%						
	07/15/2017	Anheuser-Busch	03523TBP2	Interest	625.00			625.00
		07/15/2022 2.50%						
	est paid at purchase				(454.86)			(454.86)
	09/07/2017	Bank Of Nova Sco	064159JG2	Interest	1,350.00			1,350.00
		03/07/2022 2.70%						
	est paid at purchase				(828.75)			(828.75)
	08/26/2017	Capital One Bank	140420UR9	Interest	1,596.77			1,596.77
		08/27/2018 1.75%						
	08/28/2017	Cisco Systems	17275RBD3	Interest	550.00			550.00
		02/28/2021 2.20%						
	09/15/2017	ConocoPhillips	20826FAS5	Interest	1,050.00			1,050.00
		03/15/2021 4.20%						
	07/17/2017	Deere & Company	24424CBS9	Interest	137.50			137.50
		01/15/2020 2.50%						
	08/29/2017	GE Capital Bank	36161TY82	Interest	652.96			652.96
		08/29/2017 1.35%						
	08/15/2017	General Electric C	36966RW28	Interest	714.00			714.00
		02/15/2019 5.10%						
	09/25/2017	JP Morgan Chase	46625HHQ6	Interest	1,237.50			1,237.50
		03/25/2020 4.95%						
	09/15/2017	Medtronic	585055AX4	Interest	781.25			781.25
		03/15/2022 3.125						
	est paid at purchase				(416.67)			(416.67)
	08/06/2017	Procter & Gamble	742718DY2	Interest	575.00			575.00
		02/06/2022 2.30%						
	07/13/2017	Toyota Motor Cred	89236TCQ6	Interest	700.00			700.00
		07/13/2022 2.80%						
	est paid at purchase				(517.22)			(517.22)

# Income Report

From 06/30/2017 to 09/30/2017

Washington Police Pension Fund

**Interest: Tax Free**

<u>Account Number</u>	<u>Last Date Received</u>	<u>Name of Payer</u>	<u>Symbol</u>	<u>Activity</u>	<u>Non-Qualifi Amount</u>	<u>Qualified Amount</u>	<u>Unclassifi Dividend Amount</u>	<u>Total Amount</u>
	07/15/2017	Treasury Inflation-I 01/15/2021 1.125	912828PP9	Interest	629.01			629.01
	07/15/2017	Treasury Inflation-I 07/15/2024 0.125	912828WU0	Interest	64.39			64.39
	08/15/2017	Union Pacific 02/15/2020 6.125	907818DD7	Interest	918.75			918.75
	07/26/2017	Wells Fargo 07/26/2021 2.10%	949746SA0	Interest	525.00			525.00
Accrued paid					(2,858.75)			(2,858.75)
Total interest: tax free					10,220.88			10,220.88

**Dividends: Tax Free**

<u>Account Number</u>	<u>Last Date Received</u>	<u>Name of Payer</u>	<u>Symbol</u>	<u>Activity</u>	<u>Non-Qualifi Amount</u>	<u>Qualified Amount</u>	<u>Unclassifi Dividend Amount</u>	<u>Total Amount</u>
	09/29/2017	Cohen & Steers In	CSRIX	Qualified Dividen		1,207.22		1,207.22
	09/15/2017	Schwab U. S. Trea	SWGXX	Dividend	85.29			85.29
	09/21/2017	Vanguard Total St	VTSAX	Qualified Dividen		3,876.58		3,876.58
Total dividends: tax free					85.29	5,083.80		5,169.09
Total accrued paid					(2,858.75)			(2,858.75)
Total Income					10,306.17	5,083.80		15,389.97

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January 2, 2018

**Income Report**  
From 09/30/2017 to 12/31/2017

Washington Police Pension Fund

**Interest: Tax Free**

<u>Account Number</u>	<u>Last Date Received</u>	<u>Name of Payer</u>	<u>Symbol</u>	<u>Activity</u>	<u>Non-Qualifi Amount</u>	<u>Qualified Amount</u>	<u>Unclassifi Dividend Amount</u>	<u>Total Amount</u>
	11/14/2017	AbbVie	00287YAU3	Interest	575.00			575.00
		05/14/2021 2.30%						
	11/02/2017	Altria Group Inc	02209SAP8	Interest	737.50			737.50
		05/02/2023 2.95%						
	Interest paid at purchase				(651.45)			(651.45)
	11/20/2017	ConocoPhillips	20826FAS5	Interest	75.83			75.83
		03/15/2021 4.20%						
	12/17/2017	Goldman Sachs B	38148JWE7	Interest	927.53			927.53
		06/17/2019 1.85%						
	10/21/2017	Morgan Stanley	61746BEA0	Interest	937.50			937.50
		04/21/2021 2.50%						
	11/01/2017	National Rural Ele	637432LR4	Interest	518.75			518.75
		11/01/2018 10.37						
	11/15/2017	Potash Corp of Sa	73755LAF4	Interest	975.00			975.00
		05/15/2019 6.50%						
	11/20/2017	Qualcomm Inc	747525AE3	Interest	1,500.00			1,500.00
		05/20/2022 3.00%						
	10/02/2017	Sallie Mae Bank	795450TP0	Interest	1,644.66			1,644.66
		10/02/2017 1.45%						
	12/12/2017	Sysco Corporation	871829AQ0	Interest	585.00			585.00
		06/12/2022 2.60%						
	Accrued interest paid at purchase				(188.50)			(188.50)
	Accrued paid				(839.95)			(839.95)
Total interest: tax free					7,636.82			7,636.82

**Income Report**  
From 09/30/2017 to 12/31/2017

Washington Police Pension Fund

## Dividends: Tax Free

<u>Account Number</u>	<u>Last Date Received</u>	<u>Name of Payer</u>	<u>Symbol</u>	<u>Activity</u>	<u>Non-Qualifi Amount</u>	<u>Qualified Amount</u>	<u>Unclassifi Dividend Amount</u>	<u>Total Amount</u>
	11/21/2017	Artisan Internation	APDIX	Qualified Dividen		434.13		434.13
	12/06/2017	Cohen & Steers In	CSRIX	Qualified Dividen		633.11		633.11
	12/28/2017	Diamond Hill Smal	DHMIX	Qualified Dividen		1,221.41		1,221.41
	12/14/2017	Oakmark Internati	OANIX	Qualified Dividen		7,563.52		7,563.52
	12/04/2017	Oppenheimer Dev	ODVYX	Qualified Dividen		1,099.77		1,099.77
	12/12/2017	Oppenheimer Intl	OSMYX	Qualified Dividen		2,406.06		2,406.06
	12/29/2017	Schwab Governm	SNVXX	Dividend			48.43	48.43
	12/29/2017	Schwab U. S. Trea	SWGXX	Dividend	87.65			87.65
	12/20/2017	Vanguard Dividen	VDIGX	Qualified Dividen		2,607.28		2,607.28
	12/18/2017	Vanguard Growth	VGIAX	Qualified Dividen		1,647.27		1,647.27
	12/20/2017	Vanguard Total St	VTSAX	Qualified Dividen		4,741.41		4,741.41
Total dividends: tax free					87.65	22,353.96	48.43	22,490.04

## Short Term Gains

<u>Account Number</u>	<u>Last Date Received</u>	<u>Name of Payer</u>	<u>Symbol</u>	<u>Activity</u>	<u>Non-Qualifi Amount</u>	<u>Qualified Amount</u>	<u>Unclassifi Dividend Amount</u>	<u>Total Amount</u>
	12/06/2017	Cohen & Steers In	CSRIX	Short Gain	213.15			213.15
	12/14/2017	Diamond Hill Smal	DHMIX	Short Gain	765.83			765.83
	12/12/2017	Oppenheimer Intl	OSMYX	Short Gain	1,852.39			1,852.39
	12/29/2017	Schwab Governm	SNVXX	Short Gain	1.19			1.19
	12/15/2017	T Rowe Price Heal	PRHSX	Short Gain	1,801.98			1,801.98
	12/14/2017	T Rowe Price Sma	PRDSX	Short Gain	90.57			90.57
	12/11/2017	USAA Science An	USSCX	Short Gain	3,397.41			3,397.41
	12/20/2017	Vanguard Dividen	VDIGX	Short Gain	512.09			512.09

**Income Report**  
From 09/30/2017 to 12/31/2017

Washington Police Pension Fund

**Short Term Gains**

<u>Account Number</u>	<u>Last Date Received</u>	<u>Name of Payer</u>	<u>Symbol</u>	<u>Activity</u>	<u>Non-Qualifi Amount</u>	<u>Qualified Amount</u>	<u>Unclassifi Dividend Amount</u>	<u>Total Amount</u>
██████████	12/18/2017	Vanguard Growth	VGIAX	Short Gain	3,721.55			3,721.55
Total short term gains					12,356.16			12,356.16
Total accrued paid					(839.95)			(839.95)
Total Income					20,080.63	22,353.96	48.43	42,483.02

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**WASHINGTON POLICE PENSION FUND  
CASH AND INVESTMENTS  
12/31/17**

Heartland Bank Money Market	\$	499,167.96
Cefcu Savings	\$	25,486.57
Charles Schwab Money Market - Fixed Income	\$	3,504.48
Charles Schwab Money Market - Equity Sweep	\$	112.50
Charles Schwab Money Market - Equity Non-Sweep	\$	47,415.27

**Certificates of Deposit:**

CEFCU

470118-200	1.79% due 1/10/22	\$	100,000.00	
470118-203	1.98% due 6/19/18	\$	140,000.00	\$ 240,000.00

Heartland Bank  
*No CD's at this time.*

IPAVA State Bank

10829	1.50% due 08/23/20	\$	131,957.31	
10873	2.00% due 08/31/20	\$	100,000.00	\$ 231,957.31

Washington State Bank

706712-1	1.50% due 7/25/19	\$	205,833.26	
706712-2	1.50% due 2/22/20	\$	132,626.32	\$ 338,459.58

Morton Community Bank

564839	1.60% due 9/27/19	\$	107,551.11	
561243	1.60% due 3/5/18	\$	104,505.46	
560083	2.11% due 12/23/18	\$	106,470.98	
562325	1.60% due 8/21/18	\$	104,226.60	
559439	2.09% due 11/20/18	\$	106,653.90	\$ 529,408.05

South Side Bank and Trust

6130001357	2.00% due 4/9/19 (Soaring CD)	\$	136,536.42	
6130001363	2.00% due 4/24/19 (Soaring CD)	\$	105,028.09	\$ 241,564.51

Mitchell, Vaught, & Taylor

38148JWE7	CD 1.85% due 6/17/19 - Goldman Sachs	\$	100,000.00	
140420UR9	CD 1.75% due 8/27/18 - Capital One Bank	\$	184,000.00	\$ 284,000.00

**Total Certificates of Deposits** \$ 1,865,389.45

**WASHINGTON POLICE PENSION FUND  
REVENUE AND EXPENSE REPORT  
MAY 1, 2017 THROUGH DECEMBER 31, 2017**

**REVENUES:**

Property Taxes	497,316.04	
Property Replacement Taxes	10,135.82	
Interest	47,318.04	
Dividends (Cash/Reinvested)	102,948.38	
Employee Contributions	94,080.09	
Miscellaneous Income	10.00	
<b>TOTAL</b>		<b>751,808.37</b>

**EXPENSES:**

Pensions	385,759.68	
Insurance	3,058.00	
Legal	0.00	
Compliance Fee	1,334.85	
Training	2,205.46	
Membership Dues	795.00	
Subscriptions	0.00	
Postage	0.00	
Contributions Refund	0.00	
Investment Expense	10,335.00	
Miscellaneous	0.50	
<b>TOTAL</b>		<b>403,488.49</b>

**REVENUES LESS EXPENSES**

**348,319.88**

\* Note - Unrealized gain/loss are not recorded here.

**MONTHLY PENSIONS PAID (GROSS): RETIREMENT**

Britt Beard	2,777.50	
David Densberger	3,077.30	
Mary Densberger	1,216.61	
James Fussner	3,642.67	
Rosalie Gerkin	4,377.60	
James Kuchenbecker	6,181.99	
Thomas Libotte	4,359.88	
Gwendolyn Marshall	2,965.62	
David Stark	3,602.27	
Donald Volk	6,299.10	
Michael Williams	2,897.27	
William Witmer	2,880.70	
Charles Woolley	3,941.45	
<b>TOTAL</b>		<b><u>48,219.96</u></b>

**MONTHLY PENSIONS PAID (GROSS): DISABILITY**

No Disability Pensions at this time.	0.00	
<b>TOTAL</b>		<b><u>0.00</u></b>

**POLICE PENSION - ACTIVE OFFICERS' CONTRIBUTIONS AS OF 12/31/17**

	<b>Contributions</b>	<b>Years</b>
Lyle Baele	\$ 117,551.79	18
Zachary Bean	\$ 39,194.97	7
Michael Brown	\$ 18,563.08	2
Jacob Cernek	\$ 33,653.79	6
Ashley Clare	\$ 8,701.00	1
Daniel Foster	\$ 38,721.93	8
Greg Gordon	\$ 103,187.27	19
Frank Grossman	\$ 30,588.05	5
Steve Hinken	\$ 42,692.95	8
Ryan Hunsunger	\$ 64,653.26	11
Gregory Patterson	\$ 55,815.73	10
Brian Simpson	\$ 24,309.64	4
Keegan Smith	\$ 33,155.59	5
Steven Smith	\$ 56,344.84	8
Stuart Stevens	\$ 103,925.88	18
Joshua Sutter	\$ 8,697.21	1
Dramane Taylor	\$ 17,547.81	2
Derek Thomas	\$ 79,648.54	14
Troi Westbrook	\$ 24,783.75	3
Tyler Willi	\$ 52,180.74	8
<b>TOTAL ACTIVE CONTRIBUTIONS</b>	<b><u>\$ 953,917.82</u></b>	

**POLICE PENSION -INACTIVE OFFICERS' CONTRIBUTIONS AS OF 12/31/17**

		<b>Contributions</b>	<b>Years</b>
Lindsay Bond	Terminated 3/5/15	\$ 5,662.02	
Michael Heitz	Terminated 5/11/13	\$ 624.14	
April Schrementi	Terminated 7/21/10	\$ 5,253.25	
<b>TOTAL INACTIVE CONTRIBUTIONS</b>		<b><u>11,539.41</u></b>	

**TOTAL CONTRIBUTIONS** **965,457.23**

**WASHINGTON POLICE PENSION FUND  
301 WALNUT STREET  
WASHINGTON, IL 61571**

**MEMO MEMO MEMO MEMO MEMO MEMO MEMO MEMO**

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TO: Washington Police Pension Board  
FROM: Jeanette Glueck  
DATE: 12/31/17  
SUBJECT: Ratification of Police Pension Fund Expenses

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The following is a list of any expenses incurred by the Police Pension Board during the last quarter:

<u>Payee</u>	<u>Date</u>	<u>Amount</u>	<u>Reason</u>
IPPFA	10/30/17	\$795.00	IPPFA Annual Membership Dues
IPPFA	10/30/17	\$250.00	IPPFA Online Training - Gordon
	<b>TOTAL</b>	<b><u>\$1,045.00</u></b>	

**Transaction Detail**  
From 07/01/2017 to 09/30/2017

Washington Police Pension Fund

Portfolio Account Number	Trade Date	Activity	Security Symbol	CUSIP	Description	Quantity	Net Amount
	07/06/2017	Withdrawal	SWGXX		Schwab U. S. Treasury		(4,000.00)
	07/06/2017	Deposit	SWGXX		Schwab U. S. Treasury		4,000.00
	07/07/2017	Management Fee			Schwab U. S. Treasury		(1,416.00)
	07/07/2017	Management Fee			Schwab U. S. Treasury		(3,416.00)
	07/13/2017	Buy	035242AA4		Anheuser-Busch 01/17/2023 2.625%	50,000	(50,016.15)
	07/13/2017	Buy	89114QBL1		Toronto Dominion 07/13/2021 1.80%	50,000	(49,163.50)
	07/13/2017	Interest	89236TCQ6		Toyota Motor Credit 07/13/2022 2.80%		700.00
	07/15/2017	Interest	03523TBP2		Anheuser-Busch Inc 07/15/2022 2.50%		625.00
	07/15/2017	Interest	912828WU0		Treasury Inflation-Indexed 07/15/2024 0.125%		64.39
	07/15/2017	Interest	912828PP9		Treasury Inflation-Indexed 01/15/2021 1.125%		629.01
	07/17/2017	Interest	24424CBS9		Deere & Company 01/15/2020 2.50%		137.50
	07/17/2017	Dividend	SWGXX		Schwab U. S. Treasury		32.26
	07/17/2017	Dividend	SWGXX		Schwab U. S. Treasury		11.17
	07/18/2017	Buy	02209SAN3		Altria Group Inc 08/09/2022 2.85%	50,000	(51,875.25)
	07/26/2017	Interest	949746SA0		Wells Fargo 07/26/2021 2.10%		525.00
	08/03/2017	Buy	APDIX		Artisan International Fund	1,577.494	(50,000.00)
	08/03/2017	Buy	USSCX		USAA Science And Technol	1,875.469	(50,000.00)
	08/03/2017	Sell	PRDSX		T Rowe Price Small Cap Gro	(786.906)	25,000.00
	08/03/2017	Sell	VGIAX		Vanguard Growth & Income	(1,014.336)	74,975.00
	08/03/2017	Sell	VTSAX		Vanguard Total Stock Admir	(1,946.156)	119,975.00
	08/06/2017	Interest	742718DY2		Procter & Gamble 02/06/2022 2.30%		575.00
	08/07/2017	Deposit	SWGXX		Schwab U. S. Treasury		70,000.00
	08/07/2017	Withdrawal	SWGXX		Schwab U. S. Treasury		(70,000.00)
	08/07/2017	Buy	064159JG2		Bank Of Nova Scotia 03/07/2022 2.70%	50,000	(51,244.25)
	08/07/2017	Buy	871829AQ0		Sysco Corporation 06/12/2022 2.60%	45,000	(45,684.50)
	08/09/2017	Interest	02209SAN3		Altria Group Inc 08/09/2022 2.85%		712.50

**Transaction Detail**  
From 07/01/2017 to 09/30/2017

Washington Police Pension Fund

<u>Portfolio Account Number</u>	<u>Trade Date</u>	<u>Activity</u>	<u>Security Symbol</u>	<u>CUSIP</u>	<u>Description</u>	<u>Quantity</u>	<u>Net Amount</u>
	08/15/2017	Interest	36966RW28		General Electric Capital 02/15/2019 5.10%		714.00
	08/15/2017	Dividend	SWGXX		Schwab U. S. Treasury		9.44
	08/15/2017	Dividend	SWGXX		Schwab U. S. Treasury		5.67
	08/15/2017	Interest	907818DD7		Union Pacific 02/15/2020 6.125%		918.75
	08/26/2017	Interest	140420UR9		Capital One Bank 08/27/2018 1.75%		1,596.77
	08/28/2017	Interest	17275RBD3		Cisco Systems Inc 02/28/2021 2.20%		550.00
	08/28/2017	Interest	36161TY82		GE Capital Bank 08/29/2017 1.35%		649.37
	08/29/2017	Interest	36161TY82		GE Capital Bank 08/29/2017 1.35%		3.59
	08/29/2017	Sell	36161TY82		GE Capital Bank 08/29/2017 1.35%	(97,000)	97,000.00
	09/01/2017	Withdrawal	SWGXX		Schwab U. S. Treasury		(50,465.52)
	09/01/2017	Withdrawal	SWGXX		Schwab U. S. Treasury		(50,000.00)
	09/07/2017	Interest	064159JG2		Bank Of Nova Scotia 03/07/2022 2.70%		1,350.00
	09/14/2017	Interest	0258M0DX4		American Express 09/14/2020 2.60%		260.00
	09/15/2017	Interest	20826FAS5		Conocophillips Co 03/15/2021 4.20%		1,050.00
	09/15/2017	Interest	585055AX4		Medtronic Inc 03/15/2022 3.125%		781.25
	09/15/2017	Dividend	SWGXX		Schwab U. S. Treasury		8.51
	09/15/2017	Dividend	SWGXX		Schwab U. S. Treasury		18.24
	09/25/2017	Interest	46625HHQ6		JP Morgan Chase 03/25/2020 4.95%		1,237.50
							(123,166.25)

*This report includes data currently available to the investment manager. Past performance is no guarantee of future performance. Indices are not available for direct investment. An investment product which attempts to mimic the performance of an index will incur expenses such as management fees and transaction costs which reduce returns.*



January 2, 2018



**Transaction Detail**  
From 10/01/2017 to 12/31/2017

Washington Police Pension Fund


Portfolio Account Number	Trade Date	Activity	Security Symbol	Description	Quantity	Net Amount
	10/02/2017	Interest	795450TP0	Sallie Mae Bank 10/02/2017 1.45%		1,644.66
	10/02/2017	Sell	795450TP0	Sallie Mae Bank 10/02/2017 1.45%	(225,000)	225,000.00
	10/06/2017	Buy	02209SAP8	Altria Group Inc 05/02/2023 2.95%	50,000	(51,603.22)
	10/06/2017	Buy	06406FAD5	Bank of NY Mellon Corp 08/16/2023 2.20%	50,000	(49,232.06)
	10/06/2017	Buy	05574LFY9	Brp Paribas 03/03/2023 3.25%	50,000	(51,704.53)
	10/06/2017	Buy	115637AM2	Brown Forman 01/15/2023 2.25%	50,000	(49,606.75)
	10/12/2017	Management Fee		Schwab U. S. Treasury		(1,995.00)
	10/12/2017	Management Fee		Schwab U. S. Treasury		(3,508.00)
	10/16/2017	Dividend	SWGXX	Schwab U. S. Treasury		26.77
	10/16/2017	Dividend	SWGXX	Schwab U. S. Treasury		16.59
	10/21/2017	Interest	61746BEA0	Morgan Stanley 04/21/2021 2.50%		937.50
	11/01/2017	Interest	637432LR4	National Rural Electric 11/01/2018 10.375%		518.75
	11/02/2017	Interest	02209SAP8	Altria Group Inc 05/02/2023 2.95%		737.50
	11/14/2017	Interest	00287YAU3	AbbVie 05/14/2021 2.30%		575.00
	11/15/2017	Buy	SNVXX	Schwab Government Money	47,365.65	(47,365.65)
	11/15/2017	Interest	73755LAF4	Potash Corp of Saskatchewan 05/15/2019 6.50%		975.00
	11/15/2017	Dividend	SWGXX	Schwab U. S. Treasury		12.63
	11/15/2017	Dividend	SWGXX	Schwab U. S. Treasury		18.47
	11/16/2017	Sell	OAKIX	Oakmark International	(1)	28.46
	11/20/2017	Interest	20826FAS5	ConocoPhillips 03/15/2021 4.20%		75.83
	11/20/2017	Interest	747525AE3	Qualcomm Inc 05/20/2022 3.00%		1,500.00
	11/20/2017	Sell	20826FAS5	ConocoPhillips 03/15/2021 4.20%	(10,000)	10,618.60
	11/21/2017	Qualified Dividend	APDIX	Artisan International Fund	13.1	
	12/04/2017	Buy	718172AV1	Philip Morris 03/06/2023 2.625%	45,000	(45,076.71)

**Transaction Detail**  
From 10/01/2017 to 12/31/2017

Washington Police Pension Fund

<u>Portfolio Account Number</u>	<u>Trade Date</u>	<u>Activity</u>	<u>Security Symbol</u>	<u>Description</u>	<u>Quantity</u>	<u>Net Amount</u>
	12/04/2017	Qualified Dividend	ODVYX	Oppenheimer Developing Ma	26.411	
	12/06/2017	Qualified Dividend	CSRIX	Cohen & Steers Institutional	14.792	
	12/12/2017	Qualified Dividend	OSMYX	Oppenheimer Intl Smid Cap I	50.273	
	12/12/2017	Interest	871829AQ0	Sysco Corporation		585.00
				06/12/2022 2.60%		
	12/14/2017	Qualified Dividend	OANIX	Oakmark International Fund I	268.877	
	12/17/2017	Interest	38148JWE7	Goldman Sachs Bank		927.53
				06/17/2019 1.85%		
	12/18/2017	Qualified Dividend	VGIAX	Vanguard Growth & Income	21.261	
	12/20/2017	Qualified Dividend	VDIGX	Vanguard Dividend Growth F	98.351	
	12/20/2017	Qualified Dividend	VTSAX	Vanguard Total Stock Admir	70.99	
	12/28/2017	Qualified Dividend	DHMIK	Diamond Hill Small Mid Cap	54.093	
	12/29/2017	Dividend	SNVXX	Schwab Government Money	48.43	48.43
	12/29/2017	Dividend	SWGXX	Schwab U. S. Treasury		13.19
						(55,832.01)

**CITY OF WASHINGTON  
POLICE PENSION FUND**

TO: Police Pension Board  
FROM: Joanie Baxter, Controller   
DATE: January 26, 2018  
SUBJECT: Purchase of Military Service

Joshua Sutter has made an inquiry regarding purchasing service credit as a result of his military service. As indicated by the attached, Josh is able to purchase up to 2 years of credit for time that he was in the military prior to becoming a police officer. He served in the military from October 3, 2003 through February 2, 2008 and was hired as a police officer for the City of Washington on March 21, 2016.

To purchase the credit, Josh must pay the contributions that would have been payable had he been in the fund at the time, along with the City's normal cost, plus accrued interest. This calculation is typically done by an actuary and has been done free of charge in the past. I requested a quote from our current actuary, Foster & Foster, and they will perform the calculation for a \$300 fee.

Staff requests direction from the Board as to who should be responsible for the payment of the fee, and if such payment would depend on whether or not Josh decides to purchase the credit.

This item is on the agenda for action at the January 29, 2018 Police Pension Board meeting.

# **WASHINGTON POLICE PENSION FUND**

## **BOARD MEETING**

### **October 30, 2017**

The meeting was called to order by President Michael Hillary at 8:30 a.m. on Monday, October 30, 2017 in the Conference Room at City Hall.

#### Roll Call

##### Present

Michael Hillary, President  
James Wetzel, Vice President  
Greg Gordon, Secretary  
Troi Westbrook, Assistant Secretary  
James Fussner, Representative

##### Absent

Also in attendance were Controller Joanie Baxter, City Administrator Jim Culotta, City Treasurer Ellen Dingleline, Accountant Jeanette Glueck, Dwight Ower from Mitchell Vaught & Taylor, and Jason Franken from Foster & Foster

The agenda was reviewed with no changes noted.

Dwight Ower from Mitchell, Vaught and Taylor (MVT) provided a summary of investment activity for the quarter. He indicated that it had been a good quarter, despite the hurricanes. The economy is good and the annualized net return of the portfolio is 12.13% with a net investment gain of \$844,299 since inception. Currently, the portfolio is comprised of 62.7% equities and 37.3% fixed income. Rebalancing will occur to keep limits within statute. MVT recommends transitioning into government bonds at this time. More diversification leads to less risk and government bonds are less likely to be downgraded than corporate bonds. They are also not as impacted by rate changes and thus terms can go out to 7 – 10 years. Government bonds are at about 2.45% currently. There is \$50,800 available to move from money funds for this type of investment. Dwight also indicated that because the portfolio exceeds \$5 million at Schwab, the fund is now eligible to buy stocks directly. Only stocks of companies in existence for more than 5 years and with assets exceeding \$250 million meet the criteria for direct purchase. More information will be forthcoming if the Board is interested in pursuing this investment approach.

Jason Franken was in attendance from Foster & Foster to present the actuarial study results. He indicated that the tax levy requirement was increasing \$37,000. This is due to the changes made last year to modify assumptions so the pension liability wouldn't be as backloaded. In the short-term, the unfunded liability will increase but will eventually start to decrease. Jason explained that the actual interest yield was 7.56% but the effective yield was 4.19% when applied to the 5-year smoothed approach. The smoothing includes unrecognized losses from prior years, thus resulting in a \$184,000 increase in unfunded liability. In discussing assumptions, Jason said that most plans the size of Washington's are more in the 6.5% range and the Board may want to consider decreasing in the next 2 – 3 years. The result of decreasing to 6.5% would be an increase in the tax levy requirement of \$40,000 - \$60,000. The funded ratio of 59% is comparable to other plans of the same size which average 55 – 56% funded.

Gordon made a motion, seconded by Wetzel to approve the August 7, 2017 regular meeting minutes. Motion carried and minutes approved.

There were no public comments.

Financial reports as of September 30, 2017, were reviewed by Baxter. Westbrook made a motion to approve the reports, seconded by Wetzel. Motion carried.

A CD with MVT – GE Capital Bank in the amount of \$97,000 maturing on 8/29/17 was redeemed and a 3-year CD in the amount of \$100,000 with a 2.00% APR was purchased from IPAVA State Bank. Gordon made a motion, seconded by Hillary to ratify the transaction. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

A CD with MVT – Sallie Mae Bank in the amount of \$225,000 maturing on 10/2/17 was redeemed and corporate bonds with an approximate rate of 2.65% having a term of 66 months or less were purchased. Wetzel made a motion, seconded by Hillary to ratify the transaction. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

There are no CD's maturing before the next quarterly board meeting.

Police pension expenses since the last meeting were as follows:

- Troi Westbrook – paid 8/24/17 in the amount of \$151.20 for IPPFA Spring conference travel expenses.
- Electronic Federal Tax Payment System – paid 8/29/17 in the amount of \$372.96 for a 945 withholding correction for Volk

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

The ratification of quarterly investment transactions was tabled as the reports had not been distributed. This ratification will take place at the next quarterly meeting.

The Municipal Compliance Report as required by Public Act 95-950 was reviewed. Following discussion, on motion by Wetzel and second by Fussner, the Report was approved by voice vote.

The tax levy recommendation of \$535,700, a \$35,700 or 7.1% increase, was reviewed. Following discussion, Gordon made a motion, seconded by Westbrook to recommend the City Council approve a Police Pension Fund tax levy of \$535,700. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

The Annual Statement for the fiscal year ended April 30, 2017 was reviewed. Following discussion, on motion by Hillary and second by Wetzel, the Statement was approved by voice vote.

The renewal of the fiduciary insurance policy with Mesirow Insurance Services was reviewed. Following discussion, Gordon made a motion, seconded by Fussner to ratify the renewal of the fiduciary insurance policy in the amount of \$3,058.00. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

The renewal of the IPPFA membership dues was reviewed. The dues allow for training at a discounted rate as well as access to resources and the Board agreed membership is a good investment. Following discussion, Gordon made a motion, seconded by Fussner to approve the renewal of membership with IPPFA in the amount of \$795.00. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

It has come to our attention that the CEFCU CD face amount is less than \$250,000 but with accrued interest, the balance exceeds the FDIC maximum amount. Treasurer Dingleline will ask the CEFCU manager if funds can be withdrawn to bring the balance back down to \$250,000 and the CD will be changed so interest is not compounded going forward.

Annual pension increases effective January 1, 2018 were discussed and reviewed as follows:

Britt Beard – increase of \$46.04 per month on current pension of \$2,777.50 to result in new pension of \$2,823.54. Gordon made a motion, seconded by Hillary to approve. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried

David Densberger – increase of \$92.32 per month on current pension of \$3,077.30 to result in new pension of \$3,169.62. Fussner made a motion, seconded by Hillary to approve. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

Mary Densberger (QILDRO) – increase of \$36.50 per month on current QILDRO of \$1,216.61 to result in new QILDRO of \$1,253.11. Wetzel made a motion, seconded by Westbrook to approve. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

Rosalie Gerkin – increase of \$131.33 per month on current pension of \$4,377.60 to result in new pension of \$4,508.93. Gordon made a motion, seconded by Fussner to approve. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

Thomas Libotte – increase of \$130.80 per month on current pension of \$4,359.88 to result in new pension of \$4,490.68. Gordon made a motion, seconded by Hillary to approve. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

David Stark – increase of \$108.07 per month on current pension of \$3,602.27 to result in new pension of \$3,710.34. Westbrook made a motion, seconded by Wetzel to approve. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

Donald Volk – increase of \$183.47 per month on current pension of \$6,115.63 to result in new pension of \$6,299.10. Fussner made a motion, seconded by Wetzel to approve. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

Michael Williams – increase of \$86.92 per month on current pension of \$2,897.27 to result in new pension of \$2,984.19. Gordon made a motion, seconded by Westbrook to approve. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

William Witmer – increase of \$86.42 per month on current pension of \$2,880.70 to result in new pension of \$2,967.12. Gordon made a motion, seconded by Fussner to approve. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

Charles Woolley – increase of \$118.24 per month on current pension of \$3,941.45 to result in new pension of \$4,059.69. Wetzel made a motion, seconded by Hillary to approve. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

It was decided to discuss the Investment Policy at the next quarterly meeting.

The schedule of 2018 quarterly meetings was distributed and discussed.

Pension Fund trend reports were distributed and discussed. The reports are based on the assumptions used by the State and not the Pension Fund; thus Washington is indicated at an interest rate of 6.5%. Notably, with the State assumptions, the pension liability is extremely backloaded and the tax levy requirement would have been \$100,000 less.

Upcoming training opportunities include Naperville and IPPFA Conference in the spring. The Illinois Municipal Treasurers' Association is starting a new certification program geared toward pension administration. Staff will consider attending next year, but have conflicts for the upcoming program.

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; Westbrook – yes; Fussner – yes. The meeting was adjourned at 10:21 a.m.

Respectfully Submitted,

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Greg Gordon, Secretary