

**WASHINGTON POLICE PENSION FUND**  
**BOARD MEETING**  
**April 23, 2018**

The meeting was called to order by President Michael Hillary at 8:35 a.m. on Monday, April 23, 2018 in the Conference Room at City Hall.

Roll Call

Present

Michael Hillary, President  
James Wetzel, Vice President  
Greg Gordon, Secretary  
Troi Westbrook, Assistant Secretary (arrived 8:55 a.m.)

Absent

James Fussner, Representative

Also in attendance were Controller Joanie Baxter, City Administrator Jim Culotta, Treasurer Ellen Dingleline and David Vaught from Mitchell Vaught & Taylor.

The agenda was reviewed and it was noted that the approval of minutes should be indicated as the January 28, 2018 and not December 31, 2017 minutes. Also, the Statement of Economic Interest was added as a Discussion Item and the Investment Policy discussion was moved to the end of the meeting.

David Vaught from Mitchell, Vaught and Taylor (MVT) provided a summary of investment activity for the quarter. He indicated it had been somewhat of a volatile quarter and the market had ended down for the quarter and up slightly by the time of the meeting. The stock market has been flat year-to-date and fixed income investments were also down. Emerging markets have been the best funds as well as growth-oriented while real estate has been a negative performer and thus those positions have been reduced. Profits, however, are very good and the Board should continue to stay the course, although it is the time for active management rather than just riding the index. He also noted the investment portfolio is close to the 45% threshold for equities due to frequent rebalancing.

David recommends that the Board start buying government bonds as they are versatile, liquid and will give the portfolio diversification. The Fund is also eligible to purchase individual securities since over the \$5 million threshold.

Wetzel made a motion, seconded by Gordon to approve the January 29, 2018 regular meeting minutes. Motion carried and minutes approved.

There were no public comments.

Financial reports as of December 31, 2017, were reviewed by Controller Baxter. Westbrook made a motion to approve the reports, seconded by Hillary. Motion carried.

There were no CDs that matured since the last meeting that required ratification. There are two CDs maturing before the next meeting of which trustees will be contacted with alternative investment options.

Police pension expenses since the last meeting were as follows:

- IPPFA – paid 2/16/18 in the amount of \$375.00 for IPPFA Conference – Gordon.
- IPPFA – paid 2/16/18 in the amount of \$375.00 for IPPFA Conference – Hillary.
- IPPFA – paid 2/16/18 in the amount of \$375.00 for IPPFA Conference – Wetzel.
- IPPFA – paid 2/16/18 in the amount of \$375.00 for IPPFA Conference – Westbrook.
- IPPFA – paid 2/16/18 in the amount of \$375.00 for IPPFA Conference – Fussner.

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

MVT transactions for the 1<sup>st</sup> quarter 2018 were reviewed. Wetzel made a motion, seconded by Hillary to approve these transactions. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes. Motion carried.

The potential military buy-back for Joshua Sutter was discussed. Officer Sutter is asking if he is allowed to use any of the payment schedules (1 to 5 years) provided in the calculation. Following discussion, Hillary made a motion, seconded by Gordon to allow Sutter to buy-back under any of the payment options and that the \$300 fee be pro-rated should the entire amount not be paid back. On roll call the vote was, Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes. Motion carried.

Officer Greg Patterson resigned effective March 15, 2018. Per his request, a refund was made to him based on contributions of \$56,962.21 and an additional refund was made of \$259.29 for a contribution made with his final paycheck. Both refunds were made directly to him and thus subject to 20% income tax withholding. Gordon made a motion, seconded by Westbrook to ratify both contribution refunds. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes. Motion carried.

Officer Ramadan Moore was sworn in on April 19, 2018 and has submitted an application to be placed in the Police Pension Fund. Gordon made a motion, seconded by Hillary to approve the application. Motion carried.

A slate of officers for FY 2018-19 was submitted as follows:

|                     |                |
|---------------------|----------------|
| President           | Mike Hillary   |
| Vice President      | Jim Wetzel     |
| Secretary           | Greg Gordon    |
| Assistant Secretary | Troi Westbrook |

Wetzel made a motion, seconded by Gordon to approve the slate of officers as presented. Motion carried.

All five trustees are attending the IPPFA Conference in East Peoria in May, thus satisfying the annual training requirements.

The Cash Flow Analysis showing a 3-year projection of revenue and expenses was reviewed and discussed.

A reminder was made that the Statement of Economic Interest is due to the County by April 30.

The investment policy was discussed. Changes were incorporated from the last review and the following comments were made for additional revisions:

- Page 5 – Section H – remove in the last sentence “(collectively, the Investment Advisor)”
- Page 6 – Section L #5 under first paragraph, last sentence – change reference to “and consultants” to “and/or advisor”
- Page 15 – change date to 2018
- Addendum – change asset allocations per discussion; add US government securities as a subcategory under Fixed Income:

|                           | <u>Minimum</u> | <u>Maximum</u> | <u>Preferred</u> |
|---------------------------|----------------|----------------|------------------|
| Equities                  | 25%            | 45%            | 45%              |
| Fixed Income              |                |                |                  |
| Gov’t & Corp Bonds        | 0%             | 40%            | 20%              |
| Certificates of Deposit   | 0%             | 40%            | 20%              |
| US Gov’t Securities       | 0%             | 40%            | 10%              |
| Cash and Cash Equivalents | 0%             | 15%            | 5%               |

- Add the following language before the Asset Class and Target Index table and remove the column “% in Blend”

*The blended index will reflect the asset classes comparable to the investment portfolio.*

- Acknowledgement of Fiduciary – change signature to Bill Yocious, CEO

These changes will be incorporated in the draft policy provided for discussion and approval at the July meeting.

There being no further business to come before the Board, Gordon made a motion to adjourn the meeting, seconded by Westbrook. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes. The meeting was adjourned at 10:18 a.m.

Respectfully Submitted,



Greg Gordon Secretary