

WASHINGTON POLICE PENSION FUND
BOARD MEETING
January 23, 2017

The meeting was called to order by President Michael Hillary at 8:30 a.m. on Monday, January 23, 2017 in the Conference Room at City Hall.

Roll Call

Present

Michael Hillary, President
Jim Wetzel, Vice President
Greg Gordon, Secretary
Troi Westbrook, Assistant Secretary

Absent

James Fussner, Representative

Also in attendance were Controller Joanie Baxter, Treasurer Ellen Dingledine, City Administrator Jim Culotta, Accountant Jeanette Glueck, Dwight Ower and Bill Yocius from Mitchell Vaught & Taylor

The agenda was reviewed with no changes made.

David Vaught from Mitchell, Vaught and Taylor (MVT) provided a summary of investment activity for the quarter. He indicated that the 3rd quarter GDP was up 3 ½% which was a good increase considering before an election when markets are typically jittery. He indicated that the Fed raised rates in December from .5% to .75% and consequently rates are up on bonds. The portfolio as a whole is up 1.22% this quarter. He said that the markets were somewhat volatile due to the unexpected outcome of the U.S. Presidential election and the strategy is to remain a bit cautious until more economic data is available to confirm the long-term outlook and until U.S. government fiscal policy becomes clearer. The S & P is up 6% and we would target the bond portfolio to earn 4% during normal times.

Wetzel made a motion, seconded by Westbrook to approve the November 7, 2016 regular meeting minutes. Motion carried and minutes approved

There were no public comments.

Financial reports as of December 31, 2016, were reviewed by Baxter. Wetzel made a motion to approve the reports, seconded by Westbrook. Motion carried.

A CD at Morton Community Bank in the amount of \$206,527.24 matured on 12/31/16 and was redeemed to purchase a \$100,000 CD with CEFCU at 1.79% for 5 years. The remaining \$100,000 will be placed with MVT to purchase corporate bonds at 2% or higher. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes. Motion carried.

There are three CD's maturing before the next quarterly board meeting. A phone poll will be done with rates obtained at the time of maturity as well as quotes will be received from MVT..

Police pension expenses since the last meeting were as follows:

- Sharefile – paid \$97.04 on October 14, 2016 for the quarterly subscription. Note: This expense was refunded back to the Pension Fund on 11/18//16 as the subscription was canceled.

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

Gordon made a motion, seconded by Wetzel to ratify the investment transactions by MVT for the quarter ended December 31, 2016. On roll call the vote was, Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes. Motion carried.

Gordon made a motion, seconded by Wetzel to designate City Clerk Patricia Brown as Freedom of Information and Open Meetings Act Officer for the Washington Police Pension Fund. Motion carried.

The Police Pension Actuarial Report was reviewed and discussed. The resulting City contribution is \$513,651, a \$135,590 or 35.9% increase over the prior year requirement of \$378,061. Personal property replacement tax is anticipated to be between \$13,000 and \$14,000 and thus the recommended City contribution to the City Council was \$500,000 to be included in the tax levy. Wetzel made a motion, seconded by Hillary to accept the Actuarial Report. Motion carried.

The Actuarial Valuation provided by the State of Illinois was reviewed. The total required employer contribution was \$417,012 based on using a different set of minimal assumptions.

A check has been received from R.W. Baird for a mutual fund share class remediation. The check in the amount of \$27,335.51 has been deposited to the pension account.

The Cash Flow Analysis was reviewed. It was noted that insurance should be added as an expense.

Accountant Glueck reminded the Board that elections are due for the retirees and active representatives. Results should be reported at the next meeting.

There were no additional training opportunities to report.

There being no further business to come before the Board, Gordon made a motion to adjourn the meeting, seconded by Wetzel. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes. The meeting was adjourned at 9:26 a.m.

Respectfully Submitted,



Greg Gordon, Secretary