

**WASHINGTON POLICE PENSION FUND
QUARTERLY BOARD MEETING
Monday, January 23, 2017 - 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 November 7, 2016 Quarterly Meeting Minutes
6. Public comment
7. Financial Reports
8. 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> |
|-----------------------|----------------------|----------------------|----------------------|---|
| Morton Community Bank | 1.07% | 12/31/16 | \$206,527.24 | Redeemed Jan. 2017 – Purchased \$100K CD with CEFCU @1.79% 5 years and the remaining \$100K with MVT to purchase corporate bonds at 2% or higher. |
| | | | | |
| | | | | |
| | | | | |
| | | | <u>\$ 447,023.07</u> | |

B. Investments Maturing before next quarterly meeting:

| <u>Bank Name</u> | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Amount</u> |
|--|----------------------|----------------------|---------------------|
| Mitchell, Vaught, & Taylor Ally Bank | 1.00% | 03/20/17 | \$100,000.00 |
| Mitchell, Vaught, & Taylor Discover Bank | 1.85% | 04/18/17 | \$ 97,000.00 |
| Morton Community Bank | 1.07% | 04/30/17 | \$118,332.86 |
| | | | |
| | | TOTAL | <u>\$315,332.86</u> |

- C. Ratification of Police Pension Fund Expenses (roll call vote)
 - D. Ratification of Quarterly Investment Transactions – MVT (roll call vote)
 - E. Designation of Freedom of Information and Open Meetings Act Officer – P. Brown
 - F. Acceptance of the Police Pension Fund Actuarial Report (provided in prior agenda packet)
-
9. Discussion Items:
 - A. Actuarial Valuation Report from State of Illinois
 - B. Mutual Fund Share Class Remediation – RW Baird
 - C. Cash Flow Analysis
 - D. Retiree/Active Representative Elections
 - E. Training requirements and opportunities
 10. Adjournment (roll call vote)

Next meeting Monday, April 24, 2017 @ 8:30 a.m.

Washington Police Pension Fund

Executive Summary

4th Quarter 2016

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

Activity Summary this Quarter

| | |
|------------------------|--------------|
| Beginning Value: | \$ 4,328,354 |
| Contribute & Withdraw: | \$ - |
| Net Investment Gain: | \$ 52,906 |
| Ending Value: | \$ 4,381,260 |
| Income | \$ 27,342 |
| Management fee: | \$ (4,018) |

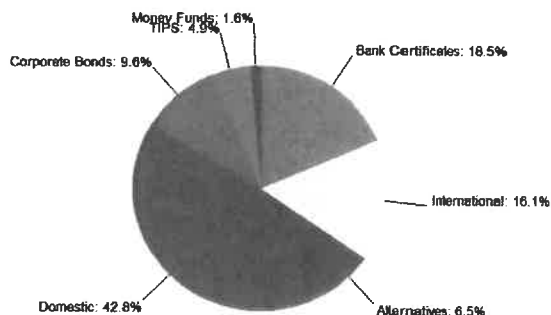
Since First Month: 01/31/2016

| | |
|-----------------------|------------|
| Annualized net return | 9.50% |
| Cumulative Return: | 9.50% |
| Net Investment Gain: | \$ 378,168 |

Net Performance this Quarter

| | | |
|--------------|--------|------------|
| Fixed Income | -0.44% | \$ (6,407) |
| Equities | 2.07% | \$ 59,313 |
| Total Fund | 1.22% | \$ 52,906 |

Asset Allocation



| | |
|------------------------|-------|
| Fixed/cash: | 34.6% |
| Equities | 65.4% |
| *assets managed at MVT | |

Portfolio Strengths

Fixed income

Interest rates across the entire yield curve moved higher, especially for the longer maturities. For example, the rate on the UST 10 year note was 52% higher than at the end of September (from 1.61 to 2.45) meaning all shorter maturity bonds did better than longer. By sector, because of their purposefully shorter duration, the Corporate sector did the best.

Equities

Due to a Fed and US election induced strengthening of the US dollar, small and mid cap domestic names were the top global equity sector. Specifically, both Diamond Hill and the small cap T Rowe Price growth manager had very good quarters. Also, international manager Oakmark turned in another great quarter.

Weaknesses

Fixed income

As noted above, the entire yield curve moved markedly higher in the period meaning longer maturity bonds underperformed versus the shorter maturities.

Equities

After the US election, our overweight to large cap dividend stocks hurt as small cap growth oriented names were much stronger. Also, rising bond yields will continue to hurt REIT returns while the strong US dollar took its toll on emerging markets.

Strategies

As a result of the somewhat unexpected outcome from the US Presidential election, the second half of this quarter was volatile for both fixed income and global equity markets. Generally, we continue to remain cautious, preferring to wait until more economic data confirms a better long term outlook and US government fiscal policy becomes more clear. The Fed did raise short term rates and have indicated their intention to be more aggressive in 2017, which will continue to strengthen the US dollar, and lead to higher yields and thus lower prices in fixed income. Our long term strategy to keep our bond duration shorter than the target will help the fixed income asset class beat its target. In equities, a stronger US economy will have us favoring smaller cap domestic names and underweighting emerging markets.

We urge our clients to compare MVT statements with those from custodians.

Past performance is no guarantee of future returns. Indices are not available for direct investment. Investments which attempt to mimic the performance of an index will incur expenses such as fees and transaction costs which reduce returns.

January 13, 2017



Portfolio Statement

As of 12/31/2016
12/30/2016 Prices

Washington Police Pension Fund

| Weight | Symbol | Trade Date | Description | Quantity | Cost Basis | Current Price | Current Value |
|---|--------|------------|---|----------|------------|---------------|---------------|
| Washington Police Bonds 5994-4800 Fixed Income | | | | | | | |
| Fixed Income | | | | | | | |
| Money Funds | | | | | | | |
| 0.1% | SWGXX | | Schwab U. S. Treasury | | 3,440.19 | | 3,440.19 |
| TIPS | | | | | | | |
| 2.6% | | 08/03/2016 | Treasury Inflation-Indexed 01/15/2021 1.125% Par 110,495.00 (1.10495) Accrued Income | 100,000 | 116,430.20 | 104.891 | 115,898.87 |
| 2.3% | | 11/08/2016 | Treasury Inflation-Indexed 07/15/2024 0.125% Par 101,796.00 (1.01796) Accrued Income | 100,000 | 102,512.85 | 98.156 | 99,919.19 |
| | | | | | | | 5.81 |
| 4.9% | | | | | 218,943.05 | | 215,879.12 |
| Corporate Bonds | | | | | | | |
| 0.3% | | 02/03/2016 | National Rural Electric 11/01/2018 10.375% Accrued Income | 10,000 | 12,248.60 | 115.310 | 11,531.01 |
| 0.7% | | 02/01/2016 | General Electric 02/15/2019 5.10% Accrued Income | 28,000 | 30,513.84 | 106.029 | 29,688.15 |
| 0.8% | | 02/01/2016 | Potash Saskatchewan 05/15/2019 6.50% Accrued Income | 30,000 | 34,215.00 | 109.204 | 32,761.11 |
| 0.3% | | 02/01/2016 | John Deere Capital 01/15/2020 2.50% Accrued Income | 11,000 | 11,114.40 | 98.808 | 10,868.83 |
| 0.8% | | 02/01/2016 | Union Pacific 02/15/2020 6.125% Accrued Income | 30,000 | 34,443.00 | 110.611 | 33,183.27 |
| 1.2% | | 02/01/2016 | JP Morgan Chase & Co 03/25/2020 4.95% Accrued Income | 50,000 | 54,614.00 | 107.651 | 53,825.55 |
| 0.5% | | 02/01/2016 | American Express 09/14/2020 2.60% Accrued Income | 20,000 | 20,160.20 | 100.792 | 20,158.36 |
| 1.2% | | 09/22/2016 | Conocophillips Co 03/15/2021 4.20% Accrued Income | 50,000 | 54,239.00 | 106.095 | 53,047.25 |
| 1.7% | | 09/08/2016 | Morgan Stanley 04/21/2021 2.50% Accrued Income | 75,000 | 75,995.50 | 98.815 | 74,111.33 |
| 1.1% | | 10/12/2016 | Abbvie Inc 05/14/2021 2.30% Accrued Income | 50,000 | 50,320.50 | 97.742 | 48,871.15 |
| | | | | | | | 150.14 |

MVT13

Portfolio Statement

As of 12/31/2016

12/30/2016 Prices

Washington Police Pension Fund

| <u>Weight</u> | <u>Symbol</u> | <u>Trade Date</u> | <u>Description</u> | <u>Quantity</u> | <u>Cost Basis</u> | <u>Current Price</u> | <u>Current Value</u> |
|--|---------------|-------------------|--|-----------------|-------------------|----------------------|----------------------|
| Washington Police Bonds | | | | | | | |
| Fixed Income | | | | | | | |
| Corporate Bonds | | | | | | | |
| 1.1% | | 07/22/2016 | Wells Fargo 07/26/2021 2.10% Accrued Income | 50,000 | 50,107.14 | 97.173 | 48,586.45 |
| | | | | | | | 453.67 |
| 9.6% | | | | | 427,971.18 | | 420,822.58 |
| Bank Certificates | | | | | | | |
| 2.3% | | 01/08/2016 | Ally Bank 03/20/2017 1.00% Accrued Income | 100,000 | 0.00 | 100.081 | 100,080.70 |
| | | | | | | | 486.10 |
| 2.2% | | 01/08/2016 | Discover Bank 04/18/2017 1.85% Accrued Income | 97,000 | 0.00 | 100.346 | 97,335.91 |
| | | | | | | | 874.10 |
| 2.2% | | 01/08/2016 | GE Capital Bank 08/29/2017 1.35% Accrued Income | 97,000 | 0.00 | 100.335 | 97,324.95 |
| | | | | | | | 637.09 |
| 5.2% | | 01/08/2016 | Sallie Mae Bank 10/02/2017 1.45% Accrued Income | 225,000 | 0.00 | 100.341 | 225,767.48 |
| | | | | | | | 1,587.63 |
| 4.2% | | 01/08/2016 | Capital One Bank 08/27/2018 1.75% Accrued Income | 184,000 | 0.00 | 100.114 | 184,210.31 |
| | | | | | | | 1,568.09 |
| 2.3% | | 01/08/2016 | Goldman Sachs Bank 06/17/2019 1.85% Accrued Income | 100,000 | 0.00 | 100.207 | 100,206.60 |
| | | | | | | | 901.14 |
| 18.5% | | | | | 0.00 | | 810,980.10 |
| 33.1% | | | | | 650,354.42 | | 1,451,121.99 |
| 33.1% | | | | | 650,354.42 | | 1,451,121.99 |
| Washington Police Equity 2084-2258 Mutual Funds | | | | | | | |
| Fixed Income | | | | | | | |
| Money Funds | | | | | | | |
| 1.5% | SWGXX | | Schwab U. S. Treasury | | 67,224.92 | | 67,224.92 |
| Domestic Equities | | | | | | | |
| Domestic | | | | | | | |
| 1.9% | BMDIX | 01/20/2016 | Baird Midcap Institutional | 5,352.139 | 79,596.71 | 15.800 | 84,563.80 |
| 5.3% | DHMX | 01/20/2016 | Diamond Hill Small Mid Cap In | 10,878.333 | 194,941.62 | 21.390 | 232,687.54 |
| 1.4% | IWS | 01/15/2016 | Ishares Russell Mid Cap | 763 | 0.00 | 80.430 | 61,368.09 |
| 2.2% | PRDSX | 06/22/2016 | T Rowe Price Small Cap Growt | 3,374.713 | 87,393.16 | 28.600 | 96,516.79 |
| 5.6% | VDIGX | 01/20/2016 | Vanguard Dividend Growth Fu | 10,485.539 | 233,288.65 | 23.430 | 245,676.18 |
| 5.6% | VGIAX | 01/20/2016 | Vanguard Growth & Income | 3,625.185 | 219,430.66 | 67.620 | 245,135.01 |
| 20.7% | VTSAX | 01/19/2016 | Vanguard Total Stock Admiral | 16,209.06 | 786,747.96 | 56.080 | 909,004.08 |
| 42.8% | | | | | 1,601,398.76 | | 1,874,951.49 |

Portfolio StatementAs of 12/31/2016
12/30/2016 Prices

Washington Police Pension Fund

| <u>Weight</u> | <u>Symbol</u> | <u>Trade Date</u> | <u>Description</u> | <u>Quantity</u> | <u>Cost Basis</u> | <u>Current Price</u> | <u>Current Value</u> |
|--|---------------|-------------------|------------------------------|-----------------|-------------------|----------------------|----------------------|
| Washington Police Equity 2084-2258 Mutual Funds | | | | | | | |
| Domestic Equities | | | | | | | |
| Alternatives | | | | | | | |
| 3.2% | CSRIX | 07/15/2016 | Cohen & Steers Institutional | 3,275.975 | 161,461.08 | 43.180 | 141,456.60 |
| 2.6% | PRHSX | 01/20/2016 | T Rowe Price Health Sciences | 1,896.819 | 116,012.40 | 59.080 | 112,064.07 |
| 0.7% | USSCX | 10/20/2016 | USAA Science And Technolog | 1,381.78 | 31,161.63 | 21.060 | 29,100.29 |
| 6.5% | | | | | 308,635.11 | | 282,620.96 |
| 49.2% | | | | | 1,910,033.87 | | 2,157,572.45 |
| International Equities | | | | | | | |
| International | | | | | | | |
| 9.1% | OAKIX | 01/20/2016 | Oakmark International | 17,473.249 | 334,118.32 | 22.700 | 396,642.75 |
| 3.3% | ODVYX | 01/20/2016 | Oppenheimer Developing Mark | 4,487.373 | 136,471.25 | 31.970 | 143,461.31 |
| 3.8% | OSMYX | 01/20/2016 | Oppenheimer Intl Smid Cap In | 4,499.911 | 154,773.87 | 36.720 | 165,236.73 |
| 16.1% | | | | | 625,363.44 | | 705,340.79 |
| 66.9% | | | | | 2,602,622.23 | | 2,930,138.16 |
| 99.8% | | | | | 3,252,976.65 | | 4,370,954.82 |
| 100.0% | | | Total Accrued Income | | | | 10,305.33 |
| | | | | | | | 4,381,260.15 |

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. We urge our clients to compare MVT statements with those from custodians.

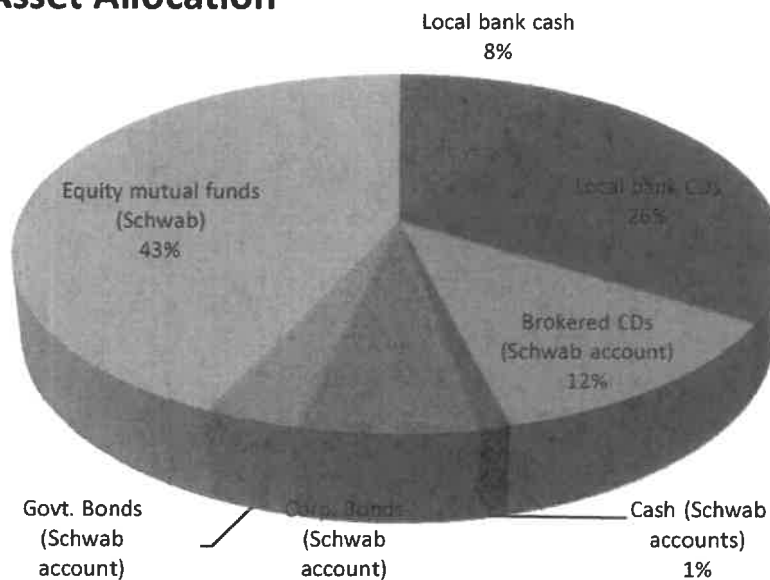
Washington Police Pension Fund

Total Asset Allocation

As of December 31, 2016

| <u>Asset Class</u> | <u>Value</u> | <u>% of assets</u> | <u>Sector</u> |
|-------------------------------|--------------------|--------------------|--------------------------|
| Local bank cash | \$550,417 | 8.3% | |
| Local bank CDs | \$1,692,850 | 25.6% | |
| Brokered CDs (Schwab account) | \$810,980 | 12.2% | |
| Cash (Schwab accounts) | \$70,665 | 1.1% | 47.2% total cash and CD |
| Corp. Bonds (Schwab account) | \$420,822 | 6.4% | 6.4% total corp. |
| Govt. Bonds (Schwab account) | \$215,879 | 3.3% | 1.9% total govt. |
| Equity mutual funds (Schwab) | \$2,862,913 | 43.2% | 43.2% total mutual funds |
| Total | \$6,624,526 | | |

Total Asset Allocation



Income Report
From 10/01/2016 to 12/31/2016

Washington Police Pension Fund

Interest: Tax Free

| Account Number | Last Date Received | Name of Payer | Symbol | Activity | Non-Qualifi Amount | Qualified Amount | Unclassifi Dividend Amount | Total Amount |
|--------------------------|---------------------------|--------------------|-----------|----------|--------------------|------------------|----------------------------|--------------|
| | 11/14/2016 | Abbvie Inc | 00287YAU3 | Interest | 581.39 | | | 581.39 |
| | Interest paid at purchase | | | | (495.14) | | | (495.14) |
| | 10/18/2016 | Discover Bank | 2546706U1 | Interest | 899.71 | | | 899.71 |
| | 12/17/2016 | Goldman Sachs B | 38148JWE7 | Interest | 927.53 | | | 927.53 |
| | 10/21/2016 | Morgan Stanley | 61746BEA0 | Interest | 937.50 | | | 937.50 |
| | Interest paid at purchase | | | | (739.58) | | | (739.58) |
| | 11/01/2016 | National Rural Ele | 637432LR4 | Interest | 518.75 | | | 518.75 |
| | 11/15/2016 | Potash Saskatche | 73755LAF4 | Interest | 975.00 | | | 975.00 |
| | 10/01/2016 | Sallie Mae Bank | 795450TP0 | Interest | 1,635.72 | | | 1,635.72 |
| | | | | | (1,234.72) | | | (1,234.72) |
| Total interest: tax free | | | | | 5,240.88 | | | 5,240.88 |

Dividends: Tax Free

| Account Number | Last Date Received | Name of Payer | Symbol | Activity | Non-Qualifi Amount | Qualified Amount | Unclassifi Dividend Amount | Total Amount |
|----------------|--------------------|--------------------|--------|-------------------|--------------------|------------------|----------------------------|--------------|
| | 12/08/2016 | Cohen & Steers In | CSRIX | Short Gain | 777.49 | 1,494.94 | | 2,272.43 |
| | 12/29/2016 | Diamond Hill Smal | DHMIX | Qualified Dividen | | 743.87 | | 743.87 |
| | 12/29/2016 | Ishares Russell Mi | IWS | Dividend | | 437.11 | | 437.11 |
| | 11/28/2016 | Oakmark Internati | OAKIX | Qualified Dividen | | 5,788.67 | | 5,788.67 |
| | 12/02/2016 | Oppenheimer Dev | ODVYX | Qualified Dividen | | 743.00 | | 743.00 |
| | 12/06/2016 | Oppenheimer Intl | OSMYX | Qualified Dividen | | 710.77 | | 710.77 |
| | 12/30/2016 | Schwab U. S. Trea | SWGXX | Dividend | 3.83 | | | 3.83 |
| | 12/15/2016 | T Rowe Price Heal | PRHSX | Short Gain | 544.57 | | | 544.57 |
| | 12/14/2016 | T Rowe Price Sma | PRDSX | Short Gain | 23.62 | | | 23.62 |
| | 12/28/2016 | USAA Science An | USSCX | Short Gain | 466.73 | | | 466.73 |
| | 12/23/2016 | Vanguard Dividen | VDIGX | Qualified Dividen | 455.52 | 2,555.88 | | 3,011.40 |
| | 12/23/2016 | Vanguard Growth | VGIAX | Short Gain | 473.00 | 2,686.73 | | 3,159.73 |

Income Report
From 10/01/2016 to 12/31/2016

Washington Police Pension Fund

Dividends: Tax Free

| Account Number | Last Date Received | Name of Payer | Symbol | Activity | Non-Qualifi Amount | Qualified Amount | Unclassifi Dividend Amount | Total Amount |
|---------------------------|--------------------|-------------------|--------|-------------------|--------------------|------------------|----------------------------|--------------|
| | 12/19/2016 | Vanguard Total St | VTSAx | Qualified Dividen | | 5,702.36 | | 5,702.36 |
| Total dividends: tax free | | | | | 2,744.76 | 20,863.33 | | 23,608.09 |
| Total accrued paid | | | | | (1,234.72) | | | (1,234.72) |
| Total Income | | | | | 7,985.64 | 20,863.33 | | 28,848.97 |

**WASHINGTON POLICE PENSION FUND
CASH AND INVESTMENTS
12/31/16**

| | | |
|--|----|------------|
| Heartland Bank Money Market | \$ | 493,177.68 |
| Cefcu Savings | \$ | 10,016.58 |
| Charles Schwab Money Market - Fixed Income | \$ | 3,440.19 |
| Charles Schwab Money Market - Equity | \$ | 67,224.92 |

Certificates of Deposit:

CEFCU

| | | | | |
|-------------------|----|------------|----|------------|
| 1.98% due 6/19/18 | \$ | 148,561.44 | \$ | 148,561.44 |
|-------------------|----|------------|----|------------|

Heartland Bank
No CD's at this time.

IPAVA State Bank

| | | | | |
|--------------------|----|------------|----|------------|
| 1.50% due 08/23/20 | \$ | 130,000.00 | \$ | 130,000.00 |
|--------------------|----|------------|----|------------|

Washington State Bank

| | | | | |
|-------------------|----|------------|----|------------|
| 1.50% due 7/25/19 | \$ | 202,770.71 | | |
| 1.50% due 2/22/20 | \$ | 130,653.01 | \$ | 333,423.72 |

Morton Community Bank

| | | | | |
|--------------------------------------|----|------------|--------------------|------------|
| 1.07% due 4/30/17 | \$ | 118,332.86 | | |
| 1.60% due 9/27/19 | \$ | 105,845.12 | | |
| 1.60% due 3/5/18 | \$ | 102,847.78 | | |
| 2.11% due 12/23/18 | \$ | 104,270.73 | | |
| 1.60% due 8/21/18 | \$ | 102,573.32 | | |
| 2.09% due 11/20/18 | \$ | 104,449.87 | | |
| 1.07% due 12/31/16 (Launch Ready CD) | \$ | 206,527.24 | (Redeemed 1/10/17) | |
| | | | \$ | 844,846.92 |

South Side Bank and Trust

| | | | | |
|--------------------------------|----|------------|----|------------|
| 2.00% due 4/9/19 (Soaring CD) | \$ | 133,401.53 | | |
| 2.00% due 4/24/19 (Soaring CD) | \$ | 102,616.41 | \$ | 236,017.94 |

Mitchell, Vaught, & Taylor

| | | | | |
|---|----|------------|----|------------|
| CD 1.45% due 10/02/17 - Sallie Mae Bank | \$ | 225,000.00 | | |
| CD 1.85% due 6/17/19 - Goldman Sachs | \$ | 100,000.00 | | |
| CD 1.35% due 08/29/17 - GE Capital Bank | \$ | 97,000.00 | | |
| CD 1.85% due 4/18/17 - Discover Bank | \$ | 97,000.00 | | |
| CD 1.75% due 8/27/18 - Capital One Bank | \$ | 184,000.00 | | |
| CD 1.00% due 3/20/17 - Ally Bank | \$ | 100,000.00 | \$ | 803,000.00 |

Total Certificates of Deposits **\$ 2,495,850.02**

**WASHINGTON POLICE PENSION FUND
REVENUE AND EXPENSE REPORT
MAY 1, 2016 THROUGH DECEMBER 31, 2016**

REVENUES:

| | | |
|------------------------------------|------------|-------------------|
| Property Taxes | 360,251.02 | |
| Property Replacement Taxes | 8,149.23 | |
| Interest | 35,575.59 | |
| Dividends <i>(Cash/Reinvested)</i> | 23,608.09 | |
| Employee Contributions | 90,466.28 | |
| Miscellaneous Income | 27,335.51 | |
| TOTAL | | 545,385.72 |

EXPENSES:

| | | |
|----------------------|------------|-------------------|
| Pensions | 377,782.96 | |
| Insurance | 3,058.00 | |
| Legal | 0.00 | |
| Compliance Fee | 1,335.47 | |
| Training | 0.00 | |
| Membership Dues | 795.00 | |
| Subscriptions | 0.00 | |
| Postage | 0.00 | |
| Contributions Refund | 0.00 | |
| Investment Expense | 9,980.00 | |
| Miscellaneous | 213.45 | |
| TOTAL | | 393,164.88 |

REVENUES LESS EXPENSES

152,220.84

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

MONTHLY PENSIONS PAID (GROSS): RETIREMENT

| | | |
|--------------------|----------|-------------------------|
| Britt Beard | 2,731.46 | |
| David Densberger | 2,987.66 | |
| Mary Densberger | 1,181.17 | |
| James Fussner | 3,642.67 | |
| Rosalie Gerkin | 4,250.10 | |
| James Kuchenbecker | 6,181.99 | |
| Thomas Libotte | 4,232.89 | |
| Gwendolyn Marshall | 2,965.62 | |
| David Stark | 3,497.35 | |
| Donald Volk | 6,115.63 | |
| Michael Williams | 2,812.88 | |
| William Witmer | 2,796.80 | |
| Charles Woolley | 3,826.65 | |
| TOTAL | | <u>47,222.87</u> |

MONTHLY PENSIONS PAID (GROSS): DISABILITY

| | | |
|---|------|--------------------|
| <i>No Disability Pensions at this time.</i> | 0.00 | |
| TOTAL | | <u>0.00</u> |

POLICE PENSION - ACTIVE OFFICERS' CONTRIBUTIONS AS OF 12/31/16

| | Contributions | Years |
|-------------------|----------------------|--------------|
| Lyle Baele | \$ 110,750.44 | 17 |
| Zachary Bean | \$ 31,835.41 | 6 |
| Michael Brown | \$ 11,942.71 | 1 |
| Jacob Cemek | \$ 27,222.51 | 5 |
| Ashley Clare | \$ 3,716.96 | 0 |
| Daniel Foster | \$ 32,017.43 | 7 |
| Greg Gordon | \$ 95,380.28 | 18 |
| Frank Grossman | \$ 24,197.38 | 4 |
| Steve Hinken | \$ 36,132.94 | 7 |
| Ryan Hunsunger | \$ 58,037.91 | 10 |
| Gregory Patterson | \$ 49,134.86 | 9 |
| Brian Simpson | \$ 18,382.91 | 3 |
| Keegan Smith | \$ 25,931.53 | 4 |
| Steven Smith | \$ 48,985.28 | 7 |
| Stuart Stevens | \$ 94,831.08 | 17 |
| Joshua Sutter | \$ 3,716.96 | 0 |
| Dramane Taylor | \$ 11,069.34 | 1 |
| Derek Thomas | \$ 72,973.89 | 13 |
| Troi Westbrook | \$ 18,173.56 | 2 |
| Tyler Willi | \$ 44,821.18 | 7 |

TOTAL ACTIVE CONTRIBUTIONS

\$ 819,254.56

POLICE PENSION -INACTIVE OFFICERS' CONTRIBUTIONS AS OF 12/31/16

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

TOTAL CONTRIBUTIONS

830,793.97

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

MEMO MEMO MEMO MEMO MEMO MEMO MEMO MEMO

TO: Washington Police Pension Board
FROM: Jeanette Glueck
DATE: 12/31/16
SUBJECT: Ratification of Police Pension Fund Expenses

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> |
|--------------|--------------|-----------------------|---|
| Sharefile | 10/14/16 | 97.04 | Sharefile Quarterly Subscription |
| | | | <i>*This expense was refunded back on 11/18/16 \$97.04 – the subscription was canceled.</i> |
| | | | |
| | | | |
| | | | |
| | | | |
| | TOTAL | <u>\$97.04</u> | |

January 13, 2017



Transaction Detail
From 10/01/2016 to 12/31/2016

Washington Police Pension Fund

| Portfolio Account Number | Trade Date | Activity | Security Symbol | CUSIP | Description | Quantity | Net Amount |
|--------------------------------|---------------|--------------------|--------------------|-------|--|-----------|---------------|
| | 10/01/2016 | Interest | 795450TP0 | | Sallie Mae Bank | | 1,635.72 |
| | 10/12/2016 | Buy | 00287YAU3 | | 10/02/2017 1.45% Abbvie Inc | 50,000 | (50,815.64) |
| | 10/17/2016 | Dividend | SWGXX | | 05/14/2021 2.30% Schwab U. S. Treasury | | 1.49 |
| | 10/17/2016 | Dividend | SWGXX | | Schwab U. S. Treasury | | 0.28 |
| | 10/18/2016 | Interest | 2546706U1 | | Discover Bank | | 899.71 |
| | 10/20/2016 | Buy | ODVYX | | 04/18/2017 1.85% Oppenheimer Developing Ma | 875.694 | (30,000.00) |
| | 10/20/2016 | Buy | USSCX | | USAA Science And Technol | 1,327.502 | (30,000.00) |
| | 10/20/2016 | Sell | IWP | | Ishares Russell Mid Cap | (625) | 59,217.95 |
| | 10/21/2016 | Interest | 61746BEA0 | | Morgan Stanley | | 937.50 |
| | 10/25/2016 | Management Fee | | | 04/21/2021 2.50% Schwab U. S. Treasury | | (816.00) |
| | 10/25/2016 | Management Fee | | | Schwab U. S. Treasury | | (3,202.00) |
| | 11/01/2016 | Interest | 637432LR4 | | National Rural Electric | | 518.75 |
| | 11/08/2016 | Buy | 912828WU0 | | 11/01/2018 10.375% Treasury Inflation-Indexed | 100,000 | (102,553.19) |
| | 11/14/2016 | Interest | 00287YAU3 | | 07/15/2024 0.125% Abbvie Inc | | 581.39 |
| | 11/15/2016 | Interest | 73755LAF4 | | 05/14/2021 2.30% Potash Saskatchewan | | 975.00 |
| | 11/15/2016 | Dividend | SWGXX | | 05/15/2019 6.50% Schwab U. S. Treasury | | 0.66 |
| | 11/15/2016 | Dividend | SWGXX | | Schwab U. S. Treasury | | 0.48 |
| | 11/28/2016 | Qualified Dividend | OAKIX | | Oakmark International | 265.535 | 5,788.67 |
| | 12/02/2016 | Qualified Dividend | ODVYX | | Oppenheimer Developing Ma | 23.572 | 743.00 |
| | 12/06/2016 | Qualified Dividend | OSMYX | | Oppenheimer Intl Smid Cap I | 19.489 | 710.77 |
| | 12/08/2016 | Short Gain | CSRIX | | Cohen & Steers Institutional | 18.264 | 777.49 |
| | 12/08/2016 | Qualified Dividend | CSRIX | | Cohen & Steers Institutional | 35.117 | 1,494.94 |
| | 12/08/2016 | Long Gain | CSRIX | | Cohen & Steers Institutional | 220.716 | 9,395.88 |
| | 12/09/2016 | Short Gain | USSCX | | USAA Science And Technol | 19.832 | 424.60 |
| | 12/09/2016 | Long Gain | USSCX | | USAA Science And Technol | 32.457 | 694.90 |
| | 12/14/2016 | Short Gain | PRDSX | | T Rowe Price Small Cap Gro | | 23.62 |
| | 12/15/2016 | Long Gain | DHMIK | | Diamond Hill Small Mid Cap | 177.308 | 3,806.81 |
| | 12/15/2016 | Short Gain | PRHSX | | T Rowe Price Health Scienc | 9.097 | 544.57 |
| | 12/15/2016 | Long Gain | PRHSX | | T Rowe Price Health Scienc | 72.476 | 4,338.44 |
| | 12/17/2016 | Interest | 38148JWE7 | | Goldman Sachs Bank | | 927.53 |
| | | | | | 06/17/2019 1.85% | | |

Transaction Detail
From 10/01/2016 to 12/31/2016

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> |
|---|-----------------------|--------------------|----------------------------|--------------|----------------------------|-----------------|-----------------------|
| | 12/19/2016 | Qualified Dividend | VTSAX | | Vanguard Total Stock Admir | 100.695 | 5,702.36 |
| | 12/23/2016 | Short Gain | VDIGX | | Vanguard Dividend Growth F | 19.285 | 455.52 |
| | 12/23/2016 | Long Gain | VDIGX | | Vanguard Dividend Growth F | 52.097 | 1,230.53 |
| | 12/23/2016 | Qualified Dividend | VDIGX | | Vanguard Dividend Growth F | 108.208 | 2,555.88 |
| | 12/23/2016 | Short Gain | VGIAX | | Vanguard Growth & Income | 6.918 | 473.00 |
| | 12/23/2016 | Qualified Dividend | VGIAX | | Vanguard Growth & Income | 39.297 | 2,686.73 |
| | 12/23/2016 | Long Gain | VGIAX | | Vanguard Growth & Income | 156.387 | 10,692.15 |
| | 12/28/2016 | Short Gain | USSCX | | USAA Science And Technol | 1.989 | 42.13 |
| | 12/29/2016 | Qualified Dividend | DHMX | | Diamond Hill Small Mid Cap | 34.712 | 743.87 |
| | 12/29/2016 | Dividend | IWS | | Ishares Russell Mid Cap | | 437.11 |
| | 12/30/2016 | Dividend | SWGXX | | Schwab U. S. Treasury | | 0.92 |
| | | | | | | | (97,926.48) |

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.

WASHINGTON POLICE PENSION FUND

Actuarial Valuation Report

Showing Assets and Liabilities of the Fund in
 Accordance with Actuarial Reserve Requirements
 as of May 1, 2016

Summary

| | |
|----------------------------|--------------------|
| Accrued Liability | \$11,772,474 |
| Actuarial Value of Assets | \$7,123,132 |
| Unfunded Accrued Liability | <u>\$4,649,343</u> |

Funded Ratio 61%

Liabilities

Reserves for Annuities and Benefits in Force

| | Head Count: | Present Value: | |
|---------------------------------|----------------|----------------|-------------|
| Retirement Annuities | 10 | 8,237,804 | |
| Disability Annuities | 1 | 393,184 | |
| Surviving Spouse Annuities | 1 | 281,950 | |
| Minor Dependent Annuities | 0 | 0 | |
| Deferred Retirement Annuities | 0 | 0 | |
| Handicapped Dependent Annuities | 0 | 0 | |
| Dependent Parent Annuities | 0 | 0 | |
| Terminated Liabilities | 3 | <u>11,539</u> | |
| Total: | 15 | | \$8,924,478 |

| | | |
|--|----|--------------------|
| Accrued Liabilities for Active Members | 20 | <u>\$2,847,997</u> |
| Total Accrued Liabilities | | \$11,772,474 |
| Total Normal Cost for Active Members | | \$338,875 |
| Total Normal Cost as a Percentage of Payroll | | 27% |

Total Annual Payroll \$1,268,296

Amortization of Unfunded Liabilities:

| | |
|---|--------------|
| Total Accrued Liability | \$11,772,474 |
| 90% Funded Ratio Target | \$10,595,227 |
| Actuarial Value of Assets | \$7,123,132 |
| Liabilities Subject to Amortization | \$3,472,095 |
| Amortization Period | 24 years |
| Amortization Payment, Beginning of Year | \$178,374 |

This report is provided to the Board and Municipality as part of the Public Pension Division advisory services under Section 1A-106 of the Illinois Pension Code. This report should not be relied upon for purposes other than determining the current tax levy required under the Illinois Pension Code. The assumptions have been set based on expectations for all Article 3 funds in the State of Illinois. The actuarial methods are prescribed by the Illinois Pension Code and do not necessarily represent the approach recommended by either the actuary or the Department of Insurance. This report was prepared under the direct supervision of the undersigned:

Jason Franken
 Enrolled Actuary #14-06888
 Foster & Foster

Deputy Director
 Public Pension Division
 Illinois Department of Insurance

Joanie Baxter

Subject: FW: Report

From: Jason Franken [mailto:Jason.Franken@foster-foster.com]
Sent: Wednesday, January 4, 2017 11:47 AM
To: Joanie Baxter <jbaxter@ci.washington.il.us>
Subject: RE: Report

Joanie,
The big difference between the reports are that the DOI report uses the Projected Unit Credit cost method and they only fund to a 90% target. While these methods are in the Illinois Pension Code, they produce contribution patterns that are extremely back-loaded. We have used methods that do not defer as much of the contributions to future years resulting in a higher contribution today. The DOI report is the minimum contribution required by law but it does not produce a contribution that is best for the financial health of the City or the Fund.

Let me know if you would like to discuss.

Regards,

Jason L. Franken, FSA, EA, MAAA



One Oakbrook Terrace
Suite 720
Oakbrook Terrace, IL 60181

630.620.0200 Phone
239.481.0634 Fax
www.foster-foster.com

WASHINGTON POLICE PENSION FUND
Actuarial Valuation Report

Assets

Actuarial Value of Assets

Current Year Gain/(Loss):

| | |
|--|--------------------|
| Market value of assets as of April 30, 2015 | \$6,677,342 |
| Benefit payments during fiscal year 2016 | (486,957) |
| Total contributions during fiscal year 2016 | 498,211 |
| Expected return during fiscal year 2016 | 434,393 |
| Expected market value of assets as of April 30, 2016 | <u>\$7,122,989</u> |
| Actual market value of assets as of April 30, 2016 | \$6,631,611 |
| Investment gain/(loss) during the fiscal year | (491,378) |

Development of Actuarial Value of Assets (market value less unrecognized amounts):

| | |
|--|----------------|
| Market value of assets as of April 30, 2016 | \$6,631,611 |
| Unrecognized gain/(loss) from fiscal 2016 | (393,103) |
| Unrecognized gain/(loss) from fiscal 2015 | (83,702) |
| Unrecognized gain/(loss) from fiscal 2014 | (7,429) |
| Unrecognized gain/(loss) from fiscal 2013 | <u>(7,287)</u> |
| Actuarial value of assets as of April 30, 2016 | \$7,123,132 |

Actuarially Determined Employer Contributions

| | |
|---|-----------|
| Actuarially determined amount to provide the employer normal cost based on the annual payroll of active participants as of May 1, 2016. | \$213,187 |
|---|-----------|

| | |
|--|-----------|
| Amount necessary to amortize the unfunded accrued liability as determined by the State of Illinois Department of Insurance over the remaining 24 years as prescribed by Section 3-125 of the Illinois Pension Code. | \$178,374 |
|--|-----------|

| | |
|---|----------|
| Interest to the end of the fiscal year. | \$25,451 |
|---|----------|

| | |
|--|-----------|
| Total suggested amount of employer contributions to arrive at the annual requirements of the fund as prescribed by Section 3-125 of the Illinois Pension Code. * | \$417,012 |
|--|-----------|

*The above figure is the suggested amount which should be obtained by the fund from the municipality exclusive of any other items of income, such as interest on investments, contributions from participants, etc. These items have already been taken into consideration in arriving at this amount.

WASHINGTON POLICE PENSION FUND

Actuarial Valuation Report

Actuarial Information

The following methods have been prescribed in accordance with Section 3-125 of the Illinois Pension Code.

| | |
|------------------------|--|
| Funding method | Projected Unit Credit |
| Amortization method | Normal cost, plus an additional amount (determined as a level percentage of payroll) to bring the plan's funded ratio to 90% by the end of fiscal year 2040. |
| Asset valuation method | Investment gains and losses are recognized over a 5-year period. |

Actuarial Assumptions

| | |
|--------------------------------------|---|
| Interest rate | 6.50% |
| Interest rate, prior fiscal year | 6.50% |
| Healthy mortality rates - Male | RP-2000 Combined Healthy Mortality, with Blue Collar Adjustment |
| Healthy mortality rates - Female | RP-2000 Combined Healthy Mortality, with Blue Collar Adjustment |
| Disability mortality rates - Male | RP-2000 Disabled Retiree Mortality |
| Disability mortality rates - Female | RP-2000 Disabled Retiree Mortality |
| Decrement other than mortality | Experience tables |
| Rate of service-related deaths | 5% |
| Rate of service-related disabilities | 70% |
| Salary increases | Service-related table with rates grading from 11% to 4% at 30 years of service |
| Payroll growth | 4.50% |
| Tier 2 cost-of-living adjustment | 1.25% |
| Marital assumptions | 80% of members are assumed to be married; male spouses are assumed to be 3 years older than female spouses. |

The actuarial assumptions used for determining the above amounts are based on experience for all Article 3 funds for the State of Illinois in aggregate. The Department of Insurance has approved the above actuarial assumptions. Contact the Department of Insurance for complete experience tables.

Data and Fund Information

The above valuation uses personnel data as reported to the Department of Insurance in the Schedule P. Specifically, the following data items have been determined as of the date of the Actuarial Valuation Report: attained age, annual salary or pension, completed years of service of each individual participant.

The fund specific information used in the production of this document was provided to the Department of Insurance by your pension fund board of trustees through the fund's annual statement filing.

Deposited to MMA

112316

MICHAEL HILLARY & JAMES WETZEL
& ELLEN DINGLEDINE TTEES
WASHINGTON POLICE PENSION FUND
C/O JEANETTE GLUECK
301 WALNUT ST
WASHINGTON IL 61571 2649

BAIRD

Robert W. Baird & Co. Incorporated
777 East Wisconsin Avenue
Milwaukee WI 53202-5391

Activity Summary

| Account Number | Purpose | Check Number | Date |
|----------------|--------------------------------|--------------|-----------|
| | MICHAEL HILLARY & JAMES WETZEL | 012408970 | 11/14/16 |
| Code | Description | | Amount |
| | CHK ISSUED SENT TO CUST | | 27,335.51 |
| | TOTAL | | 27,335.51 |
| Total | | | 27,335.51 |

Please detach activity summary before depositing check. Retain for your records.

THIS CHECK HAS AN AUTHENTIC WATERMARK, MICROPRINT SIGNATURE LINE, VISIBLE AND INVISIBLE FIBERS.

BAIRD

Robert W. Baird & Co. Incorporated
777 East Wisconsin Avenue
Milwaukee WI 53202-5391

79-1160/759

012408970

Date: 11/14/16

Twenty-Seven Thousand Three Hundred Thirty-Five Dollars and Fifty-One Cents

*****27,335.51

PAY TO THE ORDER OF

MICHAEL HILLARY & JAMES WETZEL
& ELLEN DINGLEDINE TTEES
WASHINGTON POLICE PENSION FUND
C/O JEANETTE GLUECK
301 WALNUT ST
WASHINGTON IL 61571 2649

U.S. Bank, NA
Wausau, WI

Russell P. Schmei



Authorized Signature
Void after 45 days

WASHINGTON POLICE PENSION FUND

BOARD MEETING

November 7, 2016

The meeting was called to order by President Michael Hillary at 8:31 a.m. on Monday, November 7, 2016 in the Conference Room at City Hall.

Roll Call

Present

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

Absent

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

The agenda was reviewed with no changes made.

David Vaught from Mitchell, Vaught and Taylor (MVT) provided a summary of investment activity for the year. He indicated that the net gain year-to-date was \$325,262 for a net return of 8.18%. Fixed income is down due to a turn in interest rates and international has rebounded after being weak for some time. Bonds are at 2.21% right now and he believes it is time to buy more Treasury Inflation Protection Security (TIPS). Inflation is going to go above 2% and this adds great diversification and inflation protection to the portfolio. There is still \$103,000 remaining in cash that could be invested in TIPS. TIPS are considered fixed income and not equity securities.

Jason Franken from Foster & Foster, the Board's new actuary, provided an Actuarial Report with a recommended tax levy that would address the current backloading of the pension funding. He recommended making the following changes:

- Interest rate decrease from 7.00% to 6.75%.
- Mortality Rates updated from the RP-2000 Combined Healthy Mortality table with a blue collar adjustment to the RP-2000 Combined Healthy Mortality table with a blue collar adjustment, projected to the valuation date using Scale BB.
- Disabled mortality rates updated from the RP-2000 Disabled Retiree Mortality table to the RP-2000 Disabled Retiree Mortality table projected to the valuation date using Scale BB.
- The salary scale updated from a flat 5.00% to a graded scale based on service.
- The payroll growth assumption changed from 5.00% to 4.00%.

The resulting expected 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 will be \$500,000.

Jason also explained that the GASB 67/68 calculation is completely separate because what is in the Pension Code is not GASB compliant. The unfunded liability will be different and must go on the balance sheet of the City. The percent funded will also be different and GASB doesn't allow smoothing. Both interest rate and payroll growth assumptions will need to continue to be monitored and possibly tweaked in the future.

Wetzel made a motion, seconded by Fussner to approve the August 1, 2016 regular meeting minutes. Motion carried and minutes approved. Hillary made a motion, seconded by Gordon to approve the September 7, 2016 special meeting minutes. Motion carried and minutes approved. Westbrook made a motion, seconded by Wetzel to approve the September 15, 2016 special meeting minutes. Motion carried and minutes approved.

There were no public comments.

Financial reports as of September 30, 2016, were reviewed by Baxter. Wetzel made a motion to approve the reports, seconded by Hillary. Motion carried. The Board requested a Cash Flow Analysis be provided at the next meeting.

A CD at MVT – Goldman Sachs in the amount of \$40,000 matured on 8/8/16 and was combined with additional \$231,000 surplus with the result being \$55,000 to increase equities, \$100,000 to purchase a TIP and \$116,000 to purchase a corporate bond. Gordon made a motion, seconded by Hillary to ratify this transaction. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

A CD at Morton Community Bank in the amount of \$147,023.07 matured on 8/9/16 and was redeemed with the intention to purchase a \$155,000 corporate bond with a yield of 2% or higher in September. Westbrook made a motion, seconded by Wetzel to ratify this transaction. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

A CD at MVT – GE Capital Bank in the amount of \$150,000 matured on 8/10/16 and was redeemed and combined with \$110,000 Goldman Sachs CD maturing 9/15/16. Wetzel made a motion, seconded by Gordon to ratify this transaction. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

A CD at MVT – Goldman Sachs in the amount of \$110,000 matured on 9/15/16 and was redeemed and combined with \$150,000 GE Capital CD maturing 8/10/16 and two CDs were purchased each for \$130,000 – a 42 month at Washington State Bank at 1.5% and a 4 year at IPAVA at 1.5%. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

There is one CD maturing before the next quarterly board meeting. A phone poll will be done with rates obtained at the time of maturity.

Police pension expenses since the last meeting were as follows:

- Mesirow Insurance Services – paid \$3,058.00 on September 16, 2016 for the fiduciary insurance policy.

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; Fussner – yes. Motion carried.

The 2017 membership dues for IPPFA were presented for approval in the amount of \$795.00. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

Hillary made a motion, seconded by Gordon to ratify the investment transactions by MVT for the quarter ended September 30, 2016. On roll call the vote was, Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

The Annual Financial Report for the fiscal year ended April 30, 2016 was reviewed and discussed. Gordon made a motion, seconded by Wetzel to approve the Annual Financial Report as presented. Motion carried by voice vote.

The actuarial recommendations were reviewed and discussed. Wetzel made a motion, seconded by Gordon to accept the recommendations presented by Foster & Foster and to recommend the City Council approve a contribution of \$513,651 which net of personal property replacement taxes would equate to a 2016 tax levy for the Police Pension Fund of \$500,000. Motion carried.

Annual pension increases effective January 1, 2017 were discussed and reviewed as follows:

Britt Beard – increase of \$46.04 per month on current pension of \$2,731.46 to result in new pension of \$2,777.50. 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

David Densberger – increase of \$89.63 per month on current pension of \$2,987.66 to result in new pension of \$3,077.30. 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.

Mary Densberger (QILDRO) – increase of \$35.44 per month on current QILDRO of \$1,181.17 to result in new QILDRO of \$1,216.61. 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.

Rosalie Gerkin – increase of \$127.50 per month on current pension of \$4,250.10 to result in new pension of \$4,377.60. 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.

Thomas Libotte – increase of \$126.99 per month on current pension of \$4,232.89 to result in new pension of \$4,359.88. 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 \$104.92 per month on current pension of \$3,497.35 to result in new pension of \$3,602.27. Gordon 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 \$84.39 per month on current pension of \$2,812.88 to result in new pension of \$2,897.27. 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.

William Witmer – increase of \$83.90 per month on current pension of \$2,796.80 to result in new pension of \$2,880.70. 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.

Charles Woolley – increase of \$114.80 per month on current pension of \$3,826.65 to result in new pension of \$3,941.45. Hillary 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.

The Municipal Compliance Report per Public Act 95-950 for the fiscal year ended April 30, 2016 was reviewed and discussed. Wetzel made a motion, seconded by Hillary to approve the Report. Motion carried.

Glueck reported that all trustees were in compliance with the training requirements as of August 13, 2016.

Glueck reported that a letter was received indicating a refund will be made to the Police Pension Fund in the amount of \$27,335.51 as a mutual fund share class remediation from R.W. Baird.

Glueck indicated that IPAVA Bank is now in compliance with Predatory Lending Laws and the Board may do business with them.

Fussner indicated that he would be unable to attend a January meeting, whether it is scheduled for January 23 or January 30. The meeting will stay at January 23.

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 10:32 a.m.

Respectfully Submitted,

Greg Gordon, Secretary