

MINUTES OF THE VILLAGE OF ITASCA POLICE PENSION FUND
March 1, 2016 5:30 p.m.

1. Call to Order

The Village of Itasca Police Pension Fund meeting was called to order by President Tim Mace at 5:33 pm.

2. Roll Call

Present: President Tim Mace, Vice President Mike Walker, Secretary Bill Webster, Board Member Tim Ivers, Consultant Joe Christiansen UBS

Not present: Treasurer Bill Fates

3. Public Comment – None

4. Minutes from Previous Meeting - Mr. Ivers made a motion for approval of the minutes from the December 1, 2015 meeting. Mr. Walker seconded. MOTION PASSED by unanimous voice vote.

5. Treasurer's Report

Mr. Fates was not present at the meeting. Mr. Ivers reviewed the treasurer's report. Total current assets of \$13,965,460. No liabilities. Net assets \$13,995,586. For the period ending January 1, 2016 – 3 month expenditures over revenues were \$827,674 and 6 month were \$1,237,193.

A motion was made by Mr. Webster to accept the treasurer's report and was seconded by Mr. Walker. Mr. Ivers abstained. MOTION PASSED by unanimous voice vote.

6. Investment Activity

UBS investment review by Joe Christiansen

Distributed the investment committee agenda. Under pension governance, discussed the asset allocation study for 2016. Questionnaire done every three years to assess risk tolerance. He will send the questionnaire to Mr. Mace to have the board members complete. The results will be put through their system and recommendations will be made based on them.

Tab 1, Page 6: As of December 31, 2015 balance is \$14,302,400. Since inception, the fund has grown from \$4,913,889 to \$14,302,353. Actuarial rate currently 7.65%. This is very high. Investment returns trailing benchmark.

Page 9: Standard deviation is consistent and conservative. Alpha numbers are negative which reflects managers not performing well.

Page 14: Capture ratio needs to be improved. This should be accomplished through recent changes.

Page 21: Investment performance summary – Lazard funds and Invesco Equally-Weighted S&P 500 doing negatively. Chilton, Stonebridge, Miller Convertible and First Trust Energy all have beat benchmarks.

Tab 2: Review of 4 and 5 star funds compared to pension funds. Shows that all are performing comparatively.

Tab 3: Rebalancing spreadsheet reviewed and the following recommendations were made:

- Take \$10,000 from SPDR S&P ETF.
- Add \$125,000 to Vanguard Extended Mkt ETF.
- Add \$59,989 to American Funds Euro Pacific.
- Take \$14,989 from the Glovista Global TAA.
- Take \$350,000 from Bradford Marzec account.
- Add \$190,000 to the UBS Cash account.

A motion was made by Mr. Ivers to approve this recommendation and was seconded by Mr. Webster. MOTION PASSED by unanimous voice vote.

7. New Business

A. Sergeant Greg Scerbicke has submitted his retirement paperwork effective January 16, 2016. Sergeant Scerbicke was hired on August 30, 1987. Salary at the time of retirement is \$106,932.80. His benefits were calculated at \$74,852.96 (70.00% of \$106,932.80). Sergeant Scerbicke served 28 years, 4 months and 18 days with the Itasca Police Department.

A motion was made by Mr. Ivers to approve this recommendation and was seconded by Mr. Webster. MOTION PASSED by unanimous voice vote.

B. Deputy Chief Dean Myles has submitted his retirement paperwork effective March 7, 2016. Deputy Chief Myles was hired on January 2, 1989. Salary at the time of retirement is \$115,440.00. His benefits were calculated at \$77,922.00 (67.50% of \$115,440.00). Deputy Chief Myles served for 27 years, 2 months and 5 days with the Itasca Police Department.

A motion was made by Mr. Ivers to approve this recommendation and was seconded by Mr. Walker. MOTION PASSED by unanimous voice vote.

C. Contacted Richard Reimer regarding guardianship for Dean Myles' daughter. Mr. Reimer will look over the paperwork and advise the board.

D. Proposal from McBeath, Fates and Ivers for continued accounting of the Itasca Police Pension Fund. Due to absence of Mr. Fates, this issue has been tabled until next meeting.

A motion was made by Mr. Walker to approve this recommendation and was seconded by Mr. Webster. Mr. Ivers abstained. MOTION PASSED by unanimous voice vote.

8. Old Business

- A. Mr. Ivers has been re-appointed to the Itasca Police Pension Fund. The vacant spot has yet to be filled.

9. Bills and Disbursements

- A. McBeath, Fates, & Ivers, P.C. \$2,175.00 (11-30-15), \$850.00 (12-31-15), \$1,865.00 (1-31-16). Total \$ 4,890.00.

A motion was made to approve this payment by Mr. Walker and was seconded by Mr. Webster. Mr. Ivers abstained. MOTION PASSED by unanimous voice vote.

- B. IPPFA 2016 annual membership dues \$795.00

A motion was made to approve this payment by Mr. Ivers and was seconded by Mr. Webster. MOTION PASSED by unanimous voice vote.

- C. Minutes for December 1, 2015 meeting. \$100.00 to Cindy Sliwinski.

A motion was made to approve this payment by Mr. Ivers and was seconded by Mr. Walker. MOTION PASSED by unanimous voice vote.

- D. David Hancock medical expenses, \$270.20 medical bill and \$34.00 for parking. Total \$304.20

A motion was made to approve this payment by Mr. Webster and was seconded by Mr. Walker. MOTION PASSED by unanimous voice vote.

- E. 2015 pension conference expenses. Rooms \$810.32 and meals \$243.69. Total \$1054.01.

A motion was made to approve this payment by Mr. Ivers and was seconded by Mr. Webster. MOTION PASSED by unanimous voice vote.

10. Adjournment

A motion was made to adjourn the Itasca Police Pension Fund Board Meeting at 6:10 pm.

Motion was made to approve by Mr. Ivers and was seconded by Mr. Walker. MOTION PASSED by unanimous voice vote.

President _____

Timothy Mace

Secretary _____

William Webster

Minutes by Cindy Sliwinski