

ITASCA POLICE PENSION FUND

540 W. Irving Park Road, Itasca, Illinois

Timothy Mace
President

Michael Walker
Vice President

William Webster
Secretary

William Kolf
Trustee

Dino Gavanese
Trustee

MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE ITASCA POLICE PENSION FUND

A regular meeting of the Board of Trustees of the Itasca Police Pension Fund was held on Tuesday, March 6, 2018 at 5:30 p.m. at the Itasca Police Department Conference Room, 540 W. Irving Park Road, Itasca, Illinois, for the purposes of conducting regular business, pursuant to notice.

CALL TO ORDER: Trustee Mace called the meeting to order at 5:35 p.m.

ROLL CALL:

PRESENT: Trustees Timothy Mace, Michael Walker, William Kolf, Dino Gavanese, and William Webster

ABSENT: None

ALSO PRESENT: Robert Vaughan, UBS Investment; Michelle Hawkins, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There were no public comments.

APPROVAL OF MEETING MINUTES: *Regular Meeting Minutes – December 5, 2017, Special Meeting Minutes – January 23, 2018:* The Board reviewed the minutes from the regular meeting of December 5, 2017 and special meeting of January 23, 2018. A motion was made by Trustee Kolf and seconded by Trustee Gavanese to approve the December 5, 2017 regular meeting minutes and January 23, 2018 special meeting minutes as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Meeting Minutes: The Board discussed the current closed session minutes and will not release them at this time due to pending matters.

INVESTMENT REPORT – UBS INVESTMENT: *Quarterly Investment Report:* Robert Vaughan from UBS Investment presented the Board with the Quarterly Investment Report. As of December 31, 2017, the total fund value was \$16,254,348 with a performance return for the quarter of 3.13%. The asset allocation is as follows: 30.90% Core Fixed Income, 1.94% Cash, 43.35% Core Equity, 3.99% Fi Diversifiers, 14.93% Equity Diversifiers, and 4.89% Alternative. Robert Vaughan reviewed the Investment Performance Summary of the managers for the last three, five, and seven years and briefly discussed the performance of each fund. All questions were answered by Robert Vaughan.

The Board discussed rebalancing the portfolio. A motion was made by Trustee Kolf and seconded by Trustee Webster to sell Stonebridge Advisors Preferred and to take \$50,000 from Wells Fargo Absolute Return to cover pension benefit payments, and distribute the excess funds as follows, \$122,000 into Invesco-Equally Weighted S&P 500, \$140,000 into SPDR S&P 500, \$120,000 into Vanguard Extended Mkts ETF, \$100,000 into International Developed Equity, \$120,000 into the two Emerging Market Funds, based on the recommendation of UBS Investment. Motion carried by roll call vote.

AYES: Trustees Mace, Walker, Webster, Gavanese, and Kolf

NAYS: None

ABSENT: None

Review/Update Investment Policy, if needed: The Board discussed the current Investment Policy and determined no changes are needed at this time.

ACCOUNTANT’S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report*
Lauterbach & Amen presented the Monthly Financial Report for the period ending January 31, 2018. The plan net assets held in trust for pension benefits is \$16,437,138.42 with a net change in position for the nine-month period of \$1,368,151.66. The Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, and Payroll Journal were reviewed with the Board. A motion was made by Trustee Gavanis and seconded by Trustee Kolf to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

Presentation and Approval of Bills: The Board reviewed the Vendor Check Report for the period 11/01/2017 through 01/31/2018 in the amount of \$124,685.02. A motion was made by Trustee Webster and seconded by Trustee Walker to approve the disbursements shown on the Vendor Check Report in the amount of \$124,685.02. Motion carried by roll call vote.

AYES: Trustees Mace, Walker, Webster, Gavanis, and Kolf

NAYS: None

ABSENT: None

COMMUNICATIONS AND REPORTS: *Statements of Economic Interest:* The Board noted that the List of Filers was due to the County by the Village by February 1, 2018. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2018.

2018 IRS Mileage Rate: The Board noted that the IRS standard business mileage rate used for reimbursement increased to \$0.545 per mile effective January 1, 2018.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE PENSION FUND: There were no application for membership or withdrawals from the fund at this time.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: There were no applications for retirement or disability benefits at this time.

OLD BUSINESS: There was no old business at this time.

NEW BUSINESS: *Discussion/Possible Action – Tortoise Credit Strategies:* The Board noted that Tortoise Credit Strategies was acquired by Lovell Minnick. The Board President signed a new investment management agreement and noted that no further action is needed.

Approve Annual Cost of Living Adjustments (COLAs) for Pensioners: The Board reviewed the 2018 Cost of Living Adjustments (see attached) as calculated by L&A. A motion was made by Trustee Walker and seconded by Trustee Gavanis to approve the 2018 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Mace, Walker, Webster, Gavanis, and Kolf

NAYS: None

ABSENT: None

Review Trustee Term Expirations and Election Procedures: The Board noted that the active member terms currently held by Trustees Mace and Walker and the retired member term currently held by Trustee Webster are expiring in April 2018. Trustee Mace expressed his wish to remain on the Board if

nominated. L&A will conduct an election on behalf of the Pension Fund for the Active Member Trustee positions and the retired member Trustee position.

ATTORNEY’S REPORT: There was no Attorney’s report presented.

TRUSTEE TRAINING UPDATES: The Board reviewed the Trustee Training Summary and list of upcoming training opportunities. Trustees were reminded to submit all certificates of completion to L&A for recordkeeping.

Trustee Tim Mace left the meeting at 6:05 p.m.

CLOSED SESSION, IF NEEDED: There was no need for closed session at this time.

ADJOURNMENT: A motion was made by Trustee Gavanis and seconded by Trustee Kolf to adjourn the meeting at 6:05 p.m. Motion carried unanimously by voice vote.

The next scheduled Board meeting will be held on Tuesday, June 5, 2018 at 5:30 p.m.

Respectfully submitted,

Timothy Mace, President

Minutes prepared by Michelle Hawkins, Pension Services Administrator