

ITASCA POLICE PENSION FUND

540 W. Irving Park Road, Itasca, Illinois 60143

Anders Langlo
President

William Kolf
Vice President

Dan Kaltenbach
Secretary

Matthew Ruehl
Trustee

Eric Pan
Assist. Secretary

MINUTES OF A REGULAR MEETING OF THE ITASCA POLICE PENSION FUND BOARD OF TRUSTEES SEPTEMBER 1, 2020

A regular meeting of the Itasca Police Pension Fund Board of Trustees was held via videoconference in accordance with Public Act 101-0604 on Tuesday, September 1, 2020 at 5:00 p.m. pursuant to notice.

CALL TO ORDER: Trustee Langlo called the meeting to order at 5:02 p.m.

ROLL CALL:

PRESENT: Trustees Anders Langlo, Dan Kaltenbach, Eric Pan, Matthew Ruehl and William Kolf

ABSENT: None

ALSO PRESENT: Jon Willhite, UBS Investment; Michelle Rice, Lauterbach & Amen, LLP (L&A); Greg Kiesewetter, Cook Castle Associates, LLC

PUBLIC COMMENT: There were no public comments.

APPROVAL OF MEETING MINUTES: *June 2, 2020 Regular Meeting:* The Board reviewed the June 2, 2020 regular meeting minutes. A motion was made by Trustee Kolf and seconded by Trustee Kaltenbach to approve the June 2, 2020 regular meeting minutes as written. Motion carried by roll call vote.

AYES: Trustees Langlo, Kaltenbach, Pan, Ruehl and Kolf

NAYS: None

ABSENT: None

Semi-Annual Review of Closed Session Meeting Minutes: There were no closed session meeting minutes for review.

INVESTMENT REPORT – UBS INVESTMENT: *Review/Update Investment Policy, if needed:* Jon Willhite presented an updated investment policy prepared by UBS Investment. The Board reviewed and discussed the amended policy, which has been updated to include language regarding sustainability consistent with Public Act 101-0473. A motion was made by Trustee Kolf and seconded by Trustee Ruehl to adopt and execute the updated investment policy as presented and to direct L&A to file the investment policy with the Illinois Department of Insurance within 30 days of execution. Motion carried by roll call vote.

AYES: Trustees Langlo, Kaltenbach, Pan, Ruehl and Kolf

NAYS: None

ABSENT: None

Quarterly Investment Report: Jon Willhite presented the Board with the Quarterly Investment Report. As of June 30, 2020, the total fund value was \$17,222,166.85 with a performance return for the quarter of 12.74%. The asset allocation is as follows: Core Equity at 42.6%, Core Fixed Income at 33.3%, Equity Diversifiers at 11.2%, Cash at 4.6%, Alternative at 4.5% and FI Diversifiers at 3.8%. Jon Willhite reviewed the Investment Performance Summary of the managers for the last three, five, and seven years and briefly discussed the performance of each fund.

The Board discussed adjusting the asset allocations as follows: decrease the target for MLPs from 4% to 0%; increase the target for Total Domestic Large Cap from 12% to 14% and the max from 15% to 20%; and increase the target for Total Domestic Small/Mid Cap from 10% to 12%. A motion was made by Trustee Kolf and seconded by Trustee Langlo to adjust the asset allocations as discussed, based on the recommendation of UBS Investment. Motion carried by roll call vote.

AYES: Trustees Langlo, Kaltenbach, Pan, Ruehl and Kolf
NAYS: None
ABSENT: None

The Board discussed terminating First Trust EMLP and reallocating the proceeds of approximately \$564,000 as follows: \$200,000 to Vanguard S&P 500 (VOO); \$200,000 to Vanguard Extended Markets (VXF); and \$164,000 to MFS International. A motion was made by Trustee Kolf and seconded by Trustee Kaltenbach to terminate First Trust EMLP and reallocate the proceeds as discussed. Motion carried by roll call vote.

AYES: Trustees Langlo, Kaltenbach, Pan, Ruehl and Kolf
NAYS: None
ABSENT: None

The Board discussed the cash surplus in the UBS money market account. A motion was made by Trustee Kolf and seconded by Trustee Langlo to transfer \$250,000 from the UBS money market account and reallocate the proceeds as follows: \$150,000 to American Funds New World and \$100,000 to American Funds Euro-Pacific. Motion carried by roll call vote.

AYES: Trustees Langlo, Kaltenbach, Pan, Ruehl and Kolf
NAYS: None
ABSENT: None

ACCOUNTANT’S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the three-month period ending July 31, 2020 prepared by L&A. As of July 31, 2020, the net position held in trust for pension benefits is \$17,812,993.51 for a change in position of \$2,098,245.74. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal and the Vendor Check Report for the period May 1, 2020 through July 31, 2020 for total disbursements of \$140,151.80. A motion was made by Trustee Kolf and seconded by Trustee Langlo to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$140,151.80. Motion carried by roll call vote.

AYES: Trustees Langlo, Kaltenbach, Pan, Ruehl and Kolf
NAYS: None
ABSENT: None

Additional Bills, if any: There were no additional bills presented for approval.

COMMUNICATIONS AND REPORTS: *Affidavits of Continued Eligibility:* The Board noted that L&A mailed Affidavits of Continued Eligibility to all pensioners with the June payroll cycle with a due date of July 31, 2020. To date, one affidavit remains outstanding. L&A mailed a second request affidavit to the outstanding pensioner and status updates will be provided to the Board as they become available.

Active Member File Maintenance: The Board noted that L&A will prepare Active Member File Maintenance letters for distribution to all active members requesting any additional pension file documents.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: There were no applications for membership or withdrawals from the Fund.

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

OLD BUSINESS: *Appointed Member Term Expiration – William Kolf:* The Board noted that Trustee Kolf will remain as one of the appointed members on the Itasca Police Pension Fund Board of Trustees until he resigns or is reappointed by the Mayor. No further action is needed.

NEW BUSINESS: *Fiduciary Liability Insurance Renewal:* The Board reviewed the fiduciary liability insurance renewal provided by Hudson Insurance through Cook Castle Associates, LLC. A motion was made by Trustee Kolf and seconded by Trustee Langlo to approve the fiduciary liability insurance renewal in the amount of \$6,705 for the period October 1, 2020 through October 1, 2021. Motion carried by roll call vote.

AYES: Trustees Langlo, Kaltenbach, Pan, Ruehl and Kolf
NAYS: None
ABSENT: None

Status of Actuarial Valuation: The Board noted that the Actuarial Valuation is currently in process and the final report will be available for review at the next regular meeting.

Board Officer Elections – President, Vice President, Secretary and Assistant Secretary: The Board discussed Board Officer Elections and nominated the following slate of Officers: Trustee Langlo as President, Trustee Kolf as Vice President, Trustee Kaltenbach as Secretary and Trustee Pan as Assistant Secretary. A motion was made by Trustee Kolf and seconded by Trustee Kaltenbach to elect the slate of Officers as stated. Motion carried by roll call vote.

AYES: Trustees Langlo, Kaltenbach, Pan, Ruehl and Kolf
NAYS: None
ABSENT: None

FOIA Officer and OMA Designee: The Board discussed maintaining Trustee Langlo as the FOIA Officer and OMA Designee. A motion was made by Trustee Kolf and seconded by Trustee Kaltenbach to maintain the FOIA Officer and OMA Designee as stated. Motion carried by roll call vote.

AYES: Trustees Langlo, Kaltenbach, Pan, Ruehl and Kolf
NAYS: None
ABSENT: None

IDOI Annual Statement: The Board noted that the IDOI Annual Statement is currently in process and the final report will be sent to the Board for review upon completion.

ATTORNEY’S REPORT – REIMER & DOBROVOLNY PC: *Legal Updates:* The Board was provided the *Legal and Legislative Update* quarterly newsletter prepared by Reimer & Dobrovoly PC.

TRUSTEE TRAINING UPDATES: The Board discussed upcoming training opportunities. Trustees were reminded to submit all certificates of completion to L&A for recordkeeping.

Approval of Trustee Training Registration Fees and Reimbursable Expenses: The Board discussed the training requirement for 2020. A motion was made by Trustee Kolf and seconded by Trustee Langlo to approve reimbursable expenses for trustees to complete their required annual training. Motion carried by roll call vote.

AYES: Trustees Langlo, Kaltenbach, Pan, Ruehl and Kolf
NAYS: None
ABSENT: None

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

ADJOURNMENT: A motion was made by Trustee Kolf and seconded by Trustee Langlo to adjourn the meeting at 5:57 p.m. Motion carried by roll call vote.

AYES: Trustees Langlo, Kaltenbach, Pan, Ruehl and Kolf

NAYS: None

ABSENT: None

The next regular meeting is scheduled for December 1, 2020 at 5:00 p.m.

Board President or Secretary

Minutes approved by the Board of Trustees on _____

Minutes prepared by Michelle Rice, Pension Services Administrator, Lauterbach & Amen, LLP