



WEST CHICAGO FIRE PROTECTION DISTRICT

Pension Board

200 Fremont Street, West Chicago, Illinois 60185 (630) 231-2123 Fax (630) 231-2122

Minutes of the Regular Meeting
of the West Chicago Fire Protection Districts'
Pension Fund Board held on January 15, 2018
at 200 Fremont St, West Chicago, IL

The meeting was called to order at 9:00 a.m. by Acting President Justin Ukleja.

Roll call showed Trustee Charles Bratcher, Trustee Bob Hodge, Trustee Pat Murphy and Trustee Justin Ukleja present. Also present was Accountant Ed McCormick from Mueller/CPA, Bill Yocius from Mitchell, Vaught & Taylor, Administrative Assistant Joy Edminson, Larry DeBord from DeBord Asset Consulting, LLC, Chief Patrick Tanner and Assistant Chief Tim Leidig. Trustee Andy Maxwell was absent.

Trustee Ukleja asked for a moment of silence to honor Martin Luther King Jr.
Trustee Ukleja congratulated Andy Maxwell on the birth of his daughter.

Minutes of the Regular Meeting held on October 16, 2017 were reviewed. Trustee Murphy made a motion to accept minutes as written; the motion was seconded by Trustee Bratcher; Motion passed 4 Ayes 0 Nays.

OLD BUSINESS:

Accounting Report: Ed McCormick from accounting firm of Mueller CPA presented the Financial Activity Summary for the six (6) months ending November 30, 2017. Total Income for June 1, 2017 through November 30, 2017 was \$1,934,245.84; Total Expenses for June 1, 2017 through November 30, 2017 were \$824,214.05 and the Total Net Income June 1, 2017 through November 30, 2017 was \$1,110,031.79 and Net Assets as of November 30, 2017 were \$32,767,313.19. Hard Copy included. No questions on report.

Investment Report: Bill Yocius from Mitchell, Vaught & Taylor, Inc. (MVT) presented the Investment Report. Hard copy included. Yocius' report included the following:

1. Quarterly Report (4th Quarter 2017, as of December 31, 2017):
 - Asset Allocation – Total Pension Fund \$33,570,215
 - a. Discussion on Targets for Asset Allocations 40/60 or 35/65.
Board agreed to Target of 35%/65% (Fixed/Equity).

Cary Collins joined meeting at 9:07 am.

- b. Discussion on Ratio of Domestic/International Equities. Board agreed on Ration of 3/1 (Domestic/International). Current is Domestic 50.3% and International 15.4%.
 - c. Discussion on Actuarial Rate of Return and it's affect on the Fund and on the Tax Levy
- Executive Summary - Portfolio Strengths, Weaknesses and Strategies
 - a. Quarterly Net Investment gain was \$1,216,030
 - b. Discussion on Bonds
 - c. MVT's recommendation for the fixed income blended index is 75% Russell 3000 and 25% MSCI All World xUSA index.
- Equities vs. Target (Attribution Detail 10//17-12/31/17)
 - a. Discussion on REIT Funds and PEG Ratios

Motion made by Trustee Ukleja to liquidate REIT Funds and allocate to Dividend Fund, motion seconded by Trustee Bratcher. Roll Call showed:

Trustee Ukleja - Aye	Trustee Bratcher - Aye
Trustee Hodge - Aye	Trustee Murphy - Aye

Motion Passed 4-0.

Motion made by Trustee Bratcher to open account with Mitchell, Vaught and Taylor for Large Cap Dividend Strategy, motion seconded by Trustee Murphy. Roll Call showed:

Trustee Bratcher - Aye	Trustee Murphy - Aye
Trustee Hodge - Aye	Trustee Ukleja - Aye

Motion Passed 4-0.

- Portfolio Statement (Breakdown of Funds)

Motion to ratify the Purchases and Sales of Investments for September 30, 2017 to December 31, 2017 as presented by Mitchell, Vaught & Taylor, Inc. was made by Trustee Ukleja and seconded by Trustee Murphy. Roll Call showed:

Trustee Ukleja - Aye	Trustee Murphy - Aye
Trustee Hodge - Aye	Trustee Bratcher - Aye

Motion Passed 4-0.

Investment Committee Report: No report.

IDOI Annual Report FYE May 31, 2017: Accountant Ed McCormick shared that the IDOI Report for May 31, 2017 has been filed and accepted by IDOI. Hard copy included.

Motion made by Trustee Bratcher to ratify the filing of the Annual IDOI Report FYE May 31, 2017, motion seconded by Trustee Hodge. Roll Call showed:

Trustee Bratcher - Aye
Trustee Murphy - Aye

Trustee Hodge - Aye
Trustee Ukleja - Aye

Motion Passed 4-0.

Annual Actuarial Valuation Report: The Board was presented a final copy of the Annual Actuarial Report compiled by Tim Sharpe Actuary as well as an Actuarial Valuation Report from the Illinois Department of Insurance. Hard copy included.

Sharpe's report included the following highlights:

- Investment return 9.98%
- Annual payroll increase: 1.9%, average increase 3.8%
- New members - 2, Terminations – 0, Retirements – 2, Incidents of Disability – 0
- Percent funded increased from 84.6% last year to 86.1%
- Tax Levy decreased from \$1,000,727 last year to \$970,734 (3.0%)

The IDOI Actuarial Valuation Report shows a funded ration of 87% for WCFPD Pension. Hard copy included.

Motion to approve Actuarial as of June 1, 2017 by Tim Sharpe as well as the IDOI Actuarial was made by Trustee Ukleja and seconded by Trustee Murphy.

Trustee Ukleja - Aye
Trustee Hodge - Aye

Trustee Murphy - Aye
Trustee Bratcher - Aye

Motion Passed 4-0.

Annual Financial Audit FYE May 31, 2017: The Annual Independent Financial Audit FYE May 31, 2017 completed by Lauterbach & Amen was reviewed. Ed McCormick shared that there were no problems reported. The Report shows a Funded Ratio of 83.77% FYE 5/31/2017.

Motion to approve the Annual Report FYE May 31, 2017 completed by Lauterbach & Amen was made by Trustee Bratcher and seconded by Trustee Ukleja.

Trustee Bratcher - Aye
Trustee Murphy - Aye

Trustee Ukleja - Aye
Trustee Hodge - Aye

Motion Passed 4-0.

Discussion had on Required Supplementary Information – “Management Discussion” being included in future independent audits. Attorney Collins and Accountant McCormick explained. Ed McCormick will put together a letter of information FYE May 31, 2018 with the help of input from the Pension Board.

There was a question from Trustee Bratcher regarding the District's payment of Tax Levy dollars to the Pension Fund as shown on page 16 of the Annual Financial Report. Report shows a deficit of \$117,110. Trustee Bratcher will contact the District's Accountant, James Howard, to see if he can answer this question for the Board.

Review/Approve Investment Policy: Mitchell, Vaught & Taylor (MVT) provided a proposed Investment Policy to Attorney Cary Collins. Collins will email the proposed Policy to the Pension Board for review. Policy will be presented at the April 2018 meeting for the Board's approval.

Trustee Trainings: Attorney Collins shared upcoming Training hours available May 16, 17 and 18th in Rock Island. Training will also be made available to take online for a fee.

New Business:

2017 IDOI Biennial Report: The Board received an abbreviated version of the 2017 Illinois Department of Insurance Biennial Report for 2015-2016 for their review.

Review/Approve Rules and Regulations: Pension Board was provided a copy of the current approved Rules and Regulations for the Fund. Trustee Bratcher pointed out an error on page 7, Section 2.04, # 2c. Corrected version should read: Two (2) individuals appointed by the President of the Fire Protection District.

Trustee Hodge made a motion to approve and execute the Rules and Regulations as reviewed with the following changes on page 7, Section 2.04, #2c: "Two (2) individuals appointed by the President of the Fire Protection District", seconded by Trustee Bratcher. Roll call vote showed:

Trustee Hodge - Aye
Trustee Ukleja - Aye

Trustee Bratcher - Aye
Trustee Murphy - Aye

Motion Passed 4 – 0

Upcoming Elections: The Election Nomination Forms will be posted at all stations by February 9, 2018 for the election of one (1) active member seat to serve a term of three (3) years beginning April 2018. The Election will be held on Friday, April 13, 2018 from 8:00 am – 4:00 pm at Station #6, 200 Fremont Street, West Chicago.

Letters & Bills:

Ratify Bills Paid:

Hard copy of Report on Pension Fund Bills Paid Out included with minutes. Report shows checks written in-house for \$65,411.46 with a balance in checking account of \$18,708.90 as of January 15, 2018.

Motion to ratify the payment of bills paid by the Pension Fund Checking Account for total of \$65,411.46 was made by Trustee Hodge and seconded by Trustee Murphy. Roll Call showed:

Trustee Hodge - Aye
Trustee Bratcher - Aye

Trustee Murphy - Aye
Trustee Ukleja - Aye

Motion Passed 4-0.

Outstanding Bills:

A motion was made by Trustee Hodge to pay the Invoice received from Collins & Radja for \$3,300.00 for 2018 Retainer, seconded by Trustee Bratcher.

Roll call vote showed:

Trustee Hodge - Aye
Trustee Ukleja - Aye

Trustee Bratcher - Aye
Trustee Murphy - Aye

Motion Passed 4 – 0

Correspondences: A copy of the November 1, 2017 Siren regarding additional instruction for completing the investment schedules under Section 1A-109 of the Illinois Pension Code was handed out. Also handed out a copy of the November 1, 2017 Siren regarding the annual salary limitation and annual increase to the monthly pension or new hires on or after January 1, 2011.

Attorney Report: Attorney Collins shared that his office is working on a Question & Answer book for Pension Fund's. Collins also shared that attorney Steve Calcaterra will be joining the Collins Radja Firm.

Release of Executive (Closed) Sessions:

Nothing released.

Open to Public Comments:

No comments.

Miscellaneous:

Trustee Ukleja explained to the Board an incident with his Charles Schwab account online. Ukleja sees both his personal account with Charles Schwab as well as the WCFPD Pension Fund's account when he logs into his account online. A few weeks ago Ukleja tried to make a trade in his account but there was a "Hold" on it. After speaking with Charles Schwab he was informed that they tried to put money from his personal account into the Pension Fund's account. He is questioning how this could happen.

The Board recognized Chief Patrick Tanner to speak. Chief Tanner shared that as a member of the Pension Fund, he finds this completely unacceptable and believes that Charles Schwab needs to give an explanation.

The Board is requesting that a Special meeting be scheduled for a Charles Schwab representative to come in to give an explanation. Bill Yocius of Mitchell, Vaught & Taylor will contact Charles Schwab to set up a meeting as soon as possible.

Possible Closed Executive Session:

There was no need to go into closed session.

Possible Action on Closed Session:

No Actions taken.

Next regular meeting:

The next meeting will be held on Monday, April 16, 2018 at 9:00 a.m. at Station #6, 200 Fremont Street, West Chicago, IL.

Trustee Hodge a made a motion to adjourn, seconded by Trustee Bratcher.

Meeting Adjourned at 11:00 a.m.

Respectfully submitted;



Justin Ukleja
Pension Fund Secretary