The meeting was called to order at 9:00 a.m. by President Andy Maxwell.

Roll call showed Trustee Charles Bratcher, Trustee Bob Hodge, Trustee Andy Maxwell, Trustee Pat Murphy and Trustee Justin Ukleja present. Also present were Financial Advisor John Cahill from Edward Jones, Accountant Ed McCormick from MPS and the Pension Fund’s Administrative Assistant, Joy Edkinson.

Charles Bratcher is the newly appointed Pension Fund Trustee appointed by the WCFPD Board of Trustees President.

Minutes of the Regular Meeting held on October 17, 2016 were reviewed. Trustee Hodge made a motion to accept minutes as written; the motion was seconded by Trustee Ukleja; motion passed 5 Ayes 0 nays.

OLD BUSINESS:

Accounting Report: Ed McCormick from accounting firm of Mulcahy, Pauritsch, Salvador & Co., Ltd. (MPS) presented the Financial Activity Summary for the six months ended November 30, 2016 for year ended 5/31/17. Total Income for November 2016 was $716,025 and the total Net Income for November 2016 was $584,414. Net Assets at the end of November 30, 2016 were $30,689.616 and the year to date Net Assets were $30,589.616. No questions at this time on report.

Investment Report: John Cahill from Edward Jones Company presented the newly revised Portfolio Analysis Report showing the Balanced Growth and Income. The Portfolio total as of January 15, 2017 was $31,131,446 – Total Fixed Income at $13,226,272 and Total Equity at $17,905,173. Hard copy included with minutes. Cahill shared that the changes from past reports can be found beginning on page nine, where information on “How Investments Performed” is no longer included.

Attorney Cary Collins joined the meeting at 9:05 a.m.
Ratification of phone transactions and trades: Zero (0) purchased and Five (5) sold.

12/15/16 (Sold) INV SM Val $400,000
12/15/16 (Sold) INV EQ&IN $400,000
12/15/16 (Sold) Comstock $300,000
12/15/16 (Sold) GFA $200,000
12/15/16 (Sold) VAL OPSS $100,000

Motion made by Trustee Hodge to ratify the five (5) phone sales for a total of $1,400,000, the motion was seconded by Trustee Murphy: Roll call vote showed:

Trustee Hodge – Aye  Trustee Murphy - Aye  Trustee Bratcher - Aye
Trustee Ukleja – Aye  Trustee Maxwell - Aye

Motion Passed 5 – 0

IDOI Report (FYE 5/31/16): The IDOI Annual Report has been completed and accepted by the Illinois Department of Insurance. Hard copy of Report handed out to the Board and is included with minutes.

Annual Actuarial Report: Ed McCormick highlighted some of the results of the finalized Actuarial Report completed by Timothy Sharpe, Actuary. Hard copy of Report was handed out to the Board and is included with minutes.

Annual Financial Report (FYE 5/31/16): The Annual Audit FYE May 31, 2016 is completed. Report was prepared by Lauterbach & Amen, LLP. Hard copy of Report was handed out to the Board and is included with minutes.

Trustee Bratcher had questions regarding the findings and the fluctuations of the Funded percentage in the three reports. Attorney Collins and Accountant McCormick explained that the previous reports were using old “Mortality Rates” from the 1970’s and have now switched over to the new “Mortality Rates” per the GASB Rules. They also explained how the results depend on what asset value base is used and the position of the Market at the time of each audit.

Portability for Christopher Fennell from Brookfield Fire Department: Attorney Cary Collins sent a letter to Brookfield Fire Department on April 20, 2016, neither Collins nor the Fund, have heard anything back from Brookfield as yet. Collins will follow up with Brookfield Fire Department with another letter.

Edward Jones – Flat Rate for Pensioners Taxes: Edward Jones responded to Admin Assistant, Joy Edinson, explaining that the pensioner’s requested flat rate withholding tax amount must be more than the “threshold amount” (Married with three allowances).
New Business:

**Local Government Expense Control Act:** Cary Collins explained the Public Act 099-0604 which requires local governments to have policies in place to control expenses for travel. Copies of the WCFPD Resolution 2016-R-10, a resolution adopting the local government travel expense control act policy for WCFPD was handed out for review. Cary Collins also had a draft copy prepared by his office. Collins recommended that the Board review for April’s meeting for the policy to be added to the Pension’s Rules and Regulations and Investment Policies. Collins also handed out a draft copy of Record Retention for the Board to review for April’s meeting.

**Approval of Revised Rules and Regulations:** Tabled until the April meeting.

**Approval of Revised Investment Policy:** Tabled until the April meeting.

Discussion was had on having the Investment Policy state that the goal is to meet the Market not to exceed it. Cary Collins recommended that an Investment Committee be formed with two trustees on the committee, either appointed or volunteer. President Maxwell appointed Trustee Ukleja and Trustee Murphy to the Investment Committee with Trustee Ukleja as the chairman. The committee will set up a meeting with Cary Collins in the near future.

John Cahill from Edward Jones Trust Company spoke about the Department of Labor’s Regulations and how they will affect the Fund. Cahill referred to the letter from Edward Jones dated December 15, 2016. The letter states that as a Non-ERISA plan that is participant-directed, the Fund will need to be moved to an approved plan service provider. Edward Jones Trust Company is currently the custodian of the Trusts money. There was discussion on Liability, on Asset/Investment Managers vs. Fiduciaries vs. Broker Dealers vs. Third-Party Custodians vs. Separate Account Managers. Discussion had on giving away discretion vs. keeping discretion. Attorney Collins explained state statutes. John Cahill stated that Edward Jones Trust company must comply with the Department of Labor Rules that take effect April 2017. There was discussion on finding a Third-Party Custodian along with keeping John Cahill as the Fund’s Broker. Attorney Collins disagrees with putting investments in “Firm Name”.

There was also discussion on Edward Jones stopping their payroll services in the near future and options of replacing them. Cahill has been assured by Edward Jones that it will be a smooth transition to whomever replaces them for pension payroll.

Attorney Collins recommends RFP’s for due diligence.

**Municipal Compliance Disclosure Report FYE May 31, 2016:** Ed McCormick of MPS prepared the Municipal Compliance Report for the Fiscal Year ended May 31, 2016 for the Pension Fund. Report was approved, signed and will be given to the WCFPD Board of Trustees.

**Pension Board’s Liability Insurance Renewal:** The Board’s Liability Insurance is coming up for renewal in April.
Upcoming April Elections: The Retired/Disability Seat is coming up for re-election in April. Trustee Bob Hodge agreed to run if no one else is interested. The Admin Assistant will get letters out to the retirees regarding the election.

Upcoming Trainings: Attorney Collins reminded the Board that new Trustees need 32 hours of Certified training in their first year on the Board and 16 hours each year after.

Edward Jones December 15, 2016 Letter: Letter was addressed above.

Letters & Bills:

Ratify Bills Paid:


Motion to ratify the payment of twelve (12) bills paid by the Pension Fund Checking Account for $12,011.50 was made by Trustee Ukleja and seconded by Trustee Murphy. Roll Call showed:

Trustee Ukleja – Aye
Trustee Hodge – Aye
Trustee Murphy - Aye
Trustee Maxwell - Aye
Trustee Bratcher - Aye

Motion Passed 5 – 0

Outstanding Bills: None at this time.

Approval to transfer cash to checking account: A motion was made by Trustee Ukleja to transfer $40,000.00 (Forty-Thousand Dollars) from the Pension Fund’s Edward Jones account to the in house Pension Checking Account, seconded by Trustee Murphy. Roll call vote showed:

Trustee Ukleja - Aye
Trustee Hodge - Aye
Trustee Murphy - Aye
Trustee Maxwell – Aye
Trustee Bratcher - Aye

Motion Passed 5 – 0

Letters: A copy of the November 1, 2016 “The Siren” was handed out regarding the Annual Salary Limitation and Annual Increase to the Monthly Pension for New Hires on or after January1, 2011.

Attorney Report: Attorney Collins had nothing further at this time.
Release of Executive (Closed) Sessions:
Nothing at this time.

Open to Public Comments:
No comments at this time.

Miscellaneous:
Nothing at this time.

Possible Closed Executive Session:
There was no need to go into closed session.

Possible Action on Closed Session:
No Action at this time. Nothing to release at this time.

Next regular meeting:
The next meeting will be held on Monday, April 17th at 9:00 a.m. at Station #6, 200 Fremont Street, West Chicago, IL.

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

Meeting Adjourned at 10:51 a.m.

Respectfully submitted;

Justin Ukleja
Pension Fund Secretary