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 was Bill Yocius and Dave Vaught from Mitchell, Vaught & Taylor, Greg Kieswetter from Cook Castle Assoc., Kelly Smith from Charles Schwab and Administrative Assistant Joy Edminson.

Minutes of the Regular Meeting held on January 15, 2018 were reviewed. Trustee Murphy made a motion to accept minutes as written; the motion was seconded by Trustee Bratcher; Motion passed 5 Ayes 0 Nays.

OLD BUSINESS:


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 1st Quarter 2018 (as of March 31, 2018):
   • Asset Allocation – Total Pension Fund $33,287,602
     a. Fixed $11,384,606 - 34.2%
     b. Equity Domestic $16,704,591 – 50.2%
     c. Equity International $5,198,405 – 15.6%
   • Executive Summary - Portfolio Strengths, Weaknesses and Strategies
     a. Quarterly Net Investment gain since 09/30/2017- $949,320

Attorney Cary Collins joined meeting at 9:11 am.

• Equities vs. Target (Attribution Detail 1/1/18-05/31/18)
• Fixed Income Summaries
• Discussion on short term vs. long term and interest rates
• Portfolio Statement (Breakdown of Funds)
Accountant Ed McCormick from Mueller/CPA joined the meeting at 9:13 a.m.

Dave Vaught of MVT shared thoughts on Dividend Portfolios and International Emerging Markets

Trustee Maxwell questioned MVT on a Brighthouse Life Insurance Company Annuity left in the Edward Jones account for $277,170. MVT stated that the Annuity has been surrendered and the check was deposited into the Pension Fund’s Charles Schwab account.

Trustee Maxwell questioned MVT on the incorrect Withholding Tax paid out for the January 2018 Tax payment to IRS. Joy Edminson informed Emily from MVT the beginning of February and Emily adjusted the overpayment amount of taxes paid in January, by deducting the overpayment on the February 2018 Tax payment to IRS.

Trustee Maxwell questioned MVT on late paystubs for the Retirees. Joy Edminson informed the Board that Emily from MVT resolved the issue and paystubs are now received by the payout date each month.

**Investment Committee Report:** Kelly Smith, Managing Director, Schwab Advisor Services, gave an explanation to the Board regarding the incident with Trustee Ukleja and his on-line Schwab account as discussed at the January 15, 2018 meeting. Smith explained that it was a communication mix-up. The hold on Ukleja’s account was put in place by the firm Pension as a precaution on Ukleja’s personal account and was not an attempt to transfer Ukleja’s personal funds into the Pension Fund account.

Kelly Smith explained the on-line Viewing Safety for Charles Schwab. A trustee must have access on the account and each account holder is recognized by social security numbers. A phone call to Charles Schwab would be needed to request accounts to not be linked together.

Smith explained the Charles Schwab policies and procedures regarding Fraud and Cyber Attacks. Smith will email the Policy and Procedures to MVT to then send to the Pension Board. MVT also explained their procedures for Fraud and Cyber Attacks.

Discussion was had between Kelly Smith and Attorney Cary Collins regarding the authority to trade. Charles Schwab is the Custodian of the Funds and MVT is the Fiduciary. Smith recommends that the Board set up a phone conference with Lauren at Charles Schwab to go through the Schwab account application line by line and to make any changes as needed. MVT will set this up.

**Accounting Report:** Ed McCormick presented the Financial Activity Summary for the ten (10) months ending March 31, 2018. Total Income for June 1, 2017 through March 31, 2018 was ($1,707,259.53); Total Expenses for June 1, 2017 through March 31, 2018 were $131,072.38 and the Total Net Income (Loss) June 1, 2017 through March 31, 2018 was ($1,838,331.91) and Net Assets as of March 31, 2018 were $31,666,962.50. Hard Copy included. No questions on report.
Annual Report-Tax Levy amount paid to Pension update: No report.

Review/Approve Investment Policy: Attorney Cary Collins did not have copies for the Board and will email the proposed Policy to the Pension Board for review. Approval will be tabled again until the July 2018 meeting. MVT explained what the Investment Policy covers.

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.

Election Certification: An election for an Active member seat was held April 13th, 2018. With eleven (11) active member ballots counted, Andy Maxwell was elected as Trustee for a three-year term ending April 2021. Ballots were verified and counted by Joy Edminson and witnessed by Chief Pat Tanner.

A motion was made by Trustee Murphy to certify the election of Andy Maxwell as Trustee for a three-year term ending April 2021, seconded by Trustee Bratcher.
Motion passed 5 Ayes 0 nays.

New Business:

Election of Officers: The Board held an election of Officers.
The floor was opened for nominations. Trustee Hodge made a motion to re-elect all current Officers, seconded by Trustee Bratcher. Floor opened nominations three times, no other nominations were made and the nominations were closed.

Motion to re-elect Trustee Andy Maxwell to the office of President, Trustee Justin Ukleja to the office of Secretary and Trustee Pat Murphy to the office of Treasurer was made by Trustee Hodge and seconded by Trustee Bratcher. Motion carried.
Trustee Andy Maxwell was elected as President by unanimity.
Trustee Justin Ukleja was elected as Secretary by unanimity.
Trustee Pat Murphy was elected as Treasurer by unanimity.

Fiduciary Liability Insurance for Pension Board: Greg Kiesewetter from Cook Castle & Assoc. reviewed the proposed renewal of the Pension Board’s Liability Insurance coverage. The premium for the proposed 2018/2019 policy will be $3,864.00 (the same as the 2017/2018 policy). Hard copy included with minutes.

Motion was made by Trustee Murphy to approve application and execute contract with Cook Castle & Assoc. to start May 1, 2018 with $1,000,000 Aggregate limit in coverage for each Pension Fund Trustee and the Pension Fund’s Administrative Assistant, and to pay the policy cost of $3,864.00, seconded by Trustee Ukleja. Roll call vote showed:

<table>
<thead>
<tr>
<th>Trustee Murphy</th>
<th>Trustee Ukleja</th>
<th>Trustee Hodge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aye</td>
<td>Aye</td>
<td>Aye</td>
</tr>
<tr>
<td>Trustee Bratcher</td>
<td>Aye</td>
<td>Trustee Maxwell</td>
</tr>
</tbody>
</table>
Motion Passed 5 - 0

**Form 5500, Schedule C:** The Board received a copy of the Form 5500, Schedule C from Charles Schwab for services provided during the period of January 1, 2017 – December 31, 2017. Accountant Ed McCormick informed the Board that there was no action needed.

**Letters & Bills:**

**Ratify Bills Paid:**


Motion to ratify the payment of bills paid by the Pension Fund Checking Account for total of $51,604.48 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
- Trustee Maxwell - Aye

Motion Passed 5-0.

**Outstanding Bills:**

A motion was made by Trustee Murphy to pay the Invoice for the Compliance Fee when received (2017’s Compliance fee was $5,855.87), seconded by Trustee Bratcher.

Roll call vote showed:

- Trustee Murphy - Aye
- Trustee Bratcher - Aye
- Trustee Ukleja - Aye
- Trustee Maxwell - Aye

Motion Passed 5 – 0

**Correspondences:** A copy of the Charles Schwab Account Agreement and Disclosure was presented to the Board.

**Attorney Report:** Attorney Collins shared that his office is moving as of April 26th and he will give new address when known.

**Release of Executive (Closed) Sessions:**

Nothing released.
Open to Public Comments:
No comments.

Miscellaneous:
No Miscellaneous.

Closed Executive Session: At 10:25 a.m. Trustee Maxwell made a motion to enter into closed session for the purpose of discussing the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body pursuant to 5 ILCS 120/2(e)1. Motion was seconded by Trustee Murphy. Motion passed.

With no actions taken in closed session the Regular Open Session reconvened at 10:45 a.m. In attendance when reconvened was Trustee Charles Bratcher, Trustee Bob Hodge, Trustee Andy Maxwell, Trustee Pat Murphy, Trustee Justin Ukleja and Joy Edminson.

Possible Action on Closed Session:
No Actions taken.

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

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

Meeting Adjourned at 10:46 a.m.

Respectfully submitted;

[Signature]
Justin Ukleja
Pension Fund Secretary