Minutes of the Special Meeting
of the West Chicago Fire Protection District's
Pension Fund Board held on July 9, 2018
at 200 Fremont St, West Chicago, IL

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 Dave Vaught from Mitchell, Vaught & Taylor, Attorneys Carolyn Welch Clifford, Joe Miller and Meganne Trela from Ottosen Britz Kelly Cooper Gilbert & DiNolfo, Ltd and Administrative Assistant Joy Edminson.

Minutes of the Regular Meeting held on April 16, 2018 were reviewed. Trustee Hodge made a motion to accept minutes as written; the motion was seconded by Trustee Bratcher; Motion passed 5 Ayes 0 Nays.

Minutes of the Special Meeting held on June 18, 2018 were reviewed. Trustee Murphy made a motion to accept minutes as written; the motion was seconded by Trustee Hodge; Motion passed 5 Ayes 0 Nays.

OLD BUSINESS:

Accounting Report: Ed McCormick from accounting firm of Mueller CPA was absent. Report for the Year ended May 31, 2018 was presented. Per an email from Ed McCormick, Trustee Maxwell shared the following highlights. Hard copy included.

- Total revenue for the year was $3,576,433
- Included in revenue is $2,027,185 of realized and unrealized investment gains
- Total expenses were $1,644,796
- Pension payments were $1,569,022 of the expenses
- The Fund increased by $1,931,637 for the Fiscal Year
- Ending value was $33,588,919

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

Quarterly Report 2nd Quarter 2018 (as of May 30, 2018):
- Asset Allocation – Total Pension Fund $33,807,217
  a) Fixed $12,087,465 – 35.8%
b) Equity Domestic $16,867,741 – 49.9%
c) Equity International $4,852,011 – 14.4%
• Executive Summary - Portfolio Strengths, Weaknesses and Strategies
  a) Quarterly Net Investment gain this Quarter $468,915
  b) Net Investment Gain since 9/30/2017 $1,435,631
  c) Explanation on the Strengths, Weaknesses and Strategies – Discussion on Domestic vs International Stocks, Inverted Yield Curves, Interest Rates, Volatility
d) IDOI Asset Allocations: Fixed 35.8% - Equities 64.2%
• Portfolio Value vs Cumulative Net Investment
• Portfolio Performance Review Graphs
• Portfolio Statement (Breakdown of Funds)

Dave Vaught pointed out some errors in the MVT Quarterly Report.

Vaught handed out information on Goldman Sachs International Equity giving an explanation of the Fund and his recommendation.

Attorney Carolyn Clifford presented questions on the Investment Report regarding the following:
• Percentages of International Stocks
• The Goldman Sacks and what it would replace
• The Goldman Sacks Basis points and Management fees
• MVT Dividends and costs
• Target Allocations
• Emerging Markets
• Home Grown Equities – Benchmarks

President Andy Maxwell asked Dave Vaught if MVT can guarantee that there is no more funds in any Edward Jones Accounts or Annuities. Vaught will check into this.

Also included with the minutes is the Statement for the Third Quarter of 2018 for services rendered by Mitchell, Vaught & Taylor, Inc. showing the Investment Management Fees breakdown.

Dave Vaught left the meeting at 10:00 am per President Maxwell’s request.

**Investment Committee Report:** There was discussion on MVT’s Investment Report by attorneys and Board. Discussion on Mitchell, Vaught & Taylor’s performance to date. Discussion on Investment Manager RFP’s from last year. Discussion on having Lauterbach & Amen take over the Pension Payroll Payouts. Discussion on any conflict of interest for Lauterbach & Amen doing the Pension Payroll and the yearly audit for the Pension Fund. Discussion on changing the Fund’s Actuary.

The Board approved a Special meeting for the Pension Fund on Monday, August 6th at 9:00 am at 200 Fremont Street, West Chicago, IL regarding a new Actuary, a new Investment Manager and for Lauterbach & Amen to explain their Payroll services to the Board.
Annual Report-Tax Levy amount paid to Pension update: Trustee Charles Bratcher shared that the total taxes paid to the Pension Fund FYE May 31, 2018 was $7,401,833.00.

Review/Approve Investment Policy: Attorney Clifford will review the current approved policy and come back to the Board after selection of new Investment Manager.

Attorney RFP Results: The Board welcomed the attorneys from Ottosen Britz Kelly Cooper Gilbert & DiNolfo, Ltd. Joe Miller and Carolyn Clifford thanked the Board.

Trustee Maxwell shared that the Pension Fund received a refund of $1,650.00 from Collins & Radja for the pre-payment of retainer for July – December 2018.

Trustee Trainings: Attorney Clifford shared upcoming Training hours available. Clifford will work on a list of trainings for the Board. She also shared that there are online videos that can count as training hours.

New Business:

IDOI Report FYE May 31, 2018: Attorney Clifford shared that IDOI is requesting more extensive information, she presented the Investment Professional Checklist and will email more information to the Administrative Assistant, Joy Edminson. Hard copy included.

Annual Actuarial Report FYE May 31, 2018: Table until the August 6th, 2018 Special Meeting.

Annual Financial Audit FYE May 31, 2018: The Administrative Assistant shared that she has been in contact with Lauterbach & Amen and is working with them to complete the Annual Audit by the end of September.

Approve Raise for Administrative Assistant: The District Board approved a raise for the Admin. Assistant.

Motion to approve the $.50 per hour raise for the Administrative Assistant beginning June 1, 2018 was made by Trustee Ukleja and seconded by Trustee Murphy. Roll Call showed:

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

Motion Passed 5-0.

Approval to pay future bills for Audits as received:

Motion to approve the payments FYE May 31, 2018 Audits as they are received was made by Trustee Murphy and seconded by Trustee Bratcher. Roll Call showed:

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

Motion Passed 5-0
Payroll Administrators:

Motion to approve the hiring of Lauterbach and Amen to provide the Pension Payroll Payouts for the cost of $3,600 annually was made by Trustee Hodge and seconded by Trustee Ukleja. Roll Call showed:

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

Motion Passed 5-0.

Andy Maxwell will contact Lauterbach and Amen. Maxwell will also contact Mitchell, Vaught & Taylor to ask their cooperation with Lauterbach & Amen making the transition.

Letters & Bills:

Ratify Bills Paid:


Motion to ratify the payment of bills paid by the Pension Fund Checking Account for total of $60,080.50 was made by Trustee Hodge and seconded by Trustee Bratcher. Roll Call showed:

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

Motion Passed 5-0.

Attorney Clifford requested that signatures of approval by Pension President and Secretary be at bottom of Bills Paid report going forward.

Outstanding Bills: None

Correspondences: None

Release of Executive (Closed) Sessions:
Nothing released.

Open to Public Comments:
None

Miscellaneous:
None

Closed Executive Session: None

Possible Action on Closed Session:
No Actions taken.

Next regular meeting:
The next meeting will be held on Monday, October 15, 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 11:06 a.m.

Respectfully submitted;

Justin Ukleja
Pension Fund Secretary