

**WASHINGTON POLICE PENSION FUND  
BOARD MEETING  
January 28, 2019**

The meeting was called to order by President Michael Hillary at 8:30 a.m. on Monday, October 22, 2018 in the Conference Room at City Hall.

Roll Call

Present

Michael Hillary, President  
James Wetzel, Vice President  
Greg Gordon, Secretary  
James Fussner, Representative

Absent

Troi Westbrook, Assistant Secretary

Also in attendance were Controller Joanie Baxter, Treasurer Ellen Dingleline, and Accountant Jeanette Glueck.

The agenda was reviewed and accepted as presented.

Dwight Ower from Mitchell, Vaught & Taylor called into the meeting. He first brought the Board up-to-date on the personnel changes at MVT. Essentially, David Vaught along with several other key personnel have left MVT and formed their own investment company. This company, Propel, has been actively pursuing MVT clients, including the Washington Police Pension Fund. Dwight maintains that MVT is still fully capable of providing the investment management services we expect and deserve and that they have lost very few pension clients.

He reviewed the investment portfolio and performance. The 4<sup>th</sup> quarter 2018 was unfavorable in the stock market despite low unemployment and increase in corporate profits. As of Christmas Eve, the market was 20% below the previous high indicating a bear market. So far, the recovery in 2019 has been good. As of January 25, the market is up 4%; however, the Fund's stock portfolio was down 14% resulting in the total Fund being down 7.72%. The bond portfolio performed well and 25% of the portfolio is in bonds. The yield for investments managed by MVT since inception is 6.37% compared to the Department of Insurance rate of 6.25% to 6.5% for funds our size. The yield for bonds has been .9%. The last brokered CD at Schwab matures in June.

Wetzel made a motion, seconded by Fussner to approve the October 22, 2018 regular meeting minutes. Motion carried and minutes approved.

There were no public comments.

Financial reports as of December 31, 2018 were reviewed by Controller Baxter. Gordon made a motion to approve the reports, seconded by Hillary. Motion carried.

A CD at Morton Community Bank in the amount of \$108,717.69 matured on 11/20/18. It was redeemed and a corporate bond was purchased with MVT – Schlumberger at 3.65% maturing 12/2023. Gordon made a motion, seconded by Hillary to ratify the investment. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes. Motion carried.

A CD with Morton Community Bank in the amount of \$108,717.67 matured on 12/23/18. It was redeemed and a 5-year CD was purchased from Busey Bank for \$100,000.00 at 2.9%. Gordon made a motion, seconded by Fussner to ratify the investment. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes. Motion carried.

There were no expenses to ratify since the last Board meeting.

MVT transactions for the 4th quarter 2018 were reviewed. Wetzel made a motion, seconded by Gordon to approve these transactions. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Fussner - yes. Motion carried.

Annual pension increases effective January 1, 2019 were discussed and reviewed as follows:

Donald Volk – increase of \$194.64 per month on current pension of \$6,488.07 to result in new pension of \$6,682.71. Wetzel made a motion, seconded by Fussner to approve. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes. Motion carried.

Britt Beard – increase of \$46.04 per month on current pension of \$2,823.54 to result in new pension of \$2,869.58. Gordon made a motion, seconded by Hillary to approve. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes. Motion carried.

David Densberger – increase of \$95.09 per month on current pension of \$3,169.62 to result in new pension of \$3,264.71. Fussner made a motion, seconded by Gordon to approve. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes. Motion carried.

Mary Densberger (QILDRO) – increase of \$37.59 per month on current QILDRO of \$1,253.11 to result in new QILDRO of \$1,290.70. Wetzel made a motion, seconded by Fussner to approve. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes. Motion carried.

Rosalie Gerkin – increase of \$135.27 per month on current pension of \$4,508.93 to result in new pension of \$4,644.20. Hillary made a motion, seconded by Wetzel to approve. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes. Motion carried.

Thomas Libotte – increase of \$134.72 per month on current pension of \$4,490.68 to result in new pension of \$4,625.40. Fussner made a motion, seconded by Hillary to approve. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes. Motion carried.

David Stark – increase of \$111.31 per month on current pension of \$3,710.34 to result in new pension of \$3,821.65. Fussner made a motion, seconded by Hillary to approve. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes. Motion carried.

Michael Williams – increase of \$89.53 per month on current pension of \$2,984.19 to result in new pension of \$3,073.72. Hillary made a motion, seconded by Gordon to approve. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes. Motion carried.

William Witmer – increase of \$89.01 per month on current pension of \$2,967.12 to result in new pension of \$3,056.13. Gordon made a motion, seconded by Wetzel to approve. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes. Motion carried.

Charles Woolley – increase of \$121.79 per month on current pension of \$4,059.69 to result in new pension of \$4,181.48. Gordon made a motion, seconded by Fussner to approve. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes. Motion carried.

The FOIA and Open Meetings Act officer designation is due. Hillary made a motion, seconded by Gordon to designate City Clerk Pat Brown as both the FOIA and Open Meetings Act officer.

The Board discussed the Propel spinoff from MVT and agreed there was no compelling reason to make a change at this point. The management investment services contract is required to be bid in 2021 and thus the Board will review the situation again at that time, unless there is a reason for concern in regard to performance of MVT.

The Cash Flow Report showing a 3-year projection of receipts and disbursements was reviewed and discussed. Inactive contributions were questioned and Staff will try to determine if we can force a distribution or not as we have sent reminder letters without a response. The cash balances and interest earnings were reviewed and pursuing a bank services RFP to make sure the interest rate is maximized was discussed. Staff will look into this matter.

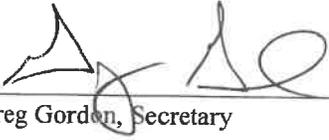
Glueck indicated that Predatory Lending Law letters have been sent out and are due back in February.

The IPPFA annual conference is being held again in East Peoria. All trustees indicated they would like to attend.

Reminder that the April meeting will be rescheduled to April 29, 2019.

There being no further business to come before the Board, Fussner made a motion to adjourn the meeting, seconded by Wetzel. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Fussner - yes. The meeting was adjourned at 9:50 a.m.

Respectfully Submitted,



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Greg Gordon, Secretary