

**WASHINGTON POLICE PENSION FUND  
BOARD MEETING  
April 29, 2019**

The meeting was called to order by President Michael Hillary at 8:33 a.m. on Monday, April 29, 2019 in the Conference Room at City Hall.

Roll Call

Present

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

Absent

Also in attendance were Controller Joanie Baxter, Treasurer Ellen Dingedine, City Administrator Ray Forsythe, and Dwight Ower from Mitchell, Vaught & Taylor.

The agenda was reviewed and accepted as presented.

Dwight Ower from Mitchell, Vaught & Taylor gave a report on the investment performance. He indicated that the 1<sup>st</sup> quarter 2019 was better than expected and there were signs of a good, strong economy. He told the Board that Charles Schwab has been sold to Tamarack Investment and MVT is considering changing to a different reporting software – likely Morningstar. Charles Schwab will still be the custodian of the funds, but a different software will provide more reporting features.

Fixed income had a nice quarter, ending at 2.7%; stocks bounced back at 8.7% and the S & P 500 hit a new all-time high on April 26. Stocks fared better in the U.S. than overseas and growth performed better than value. Both healthcare and technology showed increases. The market did recover in the 1<sup>st</sup> quarter following a very difficult 4<sup>th</sup> quarter. Despite the market being down 8% last year, the 3-year average since MVT became investment manager is 12%. Equities are 42.7% of portfolio and could increase to get closer to 45%; however, it is not the best time to be buying now and thus MVT recommends against.

Wetzel made a motion, seconded by Fussner to approve the January 28, 2019 regular meeting minutes. Motion carried and minutes approved.

There were no public comments.

Financial reports as of March 31, 2019 were reviewed by Controller Baxter. Westbrook made a motion to approve the reports, seconded by Fussner. Motion carried.

A CD at Busey Bank in the amount of \$143,508.37 matured on 4/9/19. It was redeemed and a 2-year CD was purchased from Washington State Bank for \$140,000 at 2.75%. Wetzel made a motion, seconded by Hillary to ratify the investment. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

A CD with Busey Bank in the amount of \$109,401.12 matured on 4/24/19. Based on the quotes received from local banks and MVT, Gordon made a motion, seconded by Hillary to purchase a 2-year CD from Washington State Bank for \$110,000 at 2.75%. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

Police Pension expenses since the last meeting were as follows:

<u>Payee</u>	<u>Date</u>	<u>Amount</u>	<u>Reason</u>
IPPFA	02/11/19	385.00	IPPFA Conf. - Hillary
IPPFA	02/11/19	385.00	IPPFA Conf. - Wetzel
IPPFA	02/11/19	385.00	IPPFA Conf. - Gordon
IPPFA	02/11/19	385.00	IPPFA Conf. - Fussner
IPPFA	02/12/19	385.00	IPPFA Conf. - Westbrook
	<b>TOTAL</b>	<b>\$1,925.00</b>	

Fussner made a motion, seconded by Wetzel to ratify the expenses. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

MVT transactions for the 1<sup>st</sup> quarter 2019 were reviewed. Hillary made a motion, seconded by Fussner to approve these transactions. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

The RFP for depository bank services was discussed. A total of five proposals were received from Ipava State Bank, Busey Bank, Morton Community Bank, Washington State Bank and Heartland Bank. Currently the Police Pension Fund has their checking account at Heartland Bank. Ipava State Bank bid the highest interest rate of 2.05% to be changed annually, while Busey Bank bid 2.0% to be reviewed with the market.

Following discussion, Hillary made a motion, seconded by Gordon to approve Ipava State Bank as the depository bank for the Washington Police Pension Fund. Staff was asked to either request financial statements or review them online. The request for financials was not included in the RFP. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. Motion carried.

Predatory Lending Law update – all certifications have been received. PNC continues to refuse to certify and thus the Police Pension Fund is not able to do business with them.

The elections for active/retired/disabled trustees should take place prior to the July meeting as their terms expire in May.

All five trustees are attending the IPPFA conference in May which will satisfy the annual 16-hour training requirement.

Dwight mentioned that there are a variety of bills in Committee currently that could affect pension funds, including regarding potential consolidation. Dwight recommended we request further information from our actuary concerning funding ratios and the affect on our fund should downstate investments be consolidated.

A comment was made by Gordon that Keegan Smith will be resigning at the end of the summer.

The next meeting is scheduled for Monday, July 22, 2019 and Baxter reminded the Board that our actuary recommended a discussion be held on the interest rate assumption and possible changes that may be necessary prior to the October meeting when the tax levy is discussed.

There being no further business to come before the Board, Fussner made a motion to adjourn the meeting, seconded by Hillary. On roll call the vote was Hillary – yes; Wetzel – yes; Gordon – yes; Westbrook – yes; Fussner – yes. The meeting was adjourned at 9:30 a.m.

Respectfully Submitted,



Greg Gordon, Secretary