

WASHINGTON POLICE PENSION FUND  
BOARD MEETING  
City Hall Conference Room  
Monday, January 27, 2020 - **Minutes**

1. **Call to Order.** President Michael Hillary called the meeting to order at 8:34 a.m.

2. **Roll Call.** Finance Director Joanie Baxter took the roll.

Present

Michael Hillary, President

James Wetzel, Vice President

Greg Gordon, Secretary

James Fussner, Representative

Absent

Troi Westbrook, Assistant Secretary

Also, in attendance were Finance Director Joanie Baxter, Treasurer Ellen Dingleline, Accountant Jeanette Glueck, City Administrator Ray Forsythe, Alderman Lilija Stevens, Dwight Ower with Mitchell, Vaught and Taylor and Administrative Assistant Audrey Miller.

3. **Review Agenda.** The agenda was reviewed and accepted as presented.

4. **Investment Reporting.** Dwight Ower from Mitchell, Vaught & Taylor reviewed the portfolio, reports and performance. Additional information about the investment performance can be found in the Executive Summary in the 4<sup>th</sup> Quarter 2019 Investment Report.

5. **Meeting Minutes Approval.** No changes needed to be made to the October 28, 2019 meeting minutes. Gordon made a motion to approve the minutes. Wetzel seconded the motion. The motion carried and the minutes were approved.

6. **Public Comment.** There were no public comments.

7. **Financial Reports.** Finance Director Baxter reviewed the reports. Hillary questioned the placement of the Unrealized Gains and Realized Gains as they were shown under Expenses. Baxter indicated that the gains should be shown as Revenue and the Revenue and Expense Report will be revised accordingly. Wetzel made a motion to approve the Financial Reports, pending changes made to the report. Hillary seconded the motion. All approved. Motion carried and reports approved, pending changes to the format.

8. **Action Items.**

A. Ratify Investments. None.

B. Investments Maturing before next quarterly meeting. There is one CD maturing before the next meeting.

C. Ratification of Pension Fund Expenses. Two expenses were incurred during the last quarter. \$3,182 on 10/15/19 for Fiduciary Insurance Renewal and \$795 on 10/29/19 for IPPFA Membership dues. Fussner made a motion to approve and Wetzel seconded. Roll call vote: Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes. Motion carried.

D. Ratification of 4th Quarter Investment Transactions with MVT. Jeanette receives the report and Treasurer Dingleline checks it every month for transfers out of the funds. Gordon made a motion to approve and Wetzel seconded. Roll call vote: Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes. Motion carried.

- E. Acceptance to the Police Pension Fund – Jeffrey Hensley. Officer Jeffrey Hensley was sworn in to the Police Department on January 17, 2020 and began serving on January 25, 2020. Wetzel requested the minutes reflect which Tier the police officer is in. As his previous employment was not with a Police Pension employer, the date used is January 17, 2020, which is Tier 2. Tier 1 is employment prior to January 1, 2011. Suggestion was made to add an indicator on the form to reflect the Tier level. Gordon motioned to approve Officer Hensley to the Police Pension Fund. Hillary seconded the motion. Roll call vote: Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes. Motion carried.
- F. Designation of FOIA and Open Meetings Act Officer – City Clerk Brown. City Clerk Pat Brown is nominated as the Freedom of Information Act and Open Meetings Act Officer and is the official keeper of the public records. Wetzel made a motion to accept Pat Brown as the FOI and OMA officer. Hillary seconded the motion. All approved. Motion carried.
- G. Ratification of Widow’s Pension – Joyce Libotte. Former Sergeant Tom Libotte passed away in November and an application from Mrs. Libotte was received for a surviving spouse pension. The pension will be in the amount of what Sergeant Libotte was receiving at his death of \$4,625.40 per month. Hillary made a motion to approve. Wetzel seconded the motion. Roll call vote: Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes. Motion carried.
- H. Ratification of Pension correction – Don Volk. The 2018-19 audit determined that an incorrect amount for former Chief Don Volk’s 2018 pension increase was applied. He received a retroactive check that paid the difference. The increase amount for 2019 was correct and he received the correct payments in 2019. This action ratifies the retro check of \$2,267.64 paid in September 2019 to correct the missed increase of \$188.97 per month for 12 months. Fussner motioned to ratify the retro payment. Wetzel seconded the motion. Roll call vote: Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes. All approved. Motion carried.
- I. Acceptance of Police Pension Fund Actuarial Report. The final report for the actuarial study conducted by Foster & Foster was reviewed. As discussed and approved by the Council for use in the tax levy, the interest rate assumption continues at 6.75% and the public sector mortality table was adopted. As a result, the required City contribution is \$634,090 with \$20,000 anticipated in personal property tax and the remaining \$614,000 included in the tax levy that was approved in December. The City Council accepted the final report on January 21, 2020. Wetzel made a motion to accept the report. Gordon seconded the motion. All approved. Motion carried.

9. **Discussion Items.**

- A. Pension Reform Update. The committee reviewed a fact sheet from the IML on Pension Consolidation.
- B. Actuarial Valuation Report – State of Illinois. The report was discussed. The State uses a 6.5% interest rate assumption compared to the 6.75% that is used in the actuarial study and the State also uses a different funding target. The resulting employer contribution from the State valuation is \$725,988 compared to the \$634,090 resulting from the actuarial valuation done by Foster & Foster.
- C. Training requirements and opportunities. Under Public Act 101-0610, benefit administration training requirements for the local pension boards are reduced to 16 hours in a trustee’s first year and 8 hours annually each subsequent year, plus a one-time training of 4 hours of consolidation transition training regarding this new law. January 1, 2020 was the effective date.

D. Predatory Lending Law Compliance. Accountant Glueck will be sending out the forms to the local banks.

10. **Adjournment**. Gordon made a motion to adjourn. Hillary seconded the motion. Roll call vote: Hillary – yes; Wetzel – yes; Gordon – yes; Fussner – yes. Motion carried. Meeting was adjourned at 09:26 a.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'G. Gordon', is written above a horizontal line.

Greg Gordon, Secretary