

WASHINGTON POLICE PENSION FUND
BOARD MEETING
City Hall Conference Room via Zoom
Monday, November 2, 2020 - **Minutes**

1. **Call to Order.** President Michael Hillary called the meeting to order at 8:30 a.m.

2. **Roll Call.**

Present

Michael Hillary, President

Greg Gordon, Secretary

James Fussner, Representative

Absent

Troi Westbrook, Assistant Secretary

Also, in attendance were Finance Director Joanie Baxter, Treasurer Ellen Dingledine, Accountant Jeanette Glueck, City Administrator Ray Forsythe, Dwight Ower and Tom Dugan with Mitchell, Vaught and Taylor and Jason Franken with Foster & Foster Actuaries.

3. **Review Agenda.** The agenda was reviewed and Hillary made a motion, seconded by Fussner to move the report by Foster and Foster for the Actuarial Study up to Item 4. Motion carried.

4. **Review of Actuarial Assumptions.** A call was made to Jason Franken with Foster & Foster to discuss the actuarial valuation results. Jason indicated that utilizing the interest rate assumption of 6.75% would result in a total employer contribution of \$679,478, an increase of \$45,388 as compared to the prior year. This increase is due to an increase in Employer Contributions due to increased Tier 2 benefits and an interest yield less than the assumption offset by gains associated with higher-than-expected inactive mortality. The total contribution offset by anticipated Personal Property Replacement Tax of \$22,000 results in a recommended tax levy of \$657,500. The Board asked about implications from the impending consolidation, and Jason indicated that a Board is being created which will replace the Department of Insurance. He doesn't know if an actuarial valuation will be needed for each community, but did indicate it may be advisable if the Consolidated Board is only providing the statutory minimum for funding. He did say that each community will maintain their own funding ratio and contribution requirement.

5. **Investment Reporting.** Dwight indicated that our portfolio was not quite back to where it was before COVID but there have been some gains this past quarter. This was positive following a 2nd quarter that was by far the worst on record due to high unemployment and closed businesses. There are no recommendations for changes at this time and it is anticipated that the market will continue to recover as we navigate through this pandemic and the impact it has had on our economy.

6. **Approval of August 3, 2020 Quarterly Meeting Minutes** Fussner made a motion seconded by Hillary to approve the minutes. Motion carried.

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

8. **Financial Reports.** Following review of the Financial Reports by Baxter, Fussner made a motion, seconded by Hillary to approve. Motion carried.

9. Action Items.

A. Ratify Investments.

A CD at IPAVA State Bank in the amount of \$138,040.70 matured on 8/23/20. It was redeemed and the proceeds were deposited into the IPAVA Money Market Account. Hillary made a motion, seconded by Fussner to ratify the investment. Roll call vote: Hillary – yes; Gordon – yes; Fussner – yes. Motion carried.

A CD at IPAVA State Bank in the amount of \$106,157.77 matured on 8/31/20. It was redeemed and the proceeds were deposited into the IPAVA Money Market Account. Gordon made a motion, seconded by Fussner to ratify the investment. Roll call vote: Hillary – yes; Gordon – yes; Fussner – yes. Motion carried.

It was noted that IPAVA State Bank is paying 2.07% on the Money Market Funds, which is higher than CDs are paying right now.

B. Investments Maturing before next quarter. None

C. Ratification of Pension Fund Expenses. None to approve.

D. Ratification of 3rd Quarter Investment Transactions with MVT. Hillary made a motion to approve and Fussner seconded. Roll call vote: Hillary – yes; Gordon – yes; Fussner – yes. Motion carried.

E. Ratification of annual pension increases effective Jan. 1, 2021. All increases were approved as follows:

Pension increases	Monthly Increase	New Monthly Amount	Motioned	Seconded	Hillary	Gordon	Fussner
David Densberger	\$100.88	\$3463.53	Gordon	Fussner	Yes	Yes	Yes
Mary Densberger	\$39.88	\$1369.30	Gordon	Fussner	Yes	Yes	Yes
James Fussner	\$129.44	\$4444.18	Hillary	Gordon	Yes	Yes	Yes
Rosalie Gerkin	\$143.51	\$4927.04	Gordon	Hillary	Yes	Yes	Yes
James Kuchenbecker	\$226.27	\$7768.52	Hillary	Fussner	Yes	Yes	Yes
David Stark	\$118.09	\$4054.39	Gordon	Hillary	Yes	Yes	Yes
Don Volk	\$206.50	\$7089.69	Fussner	Hillary	Yes	Yes	Yes
Mike Williams	\$94.98	\$3260.91	Hillary	Gordon	Yes	Yes	Yes
Chuck Woolley	\$129.21	\$4436.13	Fussner	Hillary	Yes	Yes	Yes

There are no increases for surviving spouse pensions of Marshall, Beard, Witmer and Libotte.

F. Acceptance of Annual Report. Gordon made a motion to accept the report, seconded by Hillary. Motion carried.

G. Recommendation for 2020 Police Pension Tax Levy based on Actuarial Report. The Board agreed to keep the assumptions the same as the prior year due to the impending consolidation. As such, the recommended tax levy with an assumed 6.75% interest rate is \$657,500 after reducing by the anticipated Personal Property Replacement Tax of \$22,000. Gordon made a motion, seconded by Fussner to recommend this tax levy to the City Council. Roll call vote: Hillary – yes; Gordon – yes; Fussner – yes. Motion carried.

H. Approval of Municipal Compliance Report for FYE 04/30/20. Report shows that percent funded remains unchanged at 59.3% with total assets of the Fund just over \$8 million.

Gordon made a motion to accept the report and Hillary seconded the motion. Motion carried.

- I. Approval of Annual Report per 40 ILCS 5/3-141 for FYE 4/30/20. Hillary made a motion, seconded by Gordon to approve the report. Motion carried.
- J. Approval of IPPFA membership for 2021. Annual membership dues amount is \$795.00. Gordon made a motion to approve. Hillary seconded the motion. Roll call vote: Hillary – yes; Gordon – yes; Fussner – yes. Motion carried.

10. **Discussion Items.**

- A. Pension Reform Update. Nothing to add from Jason's remarks regarding actuarial report.
- B. Meeting Schedule for 2021. Meetings will continue at 8:30 on the 4th Monday of the quarter unless otherwise rescheduled. Dates in 2021 are as follows: January 25th, April 26th, July 26th, and October 25th.
- C. Training requirements and opportunities. The time has been extended to meet the training deadline due to COVID-19.

11. **Adjournment.** Hillary made a motion to adjourn, seconded by Gordon. Roll call vote: Hillary – yes; Gordon – yes; Fussner – yes. Motion carried. Meeting was adjourned at 9:45 a.m.

Respectfully Submitted,



Greg Gordon, Secretary