

DRAFT FOR REVIEW AND APPROVAL

PONTIAC POLICE PENSION FUND BOARD  
413 N. Mill St.  
Pontiac, Ill. 61764  
(815) 844-5148  
Minutes of 13 January, 2020

President Henson called the regular meeting to order at 1:04 p.m. in the Training Room of Pontiac Police Department in the City Public Safety Complex.

Present: President Mike Henson, Secretary Roger Wahls, Alternate Secretary Don Schlosser, Vice President Bradley Baird and Investment Consultant, Paul Marchese of Marquette Asso.

Public Comment: None offered.

Review of Minutes: Minutes of the regular meeting of 21 October, 2019 were reviewed. Schlosser moved and Baird offered a second to accept the minutes as written. The minutes were approved by unanimous consent.

Treasurer's Report: Henson presented the report. (See report attached labeled 4<sup>th</sup> Qtr. 2019 Police Pension First Financial Bank). The balance on hand 31 December, 2019 was \$127,028.60. See report attached.

Investment Consultant Report: Marchese provided a detailed summary of market activity and the position of our investments as of 31 December, 2019 (see report attached). The market value of our fund was \$10,150,253 with the fixed income portion at 52.7%, U.S. equity 29.4%, non-U.S. equity 15.4%, real estate 1.1%, and cash 1.4%. Annualized performance net of fees was: YTD 14.1%, 1yr 14.1%, 3yr 6.6%, 5yr 5.2% and 7yr 4.9%. 2019 calendar year, performance was 14.1%. 2018 was the worst, (-3.4%), calendar year for a moderate stock and bond portfolio since 2008, according to Bloomberg Barclays Aggregate Index. Paul reviewed with us a recommended change to "Distinction of Responsibilities" section of our Investment Policy Guideline; to wit, add new paragraph 8), "Ensure material, relevant, and decision useful sustainability factors have been or are regularly considered by the Board of Trustees, within the bounds of financial and fiduciary prudence, in evaluating investment decisions." Wahls moved and Schlosser offered a second to adopt

the change. This was approved by unanimous roll-call. See report attached.

Old Business: Our quarterly payment to Marquette and Asso of \$5,750 was made. Our balance due of \$2,265 to Sikich, which was approved last meeting, was paid. COLA, approved last meeting, has been executed. Henson presented the Annual Report to the City Council. Henson also presented the Pontiac Police Pension Fund Actuarial Valuation Report which concluded that the Tax Levy Recommendation from the State of Illinois for 2018-19 should be \$626,120. See report attached. A letter, "Application of Continued Eligibility" as well as a summary of the Annual Report was sent to each retiree by Henson. A copy of the amount of 2020 pensions and disability payments was provided the Board.

New Business: Baird moved and Wahls offered a second to approve our next quarterly payment of \$5,750 to our Investment Consultant. This was approved by unanimous roll-call. Wahls moved and Schlosser offered a second to approve payment of \$3,341 to Hinsdale International/Quantum Insurance Group Inc to renew our Travelers Fiduciary Bond #106050329. Approved by unanimous roll-call. Baird Moved and Schlosser offered a second to approve James Bohm's request for refund of contribution of \$4299.96 less 20% retained for tax withholding. Wahls moved and Schlosser offered a second to approve Alexander Jordan's request for refund of contribution of \$1,988.50 less 20% retained for tax withholding. Both motions approved by unanimous roll-call as both officers left the Force. Henson provided a copy of "Consolidation of Fund's Investment Assets" summary of Public Act 101-0610 State of Illinois governing/detailing new pension law and training requirements. Paul provided a verbal summary and copy of an executive summary of how this transition may work. Baird moved and Schlosser offered a second to fund attendees to training conferences. Approved by unanimous roll-call.

There being no objection, the meeting was adjourned by consent.

Respectfully submitted,

  
Roger Wahls