

Minutes of the Regular Meeting of the
South Barrington Police Pension Fund
Held on Tuesday, January 9, 2018
4:30 p.m. in William R. Rose Hall

Call to Order - President Cordell called the meeting to order at 4:30 pm.

Roll Call - Roll call was taken. Present: Board President Ray Cordell, Trustee Joe Abbate, Trustee Edgar Alvarado, Trustee Sam Lopez, and Trustee Adam Puralewski. A quorum was present. Also present were Attorney Cary Collins, Village Trustee Dr. Anthony Stagno, Treasurer Michelle Bodie and MVT Investment Advisors Bill Yocius and Jim Nowicki. Village President Paula McCombie arrived at 4:50.

Public Comment - None

Approval of Minutes - Trustee Abbate motioned to accept the minutes of the October 10, 2017 regular meeting as presented. Trustee Lopez seconded. Motion carried by voice vote.

Trustee Abbate motioned to accept the minutes of the November 10, 2017 special meeting as presented. Trustee Puralewski seconded. Motion carried by voice vote.

Investment Advisor Report - Investment Advisor Nowicki reviewed the portfolio for the 4th quarter 2017. He reported that the fund did well this quarter with a gain of \$246,341. Included in the net gain amount is \$50,731 in dividend income and \$2,942 payment of MVT management fee. Mr. Nowicki stated that MVT beat the benchmark and the fund's balance at the end of the quarter was \$9,790,487.

Mr. Nowicki reviewed the portfolio account managers and specific investments within the portfolio. Overall, the growth sector continues to lead all equity markets in both domestic and international funds. The value sector was the weakest. He stated that the previous quarter's best two managers (T Rowe Health and Oakmark) were this quarter's weakest managers.

Mr. Nowicki reported that generally there is positive incoming data making a domestic recession unlikely in the near term although most international markets are showing signs of slowing. Due to a desire by the Fed to increase interest rates multiple times in 2018, MVT's strategy is to prefer slightly shorter than target duration government issues and higher quality corporate debt.

Trustee Puralewski made a motion to accept the investment advisor's report. Trustee Alvarado seconded. Motion carried by voice vote.

Trustee Abbate made a motion to ratify the transactions by the investment advisor as presented in the quarterly report. Trustee Puralewski seconded. Motion carried by voice vote.

Attorney's Report - Attorney Collins reported on the status of Robert Rycraft's fitness for duty exam. Collins will set the annual appointment in April with the report expected in July. Collins also discussed Rycraft's claim with the Village's workers' compensation insurance. Attorney Collins will review the Pension Fund's Investment Policy with regard to whether changes are required to allow the fund to increase the equity investment portion to 65% when the fund balance reaches the \$10 million milestone.

Old Business - Trustee Alvarado reported on the RFP (Request For Proposal) process for Investment Manager stating that 9 of the 11 investment firms submitted proposals by the deadline. He is working on a scoring sheet to help evaluate all proposals on a "level playing field". Cordell stated the entire board has interest in the process and recommended a work session approach to review the submissions. The Board determined to meet on Wednesday January 17 at 3:00 to review the proposals.

Executive Session - None

New Business.

Actuarial Valuation Report as of May 1, 2017. The Illinois Department of Insurance Actuarial Valuation Report as of May 1, 2017 was presented to the Board and accepted into the record.

Schedule of Pension Payments for 2018. Treasurer Bodie prepared a schedule of pension payments for the calendar year 2018 for a total of \$678,010.64 as attached to these minutes. Trustee Abbate motioned to approve the schedule as presented. Trustee Lopez seconded. The motion passed by roll call vote:

President Cordell	yes
Trustee Lopez	yes
Trustee Puralewski	yes
Trustee Abbate	yes
Trustee Alvarado	yes

Fiscal Year 2018-2019 Budget. Treasurer Bodie prepared a Pension Fund Fiscal Year 2018-2019 preliminary budget worksheet. The Board reviewed the total income estimate of \$1,598,500 and total expense estimate of \$751,000, resulting in a surplus of \$847,500. After a brief discussion regarding the investment fees, Trustee Lopez motioned to approve the budget as presented. Trustee Puralewski seconded. The motion passed by roll call vote:

President Cordell	yes
Trustee Lopez	yes
Trustee Puralewski	yes
Trustee Abbate	yes
Trustee Alvarado	yes

Pensioners' Annual Verification of Eligibility Letter. President Cordell will direct the Recording Secretary to send out the 2018 annual eligibility letters to all pensioners.

Approval of Bills. The list of expenses for payment was presented to the Board totalling \$5,092.82. Trustee Abbate motioned to approve the expenses for payment as presented and Trustee Lopez seconded. The motion passed by roll call vote:

President Cordell	yes
Trustee Lopez	yes
Trustee Puralewski	yes
Trustee Abbate	yes
Trustee Alvarado	yes

Adjournment. Trustee Abbate motioned and Trustee Lopez seconded, to adjourn the meeting. The motion carried by voice vote. The meeting adjourned at 5:45 pm.

The minutes of the January 10, 2018 South Barrington Police Department Police Pension Board regular meeting are respectfully submitted.
Michelle Bodie, Treasurer

These minutes were approved on
This 10 day of April, 2018



Signature