

**Minutes of the Regular Meeting of the
South Barrington Police Pension Fund
Held on Tuesday, April 10, 2018
4:30 p.m. in William R. Rose Hall**

Call to Order – President Cordell called the meeting to order at 4:30 p.m.

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, MVT Investment Advisors Bill Yocius and Jim Nowicki. Village President Paula McCombie and Treasurer Michelle Bodie arrived at a later time.

Public Comment – None

Approval of Minutes – Trustee Lopez motioned to accept the minutes of the January 9, 2018 regular meeting, January 17, 2018 regular meeting, January 30, 2018 special meeting and the February 28, 2018 special meeting as presented. Trustee Puralewski seconded. Motion carried by voice vote.

Investment Advisor Report – Investment Advisor Yocius briefed the Board on the portfolio for the 1st quarter of 2018. He reported the executive summary showed the portfolio, in a whole, a net loss of \$25,087. Net performance for the quarter was weaker due to fixed income. In the period, the portfolio had a loss in bonds but the equities were positive. January equity performance was good but the rates began to track back down in February. Equities made the biggest difference performing at a positive .3% target, beating the Russell 3000 plus International target by 1.20 basis points. Weaknesses were basically based on the maturity of shorter term bonds. The first quarter is still positive and will continue to grow but will not perform as well as in 2017; the quarter will continue to be volatile.

Dr. Stagno addressed MVT Investment Advisor Yocius with his concerns that the actuarial target of 7% is not being met. Advisor Yocius clarified that the actuarial assumed rate is determined by the Pension Board. Advisor Yocius stated that based on the State restrictions on equity investment for a fund with assets less than \$10,000,000, a 7% assumed rate was not a realistic target. Treasurer Bodie clarified the current actuarial assumed rate is 6.25%.

President Cordell said that at a later date, the Pension Board, with input from the Village Board, Investment Advisors and the Actuary, will determine the assumed rate for actuarial reporting. The actuary report provides a suggested tax levy which will be presented to the Village Board for consideration.

Trustee Alvarado made a motion to accept the investment advisor's report. Trustee Abbate seconded. Before the voice vote more was discussed regarding the Addendum. Trustee Alvarado questioned the maximum percentage for Cash and Equivalents set at 5%. He suggested that the Maximum Cash and Equivalents should be changed to 10%. Attorney Collins made handwritten changes to Addendum A to show the Maximum Cash and Equivalents to be 10%. Board President Cordell and Secretary Puralewski both initialed and dated the change.

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

Attorney's Report – Attorney Collins reported that a subpoena was issued for Officer Rycraft's IME report. He stated that he should have everything that is needed by July.

Executive Session - None

Old Business - Review and approval of the Amended Investment Policy was amended and approved as part of the Investment Advisors/Treasurer's Report. Village Trustee Stagno had some concerns about the language in the Investment Management Agreement.

Trustee Abbate made a motion to review and approve the Investment Management Agreement. Trustee Alvarado seconded. Trustee Alvarado stated that due to the market volatility he would like to see a change of asset allocation. Trustee Alvarado proposed a change to Article 1 to suspend the discretionary segment and replace it with alternative language and a time frame expiration of July 31, 2018. He would like to have Investment Committee and MVT advisors to work closer together.

Trustee Alvarado motioned to approve the proposed amendment to the current management agreement. Trustee Abbate seconded. Motioned Carried by voice vote. Motion passed by roll call.

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

President Cordell asked for volunteers for the establishment of an Investment Committee. Trustee Alvarado, Trustee Puralewski and Trustee Lopez agreed to a 1 year term as Investment Committee members. It was established that the committee would meet a minimum of one time a year. Trustee Puralewski made a motion to approve the establishment of the Investment Committee and the four members. Trustee Abbate seconded. Motion carried by voice vote.

New Business - President Cordell discussed the IPPAC Conference May 16th-18th, 2018. Paperwork for four of the board members has been confirmed as completed. Trustee Alvarado will not be able to attend.

The Pensioners' Annual Verification of Eligibility Letter was presented to the board. It was agreed that the following changes will need to be made; removal of the Notary section and the Spouse's Date of Birth.

Approval of Bills – President Cordell read the attached bills for approval. Trustee Abbate made a motion to approve the bills. Trustee Puralewski seconded. Motion carried by roll call vote.
\$775.00 payable to Cary Collins for legal retainer April-June 2018;

\$2,942.50 payable to Mitchell, Vaught & Taylor Inc. for investment management services April-June 2018;

\$608.22 payable to Jumer's Casino & Hotel for IPPAC Spring Seminar on May 16-18, 2018;

\$1,400.00 payable to Illinois Public Pension Advisory Committee for attendance at the IPPAC Spring Seminar on May 16-18, 2018.

Total amount: **\$5,725.72**

President Cordell	yes
Trustee Abbateyes	<i>yes</i>
Trustee Alvarado	yes
Trustee Lopez	yes
Trustee Puralewski	yes

Adjournment - Trustee Puralewski motioned to adjourn the meeting and Trustee Lopez seconded. The Meeting adjourned at 6:15 p.m.

The minutes of the April 10, 2018 South Barrington Police Department Police Pension Board regular meeting are respectfully submitted.

Susan Ardizzone, Records Clerk

These minutes were approved on

This 30 day of May 2018


Signature