

**SOUTH BARRINGTON POLICE PENSION BOARD
30 South Barrington Road
South Barrington, Illinois 60010**

NOTICE OF SPECIAL MEETING

**To be held at
South Barrington Village Hall, 30 South Barrington Road
South Barrington, Illinois 60010**

**WILLIAM R. ROSE HALL
Wednesday, May 30, 2018
4:00 pm**

AGENDA

Call to Order – President Cordell called the meeting to order at 4:15 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 Mayor Paula McCombie, Michelle Bodie, MVT Investment advisor Bill Yocius and Dr. Anthony Stagno.

Public Comment – Dr. Stagno had a question regarding the compensation in the MVT contract; from time to time MVT may receive compensation or benefits from brokers which MVT may use that are not totally for the funds benefit. Dr. Stagno recommended that the contract be written to state a fixed monthly payment to MVT. Trustee Alvarado suggested that they get clarification, from Attorney Collins, to what would the supposed "Safety Net" be in regards to the MVT compensation. President Cordell stated that the fund is still operating under the original contract signed with MVT and the new contract is still in negotiations. The wording in the contract can be discussed at the July 10, 2018 meeting.

Approval of Minutes – Trustee Abbate motioned to accept the minutes of the April 10, 2018 regular meeting. Trustee Lopez seconded. Motion carried by voice vote.

Investment Committee

Approval of Minutes – Trustee Lopez motioned to accept the minutes of the May 3, 2018 meeting. Trustee Puralewski seconded.

Village additional contribution of \$400,000 – Chairman Alvarado extended thanks to the Mayor and the Trustees for the additional contribution of \$400,000.

Investment Allocation Discussion – Advisor Bill Yocius confirmed that with the \$400,000 contribution and the \$265,000 of maturities that were invested into equities has put the fund at the 65% target; fixed income at 34% of the portfolio.

Bill Yocius broke down the Asset Class Holding Summary showing the recommended weight percentages. The portfolio is overweight to what is traditionally done in the Vanguard Total Stock Market Index fund which causes underweights across the board.

The Portfolio Aggregation Recommended Weights for World Region breakdown benchmark is 99.10% versus the portfolios at 81.67% in the Americas; based on the Russell 3000 TR USD. The portfolio is 80% US and 20% Non-U.S. including Latin America, Europe and Asia. The portfolio equity benchmark, based on the Russell 1000, is large, about the same as the recommended benchmark, but more growth oriented.

Dr. Stagno questioned the investment in the Oppenheimer International Small-Mid Co Y (USD). The Morning Star Investment report shows that over 3 years, 5 years and 10 years this fund ranked in the top 1% for its' category for the International Small-Mid Cap funds. Advisor Yocius said that this fund was chosen because it is a five star rated fund in the top 1% of Mid Cap funds.

Chairman Alvarado thinks that there is a spot for international in the portfolio but it has served more of a drag on returns. He is comfortable with the 20% allocation but needs to be monitored. Advisor Yocius recommended that the allocation be scaled back to 10%.

Chairman Alvarado motioned to accept MVT's recommendation to allocate 10% of the equity portion of the portfolio to international fund managers to be selected by MVT. Trustee Lopez seconded motion. Motion approved by roll call vote:

Chairman Alvarado	yes
Trustee Lopez	yes
Trustee Puralewski	yes

Advisor Yocius recommended that the excess, 10% tactical allocation, of international funds be evenly split between T-Rowe Price Fund and the MVT Dividend Portfolio Fund; approximately \$150,000 in each fund.

Chairman Alvarado motioned to accept MVT's recommendation to re-allocate the reduction of international and split the proceeds evenly between the T-Rowe Price New America Growth Fund and the MVT Dividend Portfolio Fund. Trustee Lopez seconded.

Motion approved by roll call vote:

Chairman Alvarado	yes
Trustee Lopez	yes
Trustee Puralewski	yes

Old Business

Ratify investment transactions from April 1, 2018 through May 24, 2018

Trustee Abbate motioned to ratify the investment transactions including the contribution of \$400,000 from the Village of South Barrington and the people of South Barrington. Trustee Lopez seconded. Motion carried by roll call vote:

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

Executive Session – None

New Business – None

Approval of Bills – President Cordell read the attached bills for approval. Trustee Abbate made a motion of approve the bills. Trustee Puralewski seconded. Motion carried by roll call vote:

\$1,849.30 payable to Illinois State Treasurer for FY 2019 Annual IDOI Compliance Fee

\$198.38 payable to Raymond Cordell for IPPAC Conference training mileage

\$192.93 payable to Samuel Lopez for IPPAC Conference training mileage

\$195.11 payable to Adam Puralewski for IPPAC Conference training mileage

Total amount: **\$2,435.72**

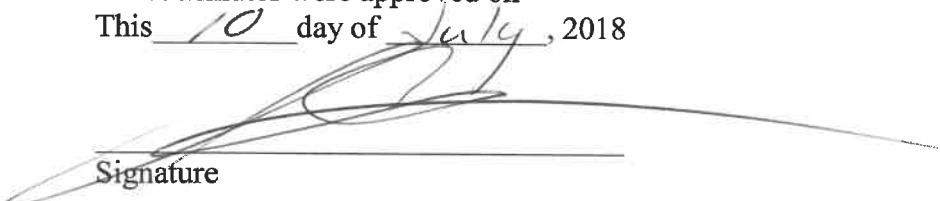
President Cordell yes
Trustee Abbate yes
Trustee Alvarado yes
Trust Lopez yes
Trust Puralewski yes

Adjournment

The minutes of the May 30, 2018 South Barrington Police Pension Board meeting as respectfully submitted.

Susan Ardizzone, Records Clerk

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



Signature