

I. CALL TO ORDER:

The meeting was called to order at 0900 am by West Dundee Fire Fighters Pension Board President Randy Schultz.

II. ATTENDEES PRESENT:

1. Randy Schultz
2. Mark Guth
3. Mike Barreto
4. Dave Danielson
5. John Mitchell (Mitchell, Vaught & Taylor)
6. Thomas Dugan (Mitchell, Vaught & Taylor)
7. Eric Laughlin (Morgan Stanley Smith Barney)
8. Attorney David Mejia

III. AUDIENCE PRESENT:

- No Audience Present.

IV. REPORT OF INVESTMENT:

Morgan Stanley Smith Barney: Eric Laughlin

- A. Mr. Eric Laughlin provided the Fire Fighters Pension Board with a capital market overview. Mr. Laughlin also provided the Board with an investment and performance summary report of the West Dundee Fire Pension Fund portfolio for the Fourth Quarter 2018 with regard to the overall performance of the Pensions fund, allocations, stocks, bonds and current status of the market.
- B. Mr. Eric Laughlin noted that this quarter was the worst month since 2011. Currently down 12.6%, and 8% YTD, and the pension is up 7.64% since inception. There has been improvement since January 2019.
- C. Mr. Eric Laughlin stated that Morgan Stanley is dedicated to government, reviews, investment policy statements, has a 3rd party review process to keep the company up to date, and a government money market sweep (that they are looking to change). Dave Danielson filled out the required paperwork and Randy will fill out the rest. Eric Laughlin will pick it up when it is completed.

Mitchell, Vaught & Taylor: John Mitchell/Thomas Dugan

- A. Mr. John Mitchell and Thomas Dugan provided the Fire Fighters Pension Board with a summary of the West Dundee Fire Fighters Pension Fund's overall performance, allocation and perspective of the current market for the Fourth Quarter of 2018.
- B. Updates on Mitchell, Vaught, & Taylor; the firm has been opened for 23 years. In June 2018 a compliance officer found out that Bill Yocious started his own company after signing a non-compete/privacy agreement.
 - a. In October Daniel Taylor applied to open her own firm and David Vaught started talking to MVT vendors.
 - b. Taylor/Vaught resigned and started their own company, while entertaining MVT clients.
 - c. Thomas Dugan came into work for MVT; primarily bond trading, along with Margie Mitchell.
 - d. To summarize – MVT had major changes but the people who left were more relationship business. The loss that MVT experienced has not affected the pension, and the same people who worked with the pension are still working on the pension. MVT is in the top 10% in the state of IL after review last year.
 - e. Pension Board President Randy Shultz stated that the Pension Board has concerns and wants to do due diligence in review, esp. with communication (no notice to the Pension Board about Bill leaving, or Jim coming to the August meeting). There are no changes being made yet, but paying more attention than in the past.

V. APPROVAL OF MINUTES:

- A. Approval 11/7/18 Meeting Minutes:

MOTION: Pension Board Member Mark Guth made a motion to accept the November 7, 2018 Minutes with a change of Randy Schultz name. Motion was seconded by Dave Danielson. The Motion was carried by unanimous voice vote.

- B. Approval 1/15/19 Special Meeting Minutes:

MOTION: Pension Board Member Mark Guth made a motion to accept the special meeting January 15, 2019 Minutes. Motion was seconded by Dave Danielson. The Motion was carried by unanimous voice vote.

VI. CORRESPONDENCE:

- A. MVT Letter & Email: Jim Norwicki sent correspondence
- B. Bill Yocius reached out and landed else where would like to have meeting

VII. TREASURER REPORT:

- A. Pension Board Member Randy Schultz was provided the Treasurers report from Treasurer Danielson. Pension Board Member Randy Schultz presented the Treasurers report from October, November, December 2018.

MOTION: Pension Board Member Mike Barreto made a motion to accept the Treasurers Reports from October, November, December 2018.. The motion was seconded by Pension Board Member Mark Guth. The Motion was carried by unanimous voice vote.

MOTION: Pension Board Member Mark Guth made a motion to ratify disbursements for July, August & September 2018. The motion was seconded by Pension Board Member Dave Danielson. The Motion was carried by unanimous voice vote.

VIII. INVESTMENT ACTIONS

- A. January Meeting 1/15/19:
 - a. Eric Presented @ Police Pension meeting
 - i. Simple Laddered bond portfolio
 - ii. Eaton Vance was hired by Morgan Stanley
 - iii. Pension Board was not impressed with the presentation, no new technology.
 - b. Mitchell, Vaught & Taylor:
 - i. Dave Disappointed by MVT. The ball was dropped in the last 6 months. He would be uncomfortable MVT handling equity but is fine with them handling the fixed portion.
 - ii. Overall analysis would be stronger with Eaton Vance than MVT
 - iii. Board President Randy Schultz suggested keeping the pension under separate companies.
 - iv. Attorney Cary Collins will send a letter on behalf of the fireboard stating that MVT is on watch.
 - v. For the May meeting, bring other suitors to do presentations. Board President Randy Schultz will make the arrangements.

IX. UNFINISHED BUSINESS

- A. Trustee Education: Dave went to trustee Ed in December of 2018.
 - a. Up to date for 2018.
 - b. Mark is missing one of Jack Festens Certificates.
 - c. IL has become very strict on proof of certificates.
- B. Investment Advisor Review:
 - a. See Investment Actions
- C. Kris Wilcox – Cary handled led review
 - a. Board reviewed physicians statement

- b. Kris asked to see a copy of the physicians statement (See Motion)

MOTION: Pension Board Member Mark Guth made a motion to allow Kris Wilcox to receive a copy of Dr. Suchys physician's statement. The motion was seconded by Pension Board Member Mike Barreto. The Motion was carried by unanimous voice vote.

X. NEW BUSINESS

- A. IDOI Actuarial Report
 - a. Village did not approve full decrease change. Sharpe's number would be close if not for the interest rate assumption.
 - b. The Board is waiting for Sharpe's suspension update.
- B. 2019 Annual Pension Increases

MOTION: Pension Board Member Dave Danielson made a motion to approve the pension increases as presented. The motion was seconded by Pension Board Member Mark Guth. The Motion was carried by unanimous voice vote.

- C. April Elections:
 - a. Mike is currently filling the retired spot. Mark is currently filling the active spot. Mark is retiring May 4th, 2019.
 - b. The Board will run both spots consecutively, the retired spot in April and the active spot as a special election.
- D. 2019 Meeting Dates: Error. This was already discussed.
- E. MOTION: Pension Board Member Mike Barreto made a motion to allow Cary Collins to send a letter that the pension board has placed Mitchell, Vaught & Taylor under a watch status. The motion was seconded by Pension board member Mark Guth.

XI. ATTORNEY REPORT:

Nothing to report at this time.

XII. OTHER BUSINESS:

XIII. ADJOURNMENT:

The meeting was adjourned at 10:34 am.

Courtney Berg-Meyer
Recording Secretary

Mark Guth
Board Secretary