

I. CALL TO ORDER:

The meeting was called to order at 0903 am by West Dundee Fire Fighters Pension Board President Randy Schultz.

II. ATTENDEES PRESENT:

1. Randy Schultz
2. Mark Guth
3. Jack Festen
4. Mike Barreto
5. Dave Danielson
6. Bill Yocius
7. Eric Laughlin
8. Attorney Gary Collins (0921)

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 2017 with regard to the overall performance of the Pensions fund, allocations, stocks, bonds and current status of the market.
- B. Eric Laughlin recommended moving \$40,000.00 from American Growth Fund of America and \$40,000.00 from Washington Mutual to American Europacific. The board will discuss later in the meeting and get back to Eric on the decision.

Mitchell, Vaught & Taylor: Bill Yocius

- A. Mr. Bill Yocius 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 2017.

- B. Pension Board Member Jack Festen asked that due to the \$19,000 loss, if there is any other 'vehicle' to use for fixed income. Per Bill Yocius, one way to manage risk, with rates being low, and there being little growth due to the banks 'sitting' on the money is short durations. Another way to increase the bottom line is to increase corporate or U.S. Government bonds.
- C. Both Pension Board Treasurer Dave Danielson and Bill Yocius explained that fixed income is meant to protect the pension in a down market with long term investment.

V. APPROVAL OF MINUTES:

- A. After careful review of the November 1st, 2017 minutes it was discovered that Pension Board Member Mike Barreto's name was misspelled. The change has been made and updated minutes have been submitted for re-review at the May 2nd, 2018 Board Meeting.

MOTION: Pension Board Member Dave Danielson made a motion to accept the November 1st, 2017 Minutes with the change: The motion was seconded by Pension Board Member Mark Guth. The Motion was carried by unanimous voice vote.

VI. CORRESPONDENCE:

- A. No correspondence at the February 7th, 2018 Meeting.

VII. TREASURER REPORT:

- A. Treasurer Danielson presented the Treasurers report from October, November & December 2017. Treasurer Danielson stated the Pension Fund is up \$163,000 for the quarter with \$206,000 in cash at First American. Monthly distributions are \$34,000. Decembers disbursements were lower due to Mary Hopp not being paid after failure to deliver the authorization form.

MOTION: Pension Board Member Mark Guth made a motion to accept the Treasurers Report from October, November & December 2017.. The motion was seconded by Pension Board Member Jack Festen. The Motion was carried by unanimous voice vote.

MOTION: Pension Board Member Dave Danielson made a motion to ratify disbursements for October, November & December 2017. The motion was seconded by Pension Board Member Mike Barreto. The Motion was carried by unanimous voice vote.

VIII. INVESTMENT ACTIONS

No changes at the February 7th, 2018 Meeting.

IX. UNFINISHED BUSINESS

A. Trustee Education:

- a. Pension Board Treasurer Dave Danielson is almost completed with the continuing education at Judson with ethics.
- b. Pension Board Member Mike Barreto is pending.

B. Investment Advisor Review:

- a. Attorney Cary Collins recommends that Eric Laughlin from Morgan Stanley Smith Barney and Bill Yocius from Mitchell, Vaught & Taylor figure out an annual fee percentage.
- b. Attorney Cary Collins typically creates a quarterly Investment review report 1, 3 & 5 years, but it is hard to do for West Dundee with the numbers given to him. He will ask Bill to complete one, who does it for Carpentersville. Attorney Cary Collins will email the Investment Review report when it is completed (should be by the months end).
- c. Pension Board Treasurer Dave Danielson indicated he would review when the report was sent over to confirm the fees.

C. Wilcox Annual Physical:

- a. Pension Board President has the report from Wilcox annual physical on 12/18/17. Dr. Stamelos from Buffalo Grove Orthopedics has certified the disability. No motion is needed.

X. NEW BUSINESS

A. Actuarial Report Review – DOI

- a. Dave provided an Actuarial Valuation Report from the Illinois Department of Insurance which shows the assets and liabilities of the fund.
- b. The levy was higher at \$365,000.

B. Annual Benefit Increases:

- a. Adjustments made via the Monthly Fire Pension Payouts (attached)

MOTION: Pension Board Member Randy Schultz made a motion to ratify annual increase adjustments. The motion was seconded by Pension Board Member Mark Guth. The Motion was carried by unanimous voice vote.

C. Municipal Compliance Report Review:

- a. Required Reporting to the Village of West Dundee. No discussion needed.

- D. Trustee Election in spring:
- a. Currently Board Trustee Mike Barreto is filling a retired trustee position.
 - b. Board Member Mark Guth will send an inquiry to find out if there is interest in any retirees (any one who receives retirement benefits).
 - c. If there is no interest from the retirees, it can then go to active members.
 - d. If an active member is elected, and a retired member would like to join the board, the retired member would then have to wait until the term is over.
- E. Eric Laughlin has recommended transferring \$40,000 of funds from American Growth Fund of America and \$40,000 of American Washington Mutual to American Europacific.

MOTION: Pension Board Member Mark Guth made a motion to transfer \$40,000 of funds from American Growth Fund of America and \$40,000 of American Washington Mutual to American Europacific. The motion was seconded by Pension Board Member Randy Schultz. The Motion was carried by unanimous voice vote.

- a. Dave will call Eric to confirm the approval to move the funds.

XI. ATTORNEY REPORT:

- A. Attorney Cary Collins provided information on a seminar that will discuss tier 3 consolidated pensions. The seminar is May 16, 17th, & 18th in Rock Island, IL.

XII. OTHER BUSINESS:

- A. The next West Dundee Fire Fighters Pension Board meeting will be held on Wednesday May 2nd, 2018

XIII. ADJOURNMENT:

MOTION: Pension Board Member Dave Danielson made a motion to adjourn the meeting at 1027. The motion was seconded by Pension Board Member Mark Guth. The Motion was carried by unanimous voice vote.

Courtney Berg-Meyer
Recording Secretary

Mark Guth
Board Secretary