

I. CALL TO ORDER

The meeting was called to order at 0905 by Board President Randy Schultz

II. ATTENDEES PRESENT

- a. Randy Schultz
- b. Mark Guth
- c. Mike Barreto
- d. Dave Danielson
- e. Jack Festen
- f. John Mitchell (MVT)
- g. Jim Nowicki (MVT)
- h. Eric Laughlin (Morgan Stanley / Smith Barney)
- i. Cary Collins (Board Attorney)

III. AUDIENCE PRESENT

None Present

IV. REPORT OF INVESTMENT Mitchell Vaught and Taylor: Jim Nowicki

- A. Jim Nowicki presented the board with a report of our fixed income investments showing that we earned 1.61% in the first quarter beating the benchmark of 1.58% and staying short which represented less risk in the portfolio.

Morgan Stanley / Smith Barney: Eric Laughlin

- A. Eric provided the board with a market overview and an investment summary of the West Dundee Firefighters Pension Fund portfolio for the First Quarter of 2019. The report showed equities performance for the fund and the current status of the market.
- B. Eric noted that the quarter was the best first quarter since 2009. We posted a gain of 12.68% for the quarter and 8.45% since inception.
- C. Eric suggested moving \$40,000 from Mid Growth to Mid Value to rebalance our portfolio as they were representing 4% and 2.2% of our equity portfolio respectively due to Mid Cap Growth outperforming Mid Cap Value stocks over the last several years and he would like that to be rebalanced across those two categories.
- D. Eric stated that he believes economically we are in the 8th inning of the ball game as opposed to the International Market who he believes is the 4th inning respectively and there may be some opportunity for growth there as we turn downward in the not too distant future.

V. APPROVAL OF MINUTES

- a. Approval of February 6, 2019 meeting minutes.

MOTION: Board member Dave Danielson motioned to approve the minutes as presented. Motion was Seconded by Mark Guth. The motion was carried by unanimous voice vote.

VI. CORRESPONDENCE

- a. Collins and Radja Letter: Sent by Cary Collins regarding MVT

VII. TREASURERS REPORT

- a. Board Treasurer Dave Danielson presented the board with the Treasurers Report from January, February and March 2019. Total fund value of \$7,233,427.46 showing and increase of \$391,758.28 from last quarter of 2018 to first quarter of 2019.

MOTION: Board member Mark Guth motioned to approve the Treasurers Report as presented. Motion was Seconded by Mike Barreto. The motion was carried by unanimous voice vote.

MOTION: Board member Mark Guth motioned to ratify disbursements for January, February and March 2019. Motion was Seconded by Jack Festen. The motion was carried by unanimous voice vote.

VIII. INVESTMENT ACTIONS

- a. Jack Festen asked what percentage the West Dundee Fire Pension Fund was at and the Actuary Report showed a funding level of 58.6%.
- b. Discussion about moving \$40,000 from GOLDMAN SACHS GRW OPPORT I fund to the ARTISAN MID CAP VALUE ADV as suggested by Eric Laughlin and board opinion was favorable.

MOTION: Board member Dave Danielson motioned to approve the moving of \$40,000 from GOLDMAN SACHS GRW OPPORT I fund to the ARTISAN MID CAP VALUE ADV as suggested by Eric Laughlin. Motion was Seconded by Jack Festen. The motion was carried by unanimous voice vote.

IX. UNFINISHED BUSINESS

- a. Trustee Education

1. Mark Guth stated that all trustee education documents had been turned in.

- b. Investment Advisor Review

1. Andrew Holtgrieve of Rockwood Capital presented the Board with a proposal for managing the fixed income portion of the West Dundee Fire Pension portfolio

2. Bill Yocius of Shields Capital Advisors presented the Board with a proposal for managing fixed income assets of the West Dundee Fire Pension portfolio.

X. NEW BUSINESS

a. Trustee Elections

1. Board Secretary Mark Guth presented the board with the Election ballots and results. Secretary Guth was running for the retired position and received 3 votes and Trustee Mike Barreto was running for the remaining portion of Mark Guths Trustee position and received 2 votes. No other candidates or votes were cast.

MOTION: Board President Randy Schultz motioned to ratify the results of the elections. Motion was Seconded by Dave Danielson. The motion was carried by unanimous voice vote.

b. Village President Trustee Appointments

1. Village President Chris Nelson had no changes in the appointment of Dave Danielson and Jack Festen to the board and Dave would provide the board with a letter from Village President Chris Nelson stating this intent.

c. Officer Appointments

1. Board Attorney Cary Collins called for the nomination of Board President and Mark Guth nominated Randy Schultz and Mike Barreto seconded the nomination. The Board, having requested other nominations and seeing none voted unanimously for Randy Schultz to Board President. In like manner Board Attorney Cary Collins called for the nomination of Board Secretary and Mark Guth nominated Mike Barreto and Jack Festen Seconded the nomination. The Board, having requested other nominations and seeing none voted unanimously for Mike Barreto to Board Secretary.

d. Guth Application for benefits

1. Board President Randy Schultz presented documents prepared by himself and Treasurer Dave Danielson to approve pension benefits for Mark Guth whose retire date is May 5, 2019 in the amount of \$3,816.28 per month.

MOTION: Board Treasurer Dave Danielson motioned to approve the pension benefits of Mark Guth in the amounts outlined. Motion was Seconded by Jack Festen. The motion was carried by unanimous voice vote.

e. New Employee – Joe Saenz

1. Paperwork presented to accept new West Dundee Fire fulltime hire Joe Saenz into the West Dundee Firefighters Pension Fund with a hire date of 04/29/2019.

MOTION: Board Trustee Mark Guth motioned to approve the addition of Joe Saenz into the West Dundee Firefighters Pension Fund. Motion was Seconded by Jack Festen. The motion was carried by unanimous voice vote.

f. Fiscal Year 2019-2020 Budget

1. Treasurer Dave Danielson presented the Board with a budget outlining the predicted expenses of \$523,000 for the 19-20 budget.

MOTION: Board Trustee Mark Guth motioned to approve the 2019-2020 budget. Motion was Seconded by Jack Festen. The motion was carried by unanimous voice vote.

g. Fiduciary Insurance renewal

1. President Randy Schultz presented the board with the revised cost for fiduciary insurance by Euclid Specialty showing The Vanguard Fiduciary Liability Insurance had increased over last year \$31.

MOTION: Board Trustee Mark Guth motioned to approve the renewal of The Vanguard Fiduciary Liability Insurance policy with Euclid Specialty. Motion was Seconded by Jack Festen. The motion was carried by unanimous voice vote.

XI. ATTORNEY REPORT

a. Cary Collins stated that the politicians downstate are still uncertain on how the consolidation of pension funds should proceed and thus there is no movement in that direction. Cary notified the board of HB3013 for pensions and stated that it would be spoken about in the upcoming Pension Trustee training and education in Rock Island in a couple weeks which 4 of 5 board members are attending. Dave Danielson stated that they had done calculations on the cost of SB36 secondary employment of fulltime members as part time members with the Village and said it would cost the Village approximately \$30,000 more per year but that was a price they were willing to pay for the service.

XII. OTHER BUSINESS

a. None

XIII. ADJOURNMENT

The meeting was adjourned by consensus at 11:55am.

Michael Barreto
Board Secretary