

# **MINUTES OF ROCKTON POLICE PENSION BOARD**

Regular Meeting  
Tuesday – 7/30/2019

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## **CALL TO ORDER:**

President Bruce Lans called the Police Pension Board regular meeting to order at 4:05 P.M.

## **ROLL CALL:**

Present were: Bruce Lans, Ron Montgomery, Russell Schaefer, Officer Johnson and Sgt. Camacho. A quorum was present. Dave Harrington of Sawyer Falduto Asset Management, Village Treasurer Jaye Quimby and Pension Board Attorney Chris Potthoff of Reimer Dobrovlny were in attendance.

## **PUBLIC COMMENT TIME:**

There were no public comments.

## **APPROVAL OF MINUTES:**

A motion was made by Mr. Montgomery to approve the Police Pension Board regular meeting minutes from 4/24/2019, seconded by Mr. Lans. Voice vote: unanimous ayes – motion carried.

A copy of minutes for the Rockton Police Pension Board regular meeting for 4/24/2019 has been added to the meeting minutes file.

## **INVESTMENT ADVISOR REPORT:**

Dave Harrington of Sawyer Falduto Asset Management provided the Investment Performance Report for the 2nd quarter of 2019 in the following summation:

	<b>Quarter 2</b>	<b>Year-to-Date</b>
<b>Cash Flow Summary</b>		
Beginning Market Value	\$5,981,184	\$5,578,317
Ending Market Value	\$6,243,870	\$6,243,870
Investment Return	\$186,172	\$593,223

<b>Performance</b>	<b>Actual</b>	<b>Benchmark</b>	<b>Actual</b>	<b>Benchmark</b>
Equity	3.41%	3.84%	17.63%	17.85%
Fixed Income	2.87%	2.99%	5.32%	5.15%
Cash Equivalents	0.43%	0.64%	0.91%	1.24%
Total Account Return (net of fees)	3.03%	3.49%	10.46%	10.88%

<b>Asset Allocation</b>	<b>Actual</b>	<b>Range</b>
Equity	44.4%	35 – 45%
Fixed Income	53.8%	50 – 60%
Cash Equivalents	1.8	0 – 10%

There was discussion in regards to the standard benchmarks, reporting process practices and if there was need for further review of style drift with present overall portfolio investment review provided by the firm to members.

A motion was made by Mr. Lans, seconded by Officer Johnson to accept the investment advisor's report as presented by Sawyer Falduto Asset Management. Voice vote: unanimous ayes – motion carried.

Mr. Harrington reviewed the suggestions in Investment Grade Corporate Bonds (suggested 10-15%) and related investment policy procedures introduced at the last meeting. The updated investment policy and language that had been provided was presented for signature by board members.

A motion was made by Mr. Montgomery, seconded by Mr. Schaefer to approve the updated investment policy. Upon roll call, the vote was: AYES: 5–Mr. Lans, Mr. Scahefer, Officer Johnson, Mr. Montgomery, and Sgt. Camacho NAYS: 0 ABSTAIN: 0

The Quarterly Investment Performance Report (2nd Quarter 2019) and Investment Grade Bonds sample paperwork from Sawyer Falduto has been added to the meeting minutes file.

#### **TREASURER'S REPORT:**

Mrs. Quimby stated that financial reports for May and June had been emailed earlier to the Board.

Balance Sheets: Reported assets as of 6/30/2019 is \$6,238,104.95.

A motion was made by Mr. Lans, seconded by Officer Johnson to accept the Treasurer's report as presented by Mrs. Quimby. Voice vote: unanimous ayes – motion carried.

The balance sheets were added to the meeting minutes file.

#### **APPROVE BILLS FOR PAYMENT:**

Mr. Lans reviewed the following totals for bills for payment:

- a) Attorney Quarterly Retainer - \$750.00
- b) IDOI Compliance Fee - \$1,104.56 (pre-approved)
- c) IPPFA Conference Fees - \$1,540.00 (pre-approved)

A motion was made by Sgt. Camacho, seconded by Mr. Montgomery to authorize payment of the bills as noted. Upon roll call, the vote was: AYES: 5–Mr. Lans, Mr. Scahefer, Officer Johnson, Mr. Montgomery, and Sgt. Camacho NAYS: 0 ABSTAIN: 0

The invoices was added to the minutes file.

#### **TRUSTEE TRAINING:**

2019 Mid-American Conference - Sgt. Camacho confirmed that four members (Camacho/Lans/Johnson/Schaefer) had been registered for the conference that will be held October 1-4, 2019.

**REQUEST FOR BENEFITS:**

There were no requests for benefits.

**OLD BUSINESS:**

PTELL Calculation/Final Tax Levy – Mrs. Quimby confirmed the original requested tax levy of \$395,535 and the corrected Winnebago County calculation of \$384,881.

Board Officer Elections – Mr. Lans reviewed the present board assignments and there was discussion for opportunity for any requested changes. The recommendation was to keep all members in the same positions, Motion made by Sgt. Camacho, Seconded by Mr. Montgomery.

Upon roll call, the vote was: AYES: 5–Mr. Lans, Mr. Scahefer, Officer Johnson, Mr. Montgomery, and Sgt. Camacho NAYS: 0 ABSTAIN: 0

Board Member Appointment / Mr. Lans– Sgt. Camacho presented the reappointment letter from Mayor Adams, appointing Mr. Lans to the board for another two-year term.

Copies of the related documents were added to the file.

**NEW BUSINESS:**

2019 Member Contribution Reports – Sgt. Camacho presented the annual member contribution reports created by Mrs. Quimby that were provided to members this week.

Lauterbach & Amen, LLP Engagement Letter – Mr. Lans reviewed the correspondence received from Lauter Bach & Amen, noting the engagement letter with proposed fee increase (\$3,700/\$5,300) and agreed services through May 31, 2021. Mr. Lans reported he had requested further documentation of the fee justification from the firm for presentation to the board. That information hadn't been received as of yet.

Mr. Lans made the motion to approve retaining the services of Lauterbach & Amen per terms of their engagement letter subject to further discussion with them regarding a fee reduction. Upon roll call, the vote was: AYES: 5–Mr. Lans, Mr. Scahefer, Officer Johnson, Mr. Montgomery, and Sgt. Camacho NAYS: 0 ABSTAIN: 0

Copies of available filings were added to the file.

**ATTORNEY REPORT:**

Lead Attorney Assignment – Sgt. Camacho reviewed the email correspondence from Attorney Reimer confirming that Attorney Potthoff would be our assigned representative of the firm going forward.

Legal Update – Mr. Potthoff reviewed the 7/2019 newsletter from his firm with board members. He also updated the board on the state's ongoing efforts to review consolidation of police/fire pensions and the related issues that could create.

**EXECUTIVE SESSION:**

An executive session was not needed.

**NEXT QUARTERLY MEETING:**

The next regular Police Pension Board meeting is scheduled for Tuesday, October 23<sup>rd</sup>, 2019 at 4:00PM.

**ADJOURNMENT:**

There being no further business, it was moved by Mr. Lans and seconded by Mr. Montgomery to adjourn. Voice vote: unanimous ayes – motion carried. The meeting adjourned at 4:50 pm.

Respectfully submitted,

***Sergeant Dean A. Camacho #1303***

Secretary

Approved: TBA (10/23/2019) ( ) Yes ( ) No