

MINUTES

01-24-2018 Regular Meeting

Central Fire Station Conference Room

9:04AM Meeting called to order by President Blair Senneff. Members in attendance were: Blair Senneff, Buss, Moshure, Marsh. Absent: Bill Senneff.

City Finance Director Randy Bukas was also in attendance.

Chris Caparelli of Marquette Associates attended the meeting. Chris brought executive summary reports explaining how the markets affected the portfolio for the last quarter. The reports discussed our portfolio and the following topics: Economic environment, GDP, unemployment, fed. fund rate, fixed income market, U.S. equity market, International equity market, and manager performance. Portfolio return: Qtr. 2.8%, YTD 13.4%, 1 YR. 13.4%, 2 YR. 10.0%, 3 YR. 6.4%, 4 YR. 5.6%, 5YR. 7.7%. Marquette did recommend rebalancing at this time. Chris also discussed a summary of cash flows over the last 3 years and possibly switching to a dedicated Emerging Market manager,

1 Year Historical Performance as of 12-31-17:

Mesirow	2.0%	Benchmark	2.1%
Vanguard Total Stock Fund	21.2%	Benchmark	21.0%
Vanguard MIDCAP Growth Index	21.8%	Benchmark	21.9%
Seagull Bryant & Hamill	11.3%	Benchmark	7.8%
Harbor International	22.9%	Benchmark	27.2%
William Blair International Growth	29.5%	Benchmark	27.2%
Franklin International Fund	34.5%	Benchmark	32.1%
PIMCO	14.0%	Benchmark	1.9%
Principal US Property	7.9%	Benchmark	6.7%

Chris's recommendation was to balance back to policy target. A motion to follow this recommendation was made by Buss and seconded by Marsh. Motion passed 4-0. Blair Senneff-yes, Buss-yes, Marsh-yes, Tessendorf-yes.

Minutes of the 10-24-2017 Regular Meeting were read. Motion by Buss to approve the minutes as read. Seconded by Marsh. Motion passed 4-0.

The Treasurer's Report was presented, showing assets of \$35,789,717.78 as of 12-31-17. Market value gain for October 2017 was \$332,097.87. Market value gain for November 2017 was \$378,989.41. Market value gain for December 2017 was \$282,296.27. Motion by Blair Senneff to approve the Treasurer's Report. Seconded by Derek. Motion passed 4-0.

Bills presented:

10-27-17,#28183-28191,28194, -EFT-October 2017 Benefit Payroll	\$226,426.47
10-27-17,EFT-Jeremy Marsh/Payroll Clerk	\$250.00
10-27-17,EFT-Jeremy Marsh/Office Supplies	\$97.98

10-27-17,#28188,28191	VOID
10-27-17,#28192-IPFA-2017 Fall Seminar	\$175.00
10-27-17,#28193-IPF Consulting-GASB preparation ending 04/17	\$2,700.00
10-27-17,EFT-Blair Senneff-IPFA Seminar 2017 Reimbursement	\$837.35
10-27-17,EFT-Blair Senneff-IPFA Seminar 2018 Room Deposit	\$986.65
10-27-17,EFT-Bill Senneff-IPFA Seminar 2017 Reimbursement	\$990.97
10-27-17,EFT-Jeremy Marsh-IPFA Seminar 2017 Reimbursement	\$1,048.85
11-28-17,#28195-28202-EFT-November 2017 Benefit Payroll	\$226,426.47
11-28-17,EFT-Jeremy Marsh/Payroll Clerk	\$250.00
11-28-17,EFT-Linda Buss-DOI Annual Report	\$1,100.00
12-27-17,#28203-28210-EFT-December 2017 Benefit Payroll	\$226,426.47
12-27-17EFT-Jeremy Marsh/Payroll Clerk	\$250.00
12-27-17-#28211-Lauterbach & Amen INV 25479 Preparation of IDOI report ending 04/2017	\$2,100.00
12-27-17,#28212-FMTC, FBO Scott Miller-Refund of Contributions	\$35,533.33
12-27-17,EFT-Marquette INV#1712509 12/01/2017-02/28/2018	<u>\$6,750.00</u>
Total	\$732,349.54

Motion by Buss to pay the bills as listed. Seconded by Tessororf. Motion passed 4-0. Blair Senneff-yes, Buss-yes, Marsh-yes, Tessororf-yes.

Applications for membership - Nathan Stepp. Motion to accept by Buss. Seconded by Tessororf. Motion passed 4-0.

Applications for membership - Bradley Tunak. Motion to accept by Buss. Seconded by Tessororf. Motion passed 4-0.

Applications for membership - Todd Allen. Motion to accept by Buss. Seconded by Tessororf. Motion passed 4-0.

Motion by Buss for approval for refund of contributions for Scott Miller. \$35,533.33 was transferred to a Fidelity Investments IRA. Motion accepted by Tessororf. Motion passed 4-0. Blair Senneff-yes, Buss-yes, Marsh-yes, Tessororf-yes.

Motion by Blair Senneff to ratify investment actions taken by our managers since the last regular meeting. Seconded by Marsh. Motion passed 4-0. Blair Senneff-yes, Buss-yes, Marsh-yes, Tessororf-yes.

Motion by Buss to accept and place on file 04/30/2017 City of Freeport Annual Financial Report. Seconded by Blair Senneff. Motion passed 4-0.

Review Executive Session Minutes for potential approvals and/or destruction. No minutes to approve or destroy. Motion by Tessendorf. Motion seconded by Marsh. Motion passed 4-0.

Motion by Buss to approve all 2018 calendar year pay increases. Motion seconded by Tessendorf. Motion passed 4-0. Blair Senneff-yes, Buss-yes, Marsh-yes, Tessendorf-yes.

Motion by Marsh to approve 2018/2019 budget. Seconded by Tessendorf. Motion passed 4-0. Blair Senneff-yes, Buss-yes, Marsh-yes, Tessendorf-yes.

Motion by Blair Senneff to authorize Buss to obtain Fiduciary Liability Insurance quotes. Seconded by Marsh. Motion passed 4-0. Blair Senneff-yes, Buss-yes, Marsh-yes, Tessendorf-yes.

Request for proposals for Actuary Services were taken care of by the city.

A reciprocity request from Princeton for Nick LaVanway was received.

All trustees are up to date on training.

Discussed upcoming statewide training.

Discussed 5 possible bills for pension changes:

- Disband after 1/1/2020 into IMRF

- Consolidate article 3 & 4 into IMRF with boards dissolving

- Consolidate article 3 & 4 together being managed by IMRF

- Consolidate article 3 & 4 along with IMRF and the state manages the fund

- Consolidate all funds together

Discussed Legal and Legislative Update dated January 2018

Motion to adjourn at 10:27 AM by Buss. Seconded by Tessendorf. Motion passed 4-0.

Jeremy Marsh, Secretary