

MINUTES OF THE SPECIAL MEETING CONDUCTED BY
THE BLOOMINGDALE POLICE PENSION BOARD
HELD IN THE TRAINING ROOM OF THE BLOOMINGDALE POLICE DEPARTMENT,
VILLAGE OF BLOOMINGDALE, DU PAGE COUNTY,
201 SOUTH BLOOMINGDALE ROAD,
MARCH 10, 2020

1. **PROOF OF POSTING**

This special meeting was duly noticed and posted in accordance with State Statutes.

2. **CALL TO ORDER**

The meeting was called to order by President Fritz at 6:00 p.m.

3. **ROLL CALL**

Roll was called by the Pension Clerk:

Present: President Jeffery Fritz, Vice President Vince Bruett,
Secretary Edward Levato, Asst. Secretary Aaron Machek

Absent: None

QUORUM PRESENT

Also Present: Finance Director/Treasurer Gary Szott, Fund Attorney Richard Reimer,
Reimer & Dobrovolny PC, and Larry Rankens, Senior Vice President,
Mischler Financial

4. **POTENTIAL PURCHASE OR SALE OF SECURITIES**

Finance Director/Treasurer Szott advised that, with the unfortunate passing of Charles Mader in February, the Pension Fund is able to surrender a variable annuity from the Venerable Insurance Company held by the Pension Fund without any surrender fees and capture the death benefit value. The estimated total value of the surrendered annuity, including the death benefit at 12/31/19, is \$5.1 million dollars, a return on investment of more than 21% over the eleven year period since it was purchased. He further noted that, without the death benefit, the return would have been approximately 14%. Because of discussions by the Board during its past two meetings in which it indicated a desire to increase the Fund's equity allocation, and the timely events of the equity market, he asked President Fritz about holding a special meeting before the end of April to talk about investing the proceeds from the variable annuity, along with the Fund's available cash, for a combined total of \$8 million, which is the purpose of this special meeting.

Finance Director/Treasurer Szott then provided a review of the recent performance of Fund's portfolio, and its composition and estimated market value as of February 29, 2020. With the Board's recent decision to increase the Fund's target equity allocation up to 65% of the portfolio, he advised that, through February 29, 2020, the Fund would be able to invest up to \$4.8 million dollars in equities. He noted that since that date, the equity market has further declined, and, as of March 9, 2020, the Fund's mutual funds fell in value by another \$1.2 million; therefore, he estimates the Fund could invest over \$6 million in equities and still be under the Fund's target equity allocation. Lastly, Finance

Director/Treasurer Szott reviewed the bond ladder and discussed possible investment options. After concluding his review of the Fund's portfolio, Finance Director/Treasurer Szott introduced Larry Rankens from Mischler Financial and asked him to provide the Board with an overview and pertinent information regarding variable annuities.

Upon the conclusion of Mr. Rankens' presentation, the Board discussed several investment options for the Fund's \$8 million in available funds after the surrender of the variable annuity from the Venerable Insurance Company.

Motion by President Fritz, seconded by Asst. Secretary Machek, to grant Finance Director/Treasurer Szott the authority and discretion to invest up to \$1.5 million of available funds in a new variable annuity from Jackson National with the annuitant as Gary Fuchs, and \$1 million in each of four (4) existing Jackson National Life Perspective II-variable annuities, specifically, #s 2924, 2932, 2940, and 2959; and \$500,000 in the Delaware Life Financial variable annuity, if they accept new investments; otherwise to invest \$500,000 in the Jackson National Life Perspective II-variable annuity #2975, provided an enhanced benefit is available; if not, then to invest \$500,000 in Jackson National Life Perspective II annuities, specifically \$250,000 in #5138 and \$250,000 in #4105. In the event that Jackson National Life is not writing new contracts, to grant Finance Director/Treasurer Szott the discretion and authority to distribute \$1 million in available funds among the other six annuities as he determines appropriate. Upon roll call, the Pension Clerk recorded the following voice votes:

AYES: President Fritz, Vice President Bruett, Secretary Levato,
Asst. Secretary Machek
NAYS: None
ABSENT: None

MOTION DECLARED CARRIED

5. MEETING ADJOURNMENT

On a Motion by Vice President Levato, seconded by Asst. Secretary Machek the Special Meeting of the Police Pension Fund held on March 10, 2020 was adjourned at 6:58 P.M.

Respectfully submitted,



Patricia Perry
Police Pension Board Clerk

Minutes approved by



(Name)

4/27/2020
(Date)