

Motion by Mueller and seconded by Berke to approve the investment consulting services agreement with Marquette Associates effective July 1, 2018 with the annual fee of \$78,500.00 and increases over the term of the contract.

Motion by Mueller and seconded by Berke to approve purchases and sales. APPROVED.

Ayes: Nielsen, Mueller, Berke, and Laue

Nays: None

CITY BILLS

Motion by Mueller and seconded by Berke to approve October postage charges of \$141.06. APPROVED.

Ayes: Nielsen, Mueller, Berke, and Laue

Nays: None

Motion by Mueller and seconded by Berke to approve October City Services of \$7,133.33. APPROVED.

Ayes: Nielsen, Mueller, Berke, and Laue

Nays: None

Motion by Mueller and seconded by Berke to approve payment to HolmstromKennedyPC for October attorney fees for general matters in the amount of \$2,475.00. APPROVED.

Ayes: Nielsen, Mueller, Berke, and Laue

Nays: None

Motion by Mueller and seconded by Berke to approve payment to HolmstromKennedyPC for October attorney fees for Annual Medical Reviews (2018) in the amount of \$202.50. APPROVED.

Ayes: Nielsen, Mueller, Berke, and Laue

Nays: None

Motion by Mueller and seconded by Berke to approve the payment to Marquette Associates for investment consulting services for the period of October 1, 2018 through October 31, 2018 in the amount of \$6,041.67. APPROVED.

Ayes: Nielsen, Mueller, Berke, and Laue

Nays: None

Motion by Mueller and seconded by Berke to approve the payment to Woodlake Medical Management for the Phillip Statler Independent Medical evaluation (IME) in the amount of \$1,890.00. APPROVED.

Ayes: Nielsen, Mueller, Berke, and Laue

Nays: None

Motion by Mueller and seconded by Berke to approve the payment Kayne Anderson Rudnick for investment management fees from July 1, 2018 through September 30, 2018 in the amount of \$26,014.91. APPROVED.

Ayes: Nielsen, Mueller, Berke, and Laue

Nays: None

Motion by Mueller and seconded by Berke to approve the payment to Northern Trust for investment management fees from July 1, 2018 through September 30, 2018 in the amount of \$6,237.07. APPROVED.

Ayes: Nielsen, Mueller, Berke, and Laue
Nays: None

Motion by Mueller and seconded by Berke to approve the reimbursement for travel expenses related to IPPFA Conference to Scott Laue in the amount of \$173.31. APPROVED.

Ayes: Nielsen, Mueller, Berke
Nays: None
Abstain: Laue

ATTORNEY'S REPORT

Attorney Mezny stated that in the cover letter to Shalene Eagleson **regarding her** duty disability **application** he requested whether it was due to physical or mental reasons, or both.

The annual examinations have been completed for the year.

OLD BUSINESS

Wlaznik stated that the Article 3 to Article 3 transfers have been completed with the payments received. Officer Daniel Kutz's hire date, **due to purchase of credible service** is February 2, 2003, Officer Daniel Watson's hire date, **due to purchase of credible service** is March 23, 2007, and Officer Brandon Wells' hire date, **due to purchase of credible service** is March 22, 2002.

NEW BUSINESS

Motion by Mueller and seconded by Berke to approve the revised initial monthly benefit for Eric Bruno to be paid for the month of November in the amount of \$2,497.27 due to the new retirement date. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Berke, and Laue
Nays: None

Motion by Mueller and seconded by Berke to rescind previous motion due to an incorrect dollar amount.

Motion by Mueller and seconded by Berke to approve the revised initial monthly benefit for Eric Bruno to be paid for the month of November in the amount of \$4,795.56 due to the new retirement date. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Berke, and Laue
Nays: None

Motion by Mueller and seconded by Berke to approve the first pension benefit increase for Marc Welsh in the amount of \$829.45 monthly for a new monthly benefit of \$6,359.13/\$76,309.56 for the November payment. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Berke, and Laue

Nays: None

Motion by Mueller and seconded by Berke to approve paying the prorated amount to the estate of Jeff Morris through the date of his death, which was November 9, 2018 and the balance be withheld until the appropriate paperwork is received. APPROVED.

Ayes: Nielsen, Mueller, Berke, and Laue

Nays: None

Scott Laue exited the meeting at 9:10 a.m.

SEGALL BRYANT & HAMILL PRESENTATION

Clark Koertner and Alexis Cann were at the meeting to present information regarding the performance of the City's portfolio with Segall Bryant & Hamill.

Mr. Koertner started with an introduction to Segall Bryant & Hamill. Mr. Koertner discussed the account performance. Since inception in October 2012, the fund has increased approximately \$2 million. Mr. Koertner stated that Segall Bryant Hamill is not a yield manager; we are a total return manager. Segall Bryant Hamill does not invest in treasuries. When market volatility is high, their security selection is what drives performance.

Ms. Cann referred the board to page eight of the handout and stated that low quality riskier bonds have continued to outperform. In the beginning of 2016, people were leaving the bond market at an aggressive pace. The Federal Government had raised interest rates in 2015 and oil prices were rapidly dropping. Corporations and municipalities are enticed by the low interest rates to do long term projects. Ms. Cann stated that as interest rates rise bond prices drop. We put together a very high quality portfolio and only invest in one to ten year bonds.

Mr. Koertner stated that he feels we will see more volatility in the market.

PAYROLL

Motion by Mueller and seconded by Berke to approve the November estimated payroll in the amount of \$1,499,853.85. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, and Berke

Nays: None

Motion to adjourn was made and seconded at 9:38 a.m.