

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON OCTOBER 29, 2012, AT THE VILLAGE HALL, 7760 QUINCY STREET, WILLOWBROOK, DUPAGE COUNTY, ILLINOIS

1. CALL TO ORDER

The meeting was called to order at the hour of 3:10 p.m. by President Umberto Davi.

2. ROLL CALL

Those present at roll call were President Davi and Trustees Tim Kobler, and Scott Eisenbeis. Also present: Interim Director of Finance Carrie Dittman, Terese Krafcheck and guest Deputy Chief Paul Oggerino.

Absent: Trustee Joseph Pec.

3. APPROVAL - MINUTES OF THE REGULAR MEETING - July 31, 2012

The Board reviewed the minutes from the July 31, 2012 meeting.

MOTION: Made by

Trustee Kobler, seconded by Trustee Eisenbeis to approve the minutes of the regular meeting of the Police Pension Fund Board of Trustees held on July 31, 2012.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

4. APPROVAL - APPLICATION OF RETIREMENT BENEFITS FOR PAUL M. OGGERINO

Director Dittman reported the Village received an application of retirement benefits for Deputy Chief Paul M. Oggerino. His retirement date will be January 4, 2013 and the retirement benefits will begin on January 5, 2013. He has earned 29 years, 0 months and 27 days of service credit, granting him 72.5% of his current salary of \$106,080. This calculates to an annual pension amount of \$76,908.00; or \$6,409.00 per month. The month of January will be pro-rated and he will receive \$5,582.03.

MOTION: Made by Trustee Kobler, seconded by Trustee Eisenbeis, to approve the retirement application and benefits for Deputy Chief Paul M. Oggerino.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

5. DISCUSSION - 2012 AUDITED FINANCIAL STATEMENTS & MANAGEMENT LETTER

Director Dittman reviewed the Police Pension Fund. The Fund received a "clean" unqualified opinion on the statement relating to the April 30, 2012 annual audit. No new comments were received from the auditors. A prior year comment regarding the pension fund's investment policy was implemented and has been considered in compliance.

- Deputy Chief Oggerino thanked the Police Pension Board for their time and appreciates everything they do! He then left the meeting.

6. DISCUSSION - ANNUAL REPORT TO THE VILLAGE - APRIL 30, 2012

Director Dittman explained that each year the Pension Board's actuary, Art Tepfer prepares an annual report on the condition of the pension fund. This report then must be signed by the Pension Board vice-president and submitted to the Village Board with the attachments. The Board reviewed this report.

7. DISCUSSION - ANNUAL DEPARTMENT OF INSURANCE REPORT - APRIL 30, 2012

Director Dittman reviewed and explained that each year the Pension Board must file an annual Department of Insurance report of all the investments and activities throughout the year. The signed report must be submitted by October 31, 2012.

Trustee Eisenbeis inquired as to the funds left for deceased member Rick Willey. Director Dittman advised that several attempts have been conducted to contact Mr. Willey's daughter, with negative results. Director Dittman will send a certified return receipt letter to his daughter one last time. If she does not respond, the monies will probably be turned over to the State of Illinois.

8. DISCUSSION - ACTUARIAL VALUATION REPORT

Director Dittman reviewed the Actuarial Valuation report, prepared by Tepfer Consulting Group, Ltd. This reports on the value of the Fund as of April 30, 2012 and includes both statutory and recommended contributions for the fiscal year ending April 30, 2014, under both the new actuarial valuation method (projected unit credit) and the existing valuation method (entry age normal).

In this report, Mr. Tepfer comes up with three different contribution amounts due to changes in the state statutes.

For fiscal year ending April 30, 2014, the actuary is recommending a Village contribution of \$525,016.00, which equals the statutory minimum. This amount has already been factored in to the Village budget.

MOTION: Made by Trustee Kobler, seconded by Trustee Eisenbeis to request the Village Board accept the recommended Village contribution of \$525,016.00 for fiscal year 2014, which is consistent with the actuarial findings.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

9. APPROVAL OF EXPENSES INCURRED JULY THRU SEPTEMBER 2012

Director Dittman reviewed the expenses incurred July thru September 2012. During the third quarter, pension, widow and disability payments were distributed. This amount will go up in January once Paul Oggerino's benefits get added to the list. A total of \$6,353.46 was paid to MB Financial for their fees. Two additional expenditures were deducted for the annual Pension Board conference.

After a discussion by the Board, the following motion was made:

MOTION: Made by Trustee Kobler, seconded by Trustee Eisenbeis, to approve the expenses incurred for July thru September 2012.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

10. APPROVE - RENEWAL OF THE VILLAGE OF WILLOWBROOK'S DOWNSTATE POLICE PENSION PLAN INSURANCE (CHANGE OF CARRIER)

The Board reviewed the information for a change in carriers for the Village of Willowbrook Downstate Police Pension Plan.

Director Dittman will find out the fiduciary insurance fund amount is to compare to this statement and forward to Debbie.

Defer approval until information is received and the Board can determine what action to take.

11. APPROVAL OF INVESTMENTS MADE JULY THRU SEPTEMBER 2012 - QUARTERLY INVESTMENT REPORT - MB FINANCIAL BANK

Terese Krafcheck, representing MB Financial Bank, summarized the quarterly investment report for the Police Pension Board.

Ms. Krafcheck advised the third quarter ended September 30, 2012 very strong. The total fund value is at \$15,449,244. She summarized the portfolio allocations are targeted at 50% in equities, 50% in fixed income. The market took us to 51% equities and 49% in fixed income.

This quarter, the fund was up 3.97% vs. the broad benchmark at 3.65%. Based on the 9-month period, the fund is up 9.11% vs. the benchmark of 8.56%; and based on a 12-month period the fund is up 14.28% vs. the benchmark of 13.89%.

Equities for the quarter are up 6.14%, fixed income up 1.77%, Mutual Fund Real Estate up 5.09% and commodities were up 7.88%.

The Account Activity summary for the quarter is up \$590,555.00; and for the year it is up \$1,291,024.00.

Mr. Kirpach discussed the Asset segment of the funds, advising that the Large Cap holdings will be utilized more based on the direction from the Board. The Large Cap has been the best performing class to date. Interest rates are continuing to go down.

In the Risk/Return rate, the Village is in the upper right quadrant, meaning we are getting more return with more risk vs. the benchmark. There has been no change during this period with Mutual Fund returns.

After a discussion by the Board, the following motion was made:

MOTION: Made by Trustee Kobler, seconded by President Davi, to approve MB Financial's Quarterly report.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

12. VISITOR BUSINESS

None presented.

13. NEW BUSINESS

- A. Application to Carry a Concealed Weapon for Paul M. Oggerino

Deputy Chief Oggerino submitted an application for a Concealed Carry Permit. President Davi signed the application.

14. OLD BUSINESS

None presented.

15. COMMUNICATIONS

None presented.

16. ADJOURNMENT

MOTION: Made by President Davi, seconded by Trustee Kobler to adjourn the meeting of the Board of Trustees of the Police Pension Fund at the hour of 4:20 p.m.

UNANIMOUS VOICE VOTE

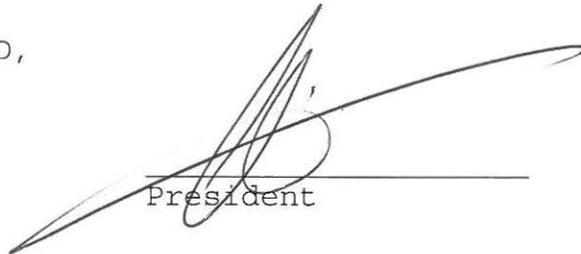
MOTION DECLARED CARRIED

PRESENTED, READ and APPROVED,

Date

11/30/13

President



Minutes transcribed by Debbie Hahn.