

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON APRIL 30, 2014, AT THE VILLAGE HALL, 7760 QUINCY STREET, WILLOWBROOK, DUPAGE COUNTY, ILLINOIS

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1. CALL TO ORDER

The meeting was called to order at the hour of 3:01p.m. by President Umberto Davi.

2. ROLL CALL

Those present at roll call were President Davi, Trustee Scott Eisenbeis, Trustee Joseph Pee and Trustee Carrie Dittman. Also present: Ted Kirpach and Bob DeMeulenaere of MB Financial.

Absent: Trustee Tim Kobler (in Springfield on business, however President Davi and Trustee Kobler discussed the agenda items at length on today's date).

3. APPROVAL MINUTES OF THE REGULAR MEETING January 31, 2014.

The Board reviewed the minutes from the January 31, 2014 meeting.

MOTION: Made by Trustee Dittman, seconded by Trustee Pee to approve the minutes of the regular meeting of the Police Pension Fund Board of Trustees held on January 31, 2014.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

4. APROVAL OF EXPENSES INCURRED JANUARY THRU MARCH 2014

Trustee Dittman reviewed the expenses incurred January thru March 2014. She noted that the report includes the payout of \$50,394.61 for Police Pension benefits, widow benefit of \$3,209.37, and a disability benefit of \$4,399.25. Legal fees incurred were \$190.00 for Mr. Broihier and two quarterly fees for MB Financial, \$7,205.05 (8/31/13) and \$7,605.18 (11/30/13). In addition, \$2,952.00 for Mesirow Financial Services for insurance and a re-classification of accounts for \$775.00, this was moved from meetings, travel and conferences section to fees, dues, subscriptions. Amanda Willey received her separation refund of \$18,601.98.

The following motion was made:

MOTION: Made by Trustee Pee, seconded by Trustee Eisenbeis, to approve the expenses incurred for January thru March 2014.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

- NOTE - President Davi advised the Board that at the April 28, 2014 Village Board meeting, Ms. Carrie Dittman was officially appointed as Trustee to the Police Pension Board.

5. APPROVAL OF INVESTMENTS MADE JANUARY THRU MARCH 2014  
QUARTERLY INVESTMENT REPORT - MB FINANCIAL BANK

Ted Kirpach, a representative of MB Financial Bank, summarized the quarterly investment report for the Police Pension Board.

Mr. Kirpach reported that the total fund value is at \$17,997.304.00. He summarized the portfolio allocations are targeted at 55% in equities, 45% in fixed income. The market took us to 47.84% in equities and 45.48% in fixed income.

Equities for the 5-year fund are looking good, coming in at 20.64% vs. the benchmark of 20.27%. The equities for the quarter were up just a bit at 1.86% vs the benchmark at 1.53%.

The Account Activity summary for the quarter is up \$283,326.00.

Mr. DeMeulenaere advised that since the Fixed Income Portfolio category was down 3.61% vs. the benchmark at 5.09%. This is due to interest rates and MB Financial did not want to lose money waiting for interest rates to rise. High income and emerging market will have a higher yield than the treasury or agencies. We expect to be more on the benchmark next quarter.

Under Equities, the only fund that under-performed was Energy for the quarter, however it has out-performed recently since the hostile take-over in the Middle East was announced. Green Mountain (Keurig) also was down by 3.82% after Coke announced the 10% purchase for a hot/cold machine product. Mr. Kirpach also advised that the job market has increased which will impact spending in the coming months.

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

MOTION: Made by Trustee Eisenbeis, seconded by Trustee Pee to approve MB Financial's Quarterly report.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

- NOTE - President Davi went to Item #10

10. APPOINTMENT OF TRUSTEE CARRIE DITTMAN

President Davi advised that the Village of Willowbrook Board of Trustees approved the appointment of Carrie Dittman as a Trustee of the Willowbrook Police Pension Board at their meeting on April 28, 2014. This will be a two year term.

6. DISCUSSION - PROPOSED BUDGET FY 2014-15

Trustee Dittman advised that the Village of Willowbrook is under the Appropriation Ordinance, which means the Police Pension Fund gets included in the Appropriation but is not included in the Operating Budget. However, Trustee Dittman has broken it down to help the Pension Board see where the expenses are coming from.

Trustee Dittman summarized the proposed budget FY 2014-15 as follows: Village contributions will be \$519,915, (this total comes from the actuary report). The amount decreased from the prior valuation. Police contribution of \$199,762 is based on current officer's base salary and includes the two new officers hired in FY 13/14; Interest income of \$500,000 is a baseline. Under Expenses, a separate financial schedule provided with the budget was created with a break-down for each pensioner's benefit. Total payout is expected to be \$703,020.44. Legal fees and the audit is based on an assumed 3% increase, however it came in at 2% which will make this amount slightly lower. Actuary fee has remained the same for the past several years at \$1,800.00. Fiduciary Insurance was previously budgeted under the "other" category instead of the "insurance" category, so that was corrected. There should be a surplus of \$471,052.00.

In addition, attached is a monthly Cash Flow Analysis to show income and expenses. Cash flow from officer and village contributions is approximately \$59,503.27 monthly. The current monthly payouts are approximately \$58,003.21, which will change in January 2015. The monthly overage for the fund will be approximately \$1,500.00 each month.

7. DISCUSSION UPDATE OF RULES OF REGULATIONS MANUAL FOR POLICE PENSION FUND TRUSTEES

Trustee Dittman advised she had spoken to Attorney Broihier regarding the updates to the Rules of Regulations Manual for Police Pension Fund Trustees. She advised him that the statute has change since the creation of Tier 2 membership, military

buyback, etc. and would like the manual updated to reflect these changes. Attorney Broihier was mailed the manual to review. She is awaiting his recommendations.

8. INFORMATION - ADDRESS CONFIRMATION FOR BENEFIT DISTRIBUTION FORM

Secretary Hahn advised that the updated address confirmation for benefit distribution form was mailed out to all benefit members earlier in the month of April. All but three (3) forms have been received back and notarized. Due date was April 28, 2014, but hopefully by the end of this week, all remaining forms will be returned to Secretary Hahn. The three missing forms are from William Bozek, John Barnacle, and Ruth Kleven.

9. INFORMATION ELECTION OF ACTIVE MEMBERS OF THE POLICE PENSION FUND BOARD OF DIRECTORS

Secretary Hahn advised that ballots were sent out to the officers and current benefit members. As of April 21st, of the 22 members, 17 ballots were returned and it was unanimous that Trustees Tim Kobler and Scott Eisenbeis remain on the Board.

Of the 11 benefit members, 6 were returned and the vote was 5-1 that Trustee Joseph Pee remains on the Board.

At the next Board meeting in July, appointment of Board officers will be conducted.

The Village of Willowbrook's Board meeting on Monday, April 28, 2014, along with Trustee Carrie Dittman's appointment, President Umberto Davi was re-appointed to the Pension Board.

10. RE-APPOINTMENT OF TRUSTEE CARRIE DITTMAN

- See above

11. VISITOR BUSINESS

None presented.

12. NEW BUSINESS

None presented.

13. OLD BUSINESS

A. MILITARY BUYBACK

At the last Police Pension Board meeting on January 31, 2014, a request from Officer Andrew Pelliccioni regarding the cost to buyback military time was requested. Trustee Dittman compiled the necessary information and spoke with Officer Pelliccioni on the different options. At this time, Officer Pelliccioni is not interested in any of the options. He can re-apply at a later date, if he chooses to.

B. All certified paperwork requested by the Police Pension Board was acquired through Ms. Willey's attorney. A check in the amount of \$18,601.98 less tax withheld at her request was mailed to Ms. Willey. The village will send her a 1099R tax form at the end of the year. No further discussion was needed.

14. COMMUNICATIONS

None presented.

15. ADJOURNMENT

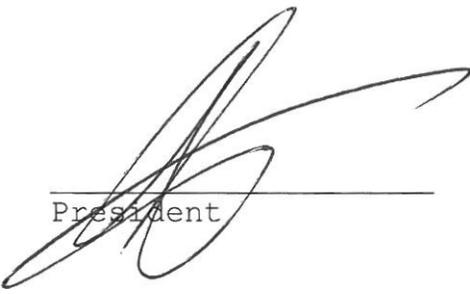
MOTION: Made by Trustee Pee, seconded by Trustee Eisenbeis to adjourn the meeting of the Board of Trustees of the Police Pension Fund at the hour of 3:45p.m.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

PRESENTED, READ and APPROVED,

7-30-14  
Date

  
President

Minutes transcribed by Debbie Hahn.