

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON JANUARY 26, 2015, 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 3:10 p.m. by President Umberto Davi.

2. ROLL CALL

Those present at roll call were President Davi, Trustee Scott Eisenbeis, and Trustee Carrie Dittman. Also present: Terese Krafcheck and Ted Kirpach of MB Financial.

Absent: Trustee Joseph Pec.

MOTION: Made by President Davi to allow Trustee Tim Kobler to attend the meeting via telephone conference.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

3. APPROVAL - MINUTES OF THE REGULAR MEETING - October 30, 2014.

The Board reviewed the minutes from the October 30, 2014 meeting. A correction to page 3, paragraph 7, Ms. Krafcheck requested this item be placed on the Police Pension Board agenda not the Village Board agenda. Correction on page 4, Item 8, paragraph 3, adds the words "change in" in front of assumption. Third correction on page 6, Item 13, Section B, composed a cover letter (add words and are) seeking proposals.

MOTION: Made by Trustee Eisenbeis, seconded by Trustee Dittman to approve the minutes as amended of the regular meeting of the Police Pension Fund Board of Trustees held on October 30, 2014.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

4. APPROVAL OF EXPENSES INCURRED OCTOBER 2014 THRU DECEMBER 2014

Trustee Dittman reviewed the expenses incurred October 2014 thru December 2014. The pension benefits totaled \$50,394.61 per month, widow's benefit totaled \$3,209.37 per month, and disability totaled \$4,399.25 per month. She noted that the payment to Wolf & Company LLP for their quarterly audit was \$2,300.00, IPPA conference expenses were \$1,078.49, and 2015 IPPA dues were \$775.00.

After Trustee Dittman reviewed the expenses, the following motion was made:

MOTION: Made by President Davi, seconded by Trustee Kobler, to approve the expenses incurred for October 2014 thru December 2014.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

5. APPROVAL OF INVESTMENTS MADE OCTOBER THRU DECEMBER 2014 - QUARTERLY INVESTMENT REPORT - MB FINANCIAL BANK

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

Ms. Krafcheck reported that the total fund value is at \$18,784,745.00. She summarized the portfolio allocations are targeted at 55% in equities, 45% in fixed income. The performance summary for calendar year 2014 was up 6.18% vs. the benchmark of 6.60%.

Equities for the year are up over 10% vs. the benchmark at 8.51%. The 5-year equities fund came in at 8.59% vs. the benchmark of 8.15%. The fixed income was down a bit for the year at 2.90% vs the benchmark at 4.96%.

The Account Activity summary for the quarter is up \$280,170.00; and for the year it is up \$1,095,104.00.

Mr. Ted Kirpach advised that the fund had a good year. The Gross Domestic Product has increased 5%. Interest rates globally are low which affects the fund because we have been focusing on the interest rate increasing. Fixed Income Portfolio is down a bit in the Effective Duration category at 3.89% vs. the benchmark of 5.25%. Common Stock has been performing very well during 2014 at 18.46% vs. the benchmark at 13.70%. It is anticipated that it will continue to perform in this manner during 2015.

A strategic update will be performed in February where you will see some stocks eliminated and other stocks added to your portfolio. This is to assist in optimizing the portfolio.

Mr. Kirpach advised that the fund value is at \$18.785 million and has been greatly increasing since 2006. A market correction was seen in 2008/09 with a dip in funds due to a correction in allocation. However, you have recovered very nicely.

The Long Term Portfolio Performance is completed once a year. Looking at the totals since 1998 inception, the fund is at a 6.44% gain.

Mr. Kirpach advised that due to the low gas prices and the change in regime in Saudi Arabia this should be a good windfall for the US economy.

Trustee Eisenbeis advised he noticed a 48% return on health care and wondered if this is going to be the trend based on the Affordable Health Care Act.

Mr. Kirpach advised that based on the Hepatitis C therapy by Gilliam and the acquisition of Allegan by a Canadian agency, there has been activity in the health care sector. Plus, with consumers acquiring health care, this is better for the health care providers allowing people to seek medical assistance and be given prescriptions.

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

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

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

6. APPROVAL - OFFICER ANDREW PELLICCIONI'S PENSION APPLICATION

Trustee Dittman advised that she received an application for regular retirement benefits for Officer Andrew Pelliccioni. His last day of work is Sunday, February 8, 2015. He will have earned 30 years, 0 months and 16 days of service, granting him 75% of his current salary plus longevity for \$88,702.26. This calculates to an annual pension amount of \$66,526.70.

His first month of February will be pro-rated to be \$3,952.92 (20 days), with the following months in the year being \$5,543.89.

MOTION: Made by Trustee Eisenbeis, seconded by Trustee Kobler to approve Officer Pelliccioni's pension application.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

7. APPROVAL - INCREASE IN PENSION BENEFITS

Trustee Dittman reviewed information on the statutory increases in pension benefits effective January 1, 2015. There are three categories for the pension benefits: retirement, disability, and survivor. The retirement benefits include Joseph Pec, Edward Konstanty, Michal Kurinec, and Stephen Finlon who will get a 3% increase of their current pension. Francis (Pat) Foley is entitled to a 13.75% increase (\$884.05 per month) effective January 2015 as he has attained the age 55. John Barnacle, William Bozek,

and Paul Oggerino will not be entitled to an increase until they reach the age of 55.

Disability pension includes Joseph Dusek who will get a 3% increase of his original pension. James McCarthy is not entitled to an increase in his monthly disability pension until he becomes 60 years of age.

Survivor pension is a fixed benefit for Mrs. Martha Klevin who will continue to receive her monthly widow's benefit.

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

MOTION: Made by Trustee Kobler, seconded by Trustee Eisenbeis, to approve the statutory increases in pension benefits for eligible participants effective January, 2015.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

8. DISCUSSION - REVIEW REQUEST FOR PROPOSALS (RFP) OF LEGAL SERVICES FOR THE WILLOWBROOK POLICE PENSION FUND

Trustee Dittman summarized the following: Seven (7) Requests for Proposals were sent out the beginning of November. Six (6) were received back within the timeframe given. Collin & Raja were the only firm that did not reply. The six (6) firms that did reply, Trustee Dittman summarized in a spread sheet with the questions that were asked on the RFP.

The previous Board attorney was Mr. John Broihier, who is actually the current Willowbrook Police Commissioners attorney. Mr. Broihier was asked last summer to update the Rules and Regulations to the Pension Board to include the new Tier II level. At that time, Mr. Broihier advised that the Board should look for a new attorney since he is in semi-retired.

The Board has utilized Mr. Broihier on an "as needed" basis and they will be looking for a similar type of firm.

The Board reviewed the information provided on the six (6) firms and it was decided that Atwell & Atwell would best fit the needs of the Pension Board. The Board decided to contact Mr. Atwell and request an informal meeting with him to meet the Board, and discuss his background and the needs of the Willowbrook Police Pension Board. Trustee Dittman will set up the interview and forward the date and time to the Board members.

9. VISITOR BUSINESS

None presented.

10. NEW BUSINESS

Trustee Dittman advised that Petitioner/Retiree James McCarthy had been in contact with her and was requesting permission from the Pension Board to obtain a part-time employment position in Wisconsin.

President Davi advised that the Board is unable to give an opinion on his employment search and that the Board is also in the process of hiring a new attorney for the Board.

Trustee Dittman will draft a response letter to Mr. McCarthy advising that the Board is not in a position to give a response to this type of request without having Counsel guidance.

11. OLD BUSINESS

None presented.

12. COMMUNICATIONS

None presented.

13. ADJOURNMENT

MOTION: Made by Trustee Kobler, seconded by Trustee Kobler to adjourn the meeting of the Board of Trustees of the Police Pension Fund at the hour of 4:46 p.m.

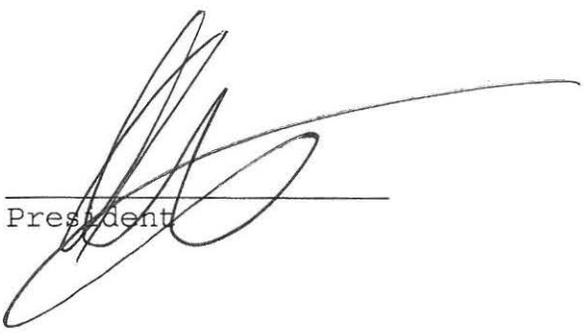
UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

PRESENTED, READ and APPROVED,

5-21-15

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
President

Minutes transcribed by Debbie Hahn.