

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON MAY 21, 2015, 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 2:33 p.m. by President Umberto Davi.

2. ROLL CALL

Those present at roll call were President Davi, Trustees Carrie Dittman, Scott Eisenbeis, Tim Kobler, and Joseph Pec. Also present: Terese Krafcheck of MB Financial.

3. APPROVAL - MINUTES OF THE REGULAR MEETING - January 26, 2015.

The Board reviewed the minutes from the January 26, 2015 meeting. A correction to page 1, Item 4, line 4 should be "annual audit" not quarterly.

MOTION: Made by Trustee Pec, seconded by Trustee Kobler to approve the minutes as amended of the regular meeting of the Police Pension Fund Board of Trustees held on January 26, 2015.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

4. APPROVAL - MINUTES OF SPECIAL MEETING - March 5, 2015.

The Board reviewed the minutes from the March 5, 2015 special meeting.

MOTION: Made by Trustee Dittman, seconded by Trustee Pec to approve the minutes of the special meeting of the Police Pension Fund Board of Trustees held on March 5, 2015.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

5. APPROVAL - NEW PENSION BOARD ATTORNEY

The Board reviewed their discussion from the special meeting held on March 5, 2015 regarding Mr. Charles H. Atwell's written proposal as the new Willowbrook Police Pension Board Attorney. After a short discussion, the following recommendation was made:

MOTION: Made by Trustee Dittman, seconded by Trustee Kobler to approve Mr. Charles H. Atwell as the new Willowbrook Pension Attorney.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

President Davi directed Trustee Dittman to send an official letter to Mr. Charles H. Atwell on the Board's decision. Trustee Dittman will also send out letters stating the Board's decision to the other attorneys who sent in proposals.

6. APPROVAL OF EXPENSES INCURRED JANUARY 2015 THRU MARCH 2015

Trustee Dittman reviewed the expenses incurred January 2015 thru March 2015. The pension benefits totaled \$52,093.24 in January, \$56,053.16 in February, and \$57,637.13 in March, widow's benefit totaled \$3,209.37 per month, and disability totaled \$4,446.08 per month. A detailed list of these payments is on page 2. The only other expenses were \$8,203.18 quarterly expenses for MB Financial and \$2,960.00 to Mesirow Financial Services for the annual fiduciary insurance bill.

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

MOTION: Made by Trustee Kobler, seconded by Trustee Pec, to approve the expenses incurred for January 2015 thru March 2015.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

7. APPROVAL OF THE NEW INVESTMENT POLICY - MB FINANCIAL BANK

Terese Krafcheck, a representative of MB Financial Bank, summarized the new changes in the Investment Policy. In summary they include:

- New accounting pronouncement - GASB 67 - affects all pension plans in the state. A number of note disclosures in the financial statements will change. Next year will be phase 2 and a second standard, GASB 68 will be implemented, whereby the unfunded amount of the pension liability will be right on the face of the financial statements.
- Page 10 - the old statute allowed for a 50 and 55% investment in mutual funds and equities effective 7/1/11 and 7/1/12; in the new investment policy this has increased to 60 and 65% effective 7/1/11 and 7/1/12.
- Page 12 - Long-Term Expected Rates of Return By Asset Class - New data per GASB 67; MB Financial has formulated this data in accordance with the Asset Management and Trust Division's proprietary research and analytical tools. This will need to be reviewed and updated on an annual basis and is not a requirement to be included in the policy, however it is recommended. These projections were recently updated in September 2014, and to the extent they will be updated in

the future_it shall be done by addendum to this Investment Policy document.

After the Board reviewed the proposed investment policy, the following motion was made:

MOTION: Made by Trustee Pec, seconded by Trustee Kobler, to adopt the proposed Investment Policy with an addendum attached to review the Long Term Expected Rates of Return each year as recommended.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

8. APPROVE - INVESTMENTS MADE JANUARY THRU MARCH 2015 - Quarterly Investment Report - MB FINANCIAL

Ms. Krafcheck reported that the total fund value is at \$19,152.437.00. She summarized the portfolio allocations are targeted at 55% in pure equities, 45% in fixed income.

Total fund performance for the quarter is up 2% vs. the benchmark at 1.8%. The 5-year returns_came in at 8.30% vs. the benchmark of 7.99%. This is a very strong start to 2015. The fixed income was down a bit for the year at 3.11% vs the benchmark at 5.20%.

The Account Activity summary for the quarter is a gain of \$260,770.00. There was one withdrawal for the MB Financial fee of \$8,321.00. Total income for the year (including gains) was \$376,013.00.

Fixed income has had some lagging performances due to over protected posturing. The fund is still short but not as much as it used to be. The Average Coupon is at 4.68% vs. the benchmark at 2.99%. The Average Credit Quality is AA- vs. the benchmark at AA. Common Stock performed_very well during 2014 and for the first quarter 2015 is already at 1.97% vs the benchmark at .95%. During the last year we have been at 18.12% vs. the benchmark at 12.75%.

The Market Value for the fund at March 31, 2015 is at \$19.152 million with a gain in investment of \$8.2 million since 2005.

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

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

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

9. DISCUSSION - PROPOSED BUDGET FY 2015-16

Trustee Dittman reviewed the proposed budget for fiscal year 2015-16. Pension benefits are at \$698,652.00, Widow's pension is \$38,512.00, and Disability benefits are \$53,540.00 for a total of \$790,704.00. Contractual services which include legal fees, audit, actuary, Financial Advisory Services, Fiduciary Insurance have a total of \$45,535.00. These totals include a 3% increase for the year. Supplies and materials which include meetings/conferences; fees, dues, subscriptions; and filing state fees have a total of \$7,431.00. Total expenses for the year are estimated at \$843,670.00 with a surplus of \$475,197.00.

MOTION: Made by President Davi, seconded by Trustee Pec to approve the provisional proposed Pension Budget for fiscal year 2015-16 subject to receiving a revised budget that includes the income information.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

10. APPROVAL - MEETING SCHEDULE FOR FISCAL YEAR 2015-16

Trustee Dittman explained that after going through the new Trustee training, it was noted in the training that at the beginning of each year the minutes are supposed to include the date, time, and place of all future meetings for the year. The Board discussed future meeting dates and agreed to have the meetings on the 2nd Wednesday of the quarterly month. The upcoming meeting dates are as follows: July 8, 2015; October 14, 2015; and January 13, 2016 at 3:00 p.m. at the Police Department meeting room, 7760 Quincy Street. Any changes to these dates need to be published ten (10) days prior to the new meeting date.

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

MOTION: Made by Trustee Pec, seconded by Trustee Kobler, to adopt a pre-set yearly calendar which will be the suggested 2nd Wednesday of the months of January, April, July and October at the suggested time of 3:00 p.m. in the Police Department meeting room, 7760 Quincy Street.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

11. DISCUSSION - ECONOMIC INTEREST STATEMENTS

Trustee Dittman advised that the filing for all Economic Interest Statements should be filed by June 1st, 2015. At the beginning of each year, the County and the Village Clerk advise the Trustees to file the Economic Interest Statement by April 15th. Everyone is in compliance of

filing. Since Trustee Dittman is a new Trustee, she will file her statement by June 1st.

12. DISCUSSION - CONTINUING PENSION TRUSTEE EDUCATION REQUIREMENT

Trustee Dittman reminded the Board that there is a 16 hour requirement for Continuing Pension Trustee Education —each year, which must include 8 hours of ethics and another 8 hours in any topic related to the pension fund. By attending the IPPFA Conference in October, all Trustees receive the required hours. Once certificates are received, they should be forwarded to the Police Pension Recording Secretary to place in their files. Trustee Dittman will contact the IL Department of Insurance to determine what the reporting period is for obtaining the 16 hours.

13. INFORMATION - RETIREE'S INFORMATION LETTER

All retiree's information letters have been received except for William Bozek. The Board requested Trustee Dittman send a certified reminder letter to Mr. Bozek requesting the completion and return of this form. Failure to return the signed form will result in his next pension check being held for him to pick up at the Village Hall where he will be requested to complete the form.

14. VISITOR BUSINESS

None presented.

15. NEW BUSINESS

None presented.

16. OLD BUSINESS

A. Retiree Questions

Mr. James McCarthy has inquired if he begins employment in Wisconsin, would it jeopardize his disability pension and who should he direct his questions to. After a brief discussion, the Board advised Mr. McCarthy should not contact the Board Attorney. The Board will draft a letter to Attorney Atwell for his opinion as to whether or not employment would jeopardize his pension; and ask where and how does the Board direct Mr. McCarthy. A background history of Mr. McCarthy will be included in the letter. The Board has also will ask for options regarding Mr. McCarthy switching over from a disability pension to a regular pension. An email will be sent to Mr. McCarthy advising him that we have contacted the Attorney and are waiting for his opinion on this issue.

17. COMMUNICATIONS

None presented.

18. ADJOURNMENT

MOTION: Made by Trustee Eisenbeis, seconded by Trustee Pec to adjourn the meeting of the Board of Trustees of the Police Pension Fund at the hour of 3:58 p.m.

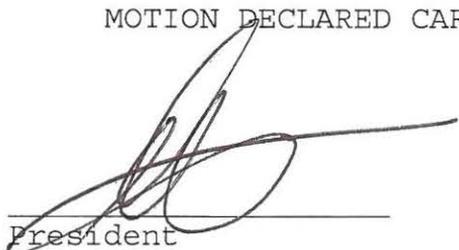
UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

PRESENTED, READ and APPROVED,

7-8-15

Date



President

Minutes transcribed by Debbie Hahn.