

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON JANUARY 13, 2016, AT 3:00 PM, AT THE VILLAGE HALL, 835 MIDWAY DRIVE, WILLOWBROOK, DUPAGE COUNTY, ILLINOIS

1. CALL TO ORDER

The meeting was called to order at the hour of 3:08 p.m. by President Umberto Davi.

2. ROLL CALL

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

Absent: Trustee Scott Eisenbeis.

3. APPROVAL - MINUTES OF THE REGULAR MEETING - October 14, 2015.

The Board reviewed the minutes from the October 14, 2015 meeting.

MOTION: Made by Trustee Pec, seconded by Trustee Kobler to approve the minutes of the regular meeting of the Police Pension Fund Board of Trustees held on October 14, 2015.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

4. APPROVAL - MONTHLY PENSION BENEFITS AS OF JANUARY 1, 2016

Trustee Dittman reviewed information on the statutory increases in pension benefits effective January 1, 2016. There are three items to note: Retirement pension for John Skiba begins February 1, 2016 at \$4,557.11/mo (attainment of age 50). Retirement pension for Andy Pelliccioni increases 3% on March 1, 2016 to \$5,710.21/mo. (1 year retirement anniversary). Retirement pension for Mark Long increases 3% on November 1, 2016 to \$5,867.27/mo. (1 year retirement anniversary).

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

MOTION: Made by Trustee Kobler, seconded by Trustee Pec, to approve the statutory increases in pension benefits for eligible participants effective January 1, 2016.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

5. APPROVAL - EXPENSES INCURRED OCTOBER THRU DECEMBER 2015

Trustee Dittman reviewed the expenses incurred October thru December 2015. The pension benefits totaled \$62,047.23/mo Oct and \$63,333.51/mo Nov &

Dec, widow's benefit was \$3,209.37/mo, and disability totaled \$4,446.08/mo. She noted that the payment to Atwell & Atwell for legal expenses was \$200.00, the annual audit was \$2,755.00 and the second cost of \$1,700.00 was the one-time fee for the implementation of GASB67, actuarial services was \$4,400 which is double what it usually is due to Mr. Tepfer's completion of the GASB67 report in addition to his annual report; quarterly financial advisory fees \$8,002.64, IPPFA conference expenses were \$1,365.12 plus \$563.13 for the pre-payment deposit for 2016/17 IPPFA conference, and the separation refund issued as an IRA rollover to Edward Jones for Officer Babczak was \$6,252.34.

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

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

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

6. APPROVAL - APPLICATION FOR MEMBERSHIP INTO THE WILLOWBROOK POLICE PENSION FUND - BLAKE HUNTLEY

The Board reviewed one application for membership into the Willowbrook Police Pension Fund as Tier II employee by new officer Blake Huntley.

Officer Huntley is married with one (1) step-child. Since Officer Huntley does not have any biological children, his application will need to be amended to exclude his step-child. The applicant needs to submit an amended application because he has not adopted this child and will need to remove her since this is not a legal obligation.

MOTION: Made by President Davi, seconded by Trustee Pec, to approve the membership application contingent with the inclusion of the amended application for membership that he has no biological children at time of application.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

7. APPROVAL OF INVESTMENTS MADE OCTOBER THRU DECEMBER 2015 - 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 at 12/31/2015 is at \$18,595.656.00. She summarized the portfolio allocations are targeted at 55% in equities, 45% in fixed income. The performance summary for calendar

year 2015 was down 0.83% vs. the benchmark of .13%. For the fourth quarter 2015 the portfolio was up 1.76% vs. the benchmark of 2.79%.

Equities for the year were down -1.33% vs. the benchmark at 0.67%. The last 5-year equities earned 9.90% vs. the benchmark of 9.75%. The equity income for the quarter was at 3.65% vs the benchmark at 5.77%.

The Account earnings summary for the quarter is up \$322,412.00; and for the fiscal year to date it is down \$156,238.00.

Mr. Ted Kirpach advised that funds were moved into higher quality equities within the US, and reduced the target waiting on emerging markets. The Fixed Income has moved more into agencies and treasuries, reducing our corporate exposure. Interest rates will probably not be raised based on the global economy. Equity return has under-performed at -2.00% vs the S&P 500 at 1.41% and we missed out on some of the high performing stocks being Facebook, Amazon, Netflix, and Google which are not in the portfolio. We are hoping that we will exceed in the future against the S&P 500.

The fund since 2005 has had a very steady increase in value and staying strong in the market even with the difficulties it has seen. The fund has increased over \$7.6 million dollars over this period of time. The Long Term Portfolio Performance has averaged 6.08% since 1999.

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

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

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

8. VISITOR BUSINESS

Trustee Dittman advised that she received a request from Mr. Tom White for the Village of Willowbrook's actuarial valuation report for the pension fund which Mr. White was sent. He then sent a second email requesting additional information. After a discussion with the Deputy Clerk, Mr. White was given the date of today's meeting so he could attend and ask his questions to the Pension Board. Trustee Dittman advised that at least one of his questions was highly subjective regarding funding of the fund and a tax levy.

President Davi advised that because Mr. White was not at the meeting and he did get a response from the village, we will assume that he was satisfied with the response he was given.

9. NEW BUSINESS

Recording Secretary Hahn advised that the annual Address Confirmation form for Benefit Distribution, which must be signed and notarized by the beneficiary, will be mailed by the end of the month.

10. OLD BUSINESS

Trustee Dittman advised that Eric Babczak submitted his letter of resignation at the end of September 2015. Subsequently, he was provided the necessary paperwork to either receive a cash refund or transfer/rollover his pension to another fund. On December 9, 2015, a letter was received directing the contributions of \$6,252.34 be rolled over to his traditional IRA he has established with Edward Jones. No taxes need to be withheld. A check was mailed on December 15, 2015.

MOTION: Made by Trustee Pec, seconded by Trustee Kobler to approve the refund of contributions of \$6,252.34 from Eric Babczak's pension fund into his designated Edward Jones IRA.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

11. COMMUNICATIONS

Trustee Dittman informed members that if anyone needs continuing educational training hours, the Illinois Professional Firefighters Association is having a spring seminar in Addison on Friday, May 6, 2016, which provides 8-hours of continuing Trustee/Pension board education as required by the State of Illinois. A fall seminar will also be available on November 4, 2016.

Trustee Dittman advised that the Police Pension meeting dates need to be published. Those dates for calendar year 2016 are January 13, April 13, July 13, and October 12, 2016 at 3:00 p.m. at the Village of Willowbrook, 835 Midway Drive, Willowbrook, IL 60527.

12. ADJOURNMENT

MOTION: Made by Trustee Pec, seconded by Trustee Kobler to adjourn the meeting of the Board of Trustees of the Police Pension Fund at the hour of 4:05 p.m.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

PRESENTED, READ and APPROVED,

4-13-16
Date


President

Minutes transcribed by Debbie Hahn.