

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON JULY 21, 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 3:06 p.m. by President Davi.

2. ROLL CALL

Those present at roll call were President Umberto Davi, Trustee Joseph Pec, Trustee Scott Eisenbeis, and Trustee Carrie Dittman. Also present: Michael Stuart and Ted Kirpach of MB Financial.

Trustee Tim Kobler has not arrived to meeting and will be introduced upon arrival.

3. APPROVAL - MINUTES OF THE REGULAR MEETING - April 13, 2016

The Board reviewed the minutes from the April 13, 2016 meeting.

MOTION: Made by Trustee Pec, seconded by Trustee Eisenbeis to approve the minutes of the regular meeting of the Willowbrook Police Pension Fund Board of Trustees held on April 13, 2016.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

- Trustee Tim Kobler arrived at 3:08 p.m.

4. ACCEPTANCE - NOTICE OF MAYORAL APPOINTMENT - CAROLINE DITTMAN

In accordance with Section 2-5-3 of the Village Code of Ordinances, Mayor Trilla recommended the re-appointment of Caroline Dittman to fill the second position on the police pension fund board with a term expiring in May 2018.

The Pension Board unanimously accepted the re-appointment of Caroline Dittman.

5. ELECTION OF OFFICERS OF THE WILLOWBROOK POLICE PENSION BOARD OF TRUSTEES

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

MOTION: Made by President Davi, seconded by Trustee Dittman, to re-elect Umberto Davi as President; Tim Kobler as Vice President; Scott Eisenbeis as Secretary; Carrie Dittman as Treasurer; and Joseph Pec as Assistant Secretary.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

6. APPROVAL OF EXPENSES INCURRED APRIL THRU JUNE 2016

Trustee Dittman reviewed the financial report for the period April thru June 2016. The accrued interest receivable amount is adjusted as of April 30, 2016 and only changes annually. The item "due to/from general fund" of \$38,263.79 is the amount the pension fund currently owes back to the general fund for pension benefits. (This will be addressed in a later agenda item), and a prepaid expenditure of \$563.13 for the 2016 IPPFA conference hotel registration deposit in October.

The Village contributions fiscal year to date through June 2016 is \$123,970.76, police contribution is \$30,810.90, interest income to date is \$41,484.94 and an unrealized gain on investments of \$10,463.14.

Expenses include \$3,862.74 Department of Insurance annual filing fee and pension benefits. The pension benefits totaled \$77,427.55 in April. Mark Altobella retired May 2, 2016, which increased the amount in May to \$84,268.62. The June 2016 amount increased slightly to \$84,496.66 due to Mark Altobella's having a complete full month of retirement.

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

MOTION: Made by Trustee Pec, seconded by Trustee Eisenbeis, to approve the financial report for April thru June 2016.

AYES: DAVI, DITTMAN, KOBLER AND PEC NAYS: EISENBEIS

MOTION DECLARED CARRIED

7. APPROVAL - TRANSFER OF FUNDS FROM MB FINANCIAL TO COMMUNITY BANK OF WILLOWBROOK

Trustee Dittman advised that due to additional retirement benefits being paid and less pension fund contributions being received, there is a monthly deficit of \$8,428.00 or \$25,284.00/qtrly. Presently, the monthly village contribution is \$61,986; the police employee monthly contribution is about \$14,083.00 which equals \$76,069.00 per month in contributions, which are deposited into the Community Bank of Willowbrook Police Pension account. However, \$84,497.00 is currently being expended each month in benefits, paid out of the Village's general bank account. As of June 30, 2016, the Police Pension Fund owes the Village's General Fund \$38,264.00, and with the next 3-month expecting an additional shortfall of \$25,284.00, \$63,548.00 will be the total amount the Police Pension Fund owes to the Village General Fund before the next pension board meeting in October. Trustee Dittman is recommending that money market funds in the amount of

\$65,000 be transferred from MB Financial to the Community Bank of Willowbrook Police Pension Account, which will then be used to make up the current deficit of \$38,264 and cover the shortfalls expected over the next three months.

After a brief discussion, the following motion was made:

MOTION: Made by Trustee Kobler, seconded by Trustee Pec, to approve the transfer of money market funds in the amount of \$65,000.00 from MB Financial to Community Bank of Willowbrook Police Pension Account to offset the deficit in the police pension fund.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

8. APPROVAL - APPLICATION FOR MEMBERSHIP INTO THE WILLOWBROOK POLICE PENSION FUND

The Board reviewed two applications for membership into the Willowbrook Police Pension Fund as Tier II employees by new officers Matthew Vanderjack and Joseph LaValle.

After a brief discussion, the following motion was made:

MOTION: Made by Trustee Kobler, seconded by Trustee Pec to approve membership into the Willowbrook Police Pension Fund as Tier II employees for Officers Matthew Vanderjack and Joseph LaValle.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

9. APPROVAL OF INVESTMENTS MADE APRIL THRU JUNE 2016 - QUARTERLY INVESTMENT REPORT - MB FINANCIAL BANK

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

Mr. Stuart reported that the total fund value on 06/30/2016 is at \$19,200,974.00. He summarized the portfolio allocations are targeted at 55% in equities, 45% in fixed income. The performance summary for the second quarter of 2016 are a little below benchmark at 1.10% vs. the benchmark of 1.99%. The five-year projection is slightly lower at 5.98% vs. the benchmark at 6.20%.

Equities for the quarter were down 0.43% vs. the benchmark at 1.72%. The last 5-year equities earned 9.19% vs. the benchmark of 9.00%.

The Account earnings summary for the quarter is up \$112,544.00.

Mr. Ted Kirpach advised that due to the referendum in England on June 23rd, US bonds are being purchased, putting more money into the bond market. Job market is steadily going up with 235,000 more jobs created. Quality stocks did not perform as well as lower quality stocks. The Federal Open Markets Committee will meet in the days ahead and could choose to raise the interest rates since they have stated that they will be raising the rate four times this year. So far they have not, due to lower inflation rates. Historically, they do not raise the rates once we get closer to the presidential election.

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

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

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

10. VISITOR BUSINESS

None presented.

11. NEW BUSINESS

A. Resignation of Officer Daniel Herrera

The committee reviewed Officer Herrera's resignation letter. He has accepted a position as a police officer in the Village of Lombard. On today's date, Officer Herrera has made notice to Trustee Dittman that he will be withdrawing his contribution funds as a Tier II employee.

Trustee Eisenbeis asked the Committee if due to the changeover of personnel at MB Financial, is it a good time to send out RFQ's to other financial management institution to investigate what they can provide to the village.

This item will be placed on the next meeting agenda for discussion since it was not an agenda item for this meeting and thus cannot be discussed at this time.

12. OLD BUSINESS

None presented.

13. COMMUNICATIONS

None presented.

14. ADJOURNMENT

MOTION: Made by Trustee Kobler, seconded by Trustee Eisenbeis to adjourn the Board of Trustees meeting of the Police Pension Fund at the hour of 4:03 p.m.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

PRESENTED, READ and APPROVED,

Date



President

Minutes transcribed by Debbie Hahn.