

A G E N D A

REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK TO BE HELD ON WEDNESDAY, APRIL 18, 2012, AT 3:00 P.M. AT THE VILLAGE HALL, 7760 QUINCY STREET, WILLOWBROOK, DUPAGE COUNTY, ILLINOIS

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL - MINUTES OF REGULAR MEETING - 01/27/12
4. APPROVAL - MINUTES OF SPECIAL MEETING - 03/19/12
5. APPROVAL - EXPENSES INCURRED JANUARY THRU MARCH 2012
6. APPROVAL - ATTORNEY BROIHIER STATEMENT
7. APPROVAL - INVESTMENTS MADE JANUARY THRU MARCH 2012 - Quarterly Investment Report - MB Financial Bank
8. DISCUSSION - PROPOSED BUDGET FY 2012-13
9. INFORMATION - ELECTION OF ACTIVE MEMBERS OF THE POLICE PENSION FUND BOARD OF TRUSTEES
10. VISITOR BUSINESS (Public comment is limited to three minutes per person on agenda items only)
11. NEW BUSINESS
 - a. Possible Military Buyback
12. OLD BUSINESS
 - a. Quildro
13. COMMUNICATIONS
14. ADJOURNMENT

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON JANUARY 27, 2012, 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 3:15 p.m. by President Umberto Davi.

2. ROLL CALL

Those present at roll call were President Davi, Trustees Scott Eisenbeis, Tim Kobler, Joseph Pec and Carrie Dittman, Interim Finance Director. Also present were Terese Krafcheck and Ted Kirpach from MB Financial Bank. ABSENT: None

3. APPROVAL - MINUTES OF REGULAR MEETING - 10/31/11

The Board reviewed the minutes from the October 31, 2011 meeting.

MOTION: Made by Trustee Kobler, seconded by Trustee Pec, to approve the minutes of the regular meeting of the Police Pension Fund Board of Trustees held on October 31, 2011.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

4. APPROVAL OF EXPENSES INCURRED OCTOBER THRU DECEMBER 2011

President Davi summarized the expenses of the Pension Fund as follows: 1) Actuary Services-\$1,800.00; 2) MB Financial Management Fees-\$56996.26; 3) IPPFA/Trustee 2012 Dues- \$775.00.

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

MOTION: Made by Trustee Kobler, seconded by Trustee Pec, to approve the expenditures in the amount of \$8,571.26 incurred by the Police Pension Fund for October thru December 2011.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

5. APPROVAL OF INVESTMENTS MADE OCTOBER THRU DECEMBER 2011 -
QUARTERLY INVESTMENT REPORT - MB FINANCIAL BANK

Terese Krafcheck, representing MB Financial Bank, summarized the quarterly investment report for the Pension Fund Board.

Ms. Krafcheck advised the fourth quarter ended December 31, 2011. The total funds value is at \$14,177,699. Ms. Krafcheck summarized the portfolio allocations were at 46% in equities, 54% in fixed income. The latest quarter the fund was up 4.74%.

The equity was down 2.45%, however overall for the year it was up 9.62%. The broad benchmark was at 10.73%, with an overall benchmark down 1.33%, however these were very strong positive numbers for the fourth quarter. The fixed income was at 1.05%, which tells us that the price appreciation in the treasury market is beginning to climb upward. The mutual fund real estate was up 8.20%, with the benchmark at 13.79%. However, for the year it was down by 1.52% vs. the benchmark, which was up 4.63%. Commodities were up 11.84% vs. the Dow Jones UBS benchmark which was only up by .35%. A great deal of volatility for 2011 but it's a strong push on all fronts in the fourth quarter.

Mr. Kirpach and Ms. Krafcheck suggested that since there has been no significant growth in the large capital funds, that they move 50-75% of the mutual funds into the large capital funds. The cost for the Financial Advisors to do this remains the same. They anticipate the benefits of the move would be a greater return vs. the benchmark, and a lower risk vs. the benchmark. An increase, however it is not guaranteed.

Based on strategy from last year, there was a 2.95% increase in the both funds, which is better than both American Beacon (value) and Fidelity (growth) funds. The object is to have a split between growth and value funds, which is covered in MB Financial's strategy.

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

MOTION: Made by Trustee Pec, seconded by Trustee Eisenbeis, to concur with the Financial Advisors to move 50-75% of the mutual funds into the Large Capital Value funds.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

Mr. Kirpach advised that the economic commentary for the quarter has been very sluggish however he is optimistic that the trend will continue to improve. Election years tend to be good for the US economy. The unemployment numbers have been going down since people who are looking for work have begun to go back to the workplace.

MOTION: Made by Trustee Pec, seconded by Trustee Davi to approve the Quarterly Investment Report.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

6. INFORMATION - APPLICATION OF RETIREMENT BENEFITS - JOHN S. BARNACLE

President Davi advised that a correction on the agenda needs to be revised that Item #6 is informational not an approval item.

Director Dittman reported that back in August 2011 with the reorganization of the police department, through the early retirement incentives Commander John Barnacle requested to be allowed to postpone his retirement until April 1, 2012. Commander Barnacle submitted his official retirement application on January 10, 2012. The next step is to verify the calculation numbers for his retirement benefits to ensure they are correct.

A special meeting will be held prior to April 1, 2012 to approve the retirement benefits.

7. INFORMATION - CASH FLOW ANALYSIS

Director Dittman reported at the July 2011 police pension meeting, the Board inquired on the frequency of transfers from the pension checking account to the investment account. At that time, Director Dittman had not received any direction on how frequent the transfers should be done, so she completed a cash flow analysis to review how much money there was to send out.

The next transfer was completed in October 2011 and then another one in December 2011. The Board reviewed the cash flow analysis that Director Dittman prepared.

Each month, officers contribute approximately \$14,611.84 to the fund. The village contribution is approximately \$42,118.83 monthly for a total monthly contribution to the checking account of approximately \$56,730.68. The monthly payouts for current retirees, officers on disability and surviving spouse benefits, as of January 2012 (which includes the increases and is a

requirement for pension benefits) is \$44,015.53. Each month there is approximately \$12,715.15 more is going in to the account than going out. Cash on hand prior to January pension payroll was approximately \$66,038.46, which leaves approximately \$20,000.00 to transfer to MB Financial each month. However, with Commander Barnacle retiring, his benefit amounts will be approximately \$12,000 per year, which will be almost at a "break even" point that would be left in the checking account.

After a discussion, it was determined to leave \$20,000 in the checking account, so as not to deplete the account completely.

8. INFORMATION - MONTHLY PENSION BENEFITS AS OF JANUARY 1, 2012

The Board reviewed the monthly pension benefits as of January 1, 2012. Director Dittman advised that there was no increase based on age. The widow benefit is a fixed amount of \$3,209.37.

MOTION: Made by Trustee Kobler, seconded by Trustee Eisenbeis to approve the monthly pension benefit as of January 1, 2012.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

9. VISITOR BUSINESS

None presented.

10. NEW BUSINESS

Trustee Pec received his recertification and will forward certificate to Director Dittman. Director Dittman received paperwork on the Quilldrow order today. Ms. Krafcheck advised that all Trustees need to complete the Open Meetings Act training, which also counts towards your 16 hours of training for 2012.

11. OLD BUSINESS

None presented.

12. COMMUNICATIONS

None presented.

13. ADJOURNMENT

MOTION: Made by Trustee Kobler, seconded by Trustee Pec to adjourn the meeting of the Board of Trustees of the Police Pension Fund at the hour of 4:20 p.m.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

PRESENTED, READ and APPROVED,

January 27, 2012



President

Minutes transcribed by Debbie Hahn.

VILLAGE OF WILLOWBROOK
EXPENDITURE ACCOUNT INQUIRY

INCLUDES PENDING TRANSACTIONS

RUN: 04/11/12 2:25PM

(JANUARY THRU MARCH)

PAGE: 1

MO	JL	POST/CK. DATE	REFERENCE NUMBER	DATE	CHECK NUMBER	P.O. NUMBER	ENCUMB. LIQUID.	EXPEND.	EXPENDED BALANCE	PRCT.	UNEXPEND. BALANCE	UNENCUMB. BALANCE
07-62-401-581 PENSION BENEFITS 07-401-581								APPROP:	497,180.00		BUDGET:	248,590.00
1	PR	01/27/12	01/27/12	01/27/12				36,500.60	278,104.73	111.9	-29,514.73	-29,514.73
			POLICE PENSION BENEFIT									
2	PR	02/24/12	02/24/12	02/24/12				36,500.60	314,605.33	126.6	-66,015.33	-66,015.33
			POLICE PENSION BENEFIT									
3	PR	03/23/12	03/23/12	03/23/12				36,500.60	351,105.93	141.2	-102,515.93	-102,515.93
			POLICE PENSION BENEFIT									
07-62-401-582 WIDOW'S PENSION 07-401-582								APPROP:	77,026.00		BUDGET:	38,513.00
1	PR	01/27/12	01/27/12	01/27/12				3,209.37	28,884.33	75.0	9,628.67	9,628.67
			WIDOW PENSION									
2	PR	02/24/12	02/24/12	02/24/12				3,209.37	32,093.70	83.3	6,419.30	6,419.30
			WIDOW PENSION									
3	PR	03/23/12	03/23/12	03/23/12				3,209.37	35,303.07	91.7	3,209.93	3,209.93
			WIDOW PENSION									
07-62-401-583 DISABILITY BENEFITS 07-401-583								APPROP:	102,844.00		BUDGET:	51,422.00
1	PR	01/27/12	01/27/12	01/27/12				4,305.59	38,375.67	74.6	13,046.33	13,046.33
			POLICE PENSION DISABILITY BENEFIT									
2	PR	02/24/12	02/24/12	02/24/12				4,305.59	42,681.26	83.0	8,740.74	8,740.74
			POLICE PENSION DISABILITY BENEFIT									
3	PR	03/23/12	03/23/12	03/23/12				4,305.59	46,986.85	91.4	4,435.15	4,435.15
			POLICE PENSION DISABILITY BENEFIT									
07-62-401-252 ACTUARY SERVICES 07-401-252								APPROP:	3,502.00		BUDGET:	1,751.00
1	CD	01/10/12	134166	12/20/11	79048			83.40	1,883.40	107.6	-132.40	-132.40
			SIKICH LLP (1722)									
			ACTUARY SERVICES 07-401-252									
07-62-401-599 OTHER EXPENSES 07-401-599								APPROP:	2,000.00		BUDGET:	1,000.00
1	CD	01/10/12	754309	12/16/11	79018			2,998.00	2,998.00	299.8	-1,998.00	-1,998.00
			MESIROW FINANCIAL SERVICES INC (2314)									
			OTHER EXPENSES 07-401-599									

Law Office of J. C. Broihier
931 W 75th Street, Suite 137-272
Naperville, Illinois 60565
Tel: 630 470 9774

Invoice Nbr: 1240

Date: April 1, 2012

Billing Statement

Willowbrook Police Officers
Pension Fund
Attn: Debbie
Village of Willowbrook
7760 Quincy Street
Willowbrook, Illinois 60527

Matter: General

<u>Date</u>	<u>Description</u>	<u>Time</u>	<u>Rate</u>	<u>Amount</u>
3-6	Tel call w/ Debbie re issues related to pending Election of board members; review the Police Pension Code; tel Call with Debbie re voting Rights of fund beneficiaries (including a Surviving Spouse) and active members.	0.7	\$190.00	\$ 133.00
			Total	<u>\$ 133.00</u>

**VILLAGE OF WILLOWBROOK
POLICE PENSION FUND
PROPOSED BUDGET - FY 2012-13**

	FY 10-11 ACTUAL	FY 11-12 BUDGET	FY 11-12 ESTIMATED ACTUAL	FY 12-13 PROPOSED BUDGET
Police Pension Fund				
REVENUES				
Operating Revenue				
07-310-607	\$ 552,139	\$ 505,426	\$ 505,426	\$ 581,988
07-310-906	200,875	209,803	184,025	169,305
07-310-908	-	-	50,216	-
	<u>753,014</u>	<u>715,229</u>	<u>739,667</u>	<u>751,293</u>
Non-Operating Revenue				
07-320-108	370,988	400,000	300,914	300,000
07-320-109	910,077	-	-	-
07-320-111	162,784	-	-	-
07-320-112	-	-	-	-
	<u>1,443,849</u>	<u>400,000</u>	<u>300,914</u>	<u>300,000</u>
	<u>\$ 2,196,863</u>	<u>\$ 1,115,229</u>	<u>\$ 1,040,581</u>	<u>\$ 1,051,293</u>
Police Pension Fund				
EXPENSES				
Personnel Services				
07-62-401-104	\$ -	\$ -	\$ -	\$ -
07-62-401-581	263,409	248,590	393,318	510,367
07-62-401-582	10,663	38,513	38,512	38,512
07-62-401-583	50,730	51,422	51,293	51,854
07-62-401-585	-	-	-	-
* TOTAL	<u>324,802</u>	<u>338,525</u>	<u>483,123</u>	<u>600,733</u>
Contractual Services				
07-62-401-242	-	3,090	684	3,090
07-62-401-251	3,600	3,090	-	3,708
07-62-401-252	1,600	1,751	1,883	1,900
07-62-401-253	22,509	25,750	24,289	25,000
07-62-401-254	-	3,090	-	3,090
	<u>27,709</u>	<u>36,771</u>	<u>26,856</u>	<u>36,788</u>
Supplies & Materials				
07-62-401-301	-	-	-	-
07-62-401-302	-	-	-	-
07-62-401-304	2,216	5,150	1,575	2,282
07-62-401-306	-	-	-	-
07-62-401-307	775	927	775	798
07-62-401-311	-	-	-	-
07-62-401-401	-	-	-	-
07-62-401-531	2,016	2,575	2,491	2,500
07-62-401-543	-	2,060	-	2,060
	<u>5,007</u>	<u>10,712</u>	<u>4,841</u>	<u>7,641</u>
07-62-401-599	2,996	1,030	2,998	3,086
	<u>2,996</u>	<u>1,030</u>	<u>2,998</u>	<u>3,086</u>
	<u>\$ 360,514</u>	<u>\$ 387,038</u>	<u>\$ 517,818</u>	<u>\$ 648,248</u>
	<u>\$ 1,836,349</u>	<u>\$ 728,191</u>	<u>\$ 522,763</u>	<u>\$ 403,045</u>

* See separate schedule

Budget 2012-13	5/1/12- 12/31/2012	1/1/2013 4/30/2013	Annual Payment	
Regular Retirement:				
Joe Pec	54,032.96	27,826.97	81,859.93	
Ed Konstanty	62,520.72	32,198.17	94,718.89	
Steve Finlon	40,794.40	20,397.20	61,191.60	(no inc until 1/1/14)
Pat Foley	51,435.92	25,717.96	77,153.88	(no inc until 1/1/15)
Bill Bozek	37,530.88	18,765.44	56,296.32	(no inc until 1/1/16)
Mike Kurinec	46,375.11	24,236.16	70,611.27	
John Barnacle	45,689.76	22,844.88	68,534.64	(no inc until 4/1/17)
Total			510,366.53	07-401-581
Disability:				
Joseph Dusek	21,479.36	10,927.00	32,406.36	
James McCarthy	12,965.36	6,482.68	19,448.04	(no inc)
			51,854.40	07-401-583
Widow:				
Mrs. Richard Klevin			38,512.44	(no inc)
			38,512.44	07-401-582



Village of Willowbrook

7760 Quincy Street
Willowbrook, IL 60527-5594

Phone: (630) 323-8215 • Fax: (630) 323-0787 • www.willowbrookil.org

COPY

April 6, 2012

Mayor

Robert A. Napoli

MEMO TO: Officer Andy Pelliccioni

FROM: Carrie Dittman, Interim Finance Director *e.p.*

Village Clerk

Leroy R. Hansen

SUBJECT: Military Buy-Back Cost

Hi Andy,

As you requested, I have recalculated the cost for you to buyback 24 months of military time from your military service between 1981 and 1984. I ran the calculation two ways, one assuming payment to the police pension fund on May 1, 2012 and the other assuming payment on January 15, 2013. As you may be aware there is an interest component (7.0% set by statute) to the cost, so the more time that elapses, the higher the payment goes.

Assuming you make payment to the police pension fund on **May 1, 2012**, the cost to buyback 24 months of service would be **\$64,600.49**. If you made payment to the fund on **January 15, 2013** the cost to you would be **\$67,744.11**. These figures are subject to the approval of the police pension board. Of course, you could make payment to the fund at anytime in between and I would just adjust the amount for the days of interest.

Please let me know if you have any questions on what the effect would be on your pension and/or if you would like to proceed with purchasing the time. The next regular police pension board meeting is Wednesday, April 18, 2012 and we could place it on the agenda for approval at that meeting.

Attachments

Cc: Personnel file
Police pension file



"A Place of American History"

**Village of Willowbrook Police Pension Fund
Purchase of Military Service Time Served Prior to Employment**

Member's Name: Andrew Pelliccioni
 Date of Hire by Pension Fund: 1/7/1985
 Date of Military Service: 3/19/1981-3/18/1984 from DD Form 214
 Military Service Time (Months and Days): 24 months
 Dates for which creditable service is being credited: 1/7/1983-1/6/1985
 Member's Annualized Pensionable Salary as of the Date of Hire: 19,032.00
 Date of payment to credit additional service time: 5/1/2012
 Fiscal year end of Fund: April 30

Police Pension Fund Fiscal Year End	(1)		(2)		Total Normal Cost (Employee Contributions and Employer Normal Cost) Plus Interest
	Assumed Salary as Military Employee (through FYE)	Total Normal Cost Percentage (as of FYE)	Interest Period	Interest Rate	
4/30/83	5,944.24	26.90%			
4/30/84	19,032.00	26.90%			
4/30/85	13,087.76	26.90%			
			1 yr, 3 mos, 23 days	1.31	11,121.85
			26 yrs, 0 mos, 1 day	26.00	64,600.49
			27 years, 3 months, 24 days	27.32	64,600.49
			total:		Total Contributions required to be paid to the Article 3 Police Pension Fund

(1) Per Mike Langenfeld of the Dept of Insurance on 6/8/11, the 4/30/1987 Department of Insurance Actuarial Valuation Balance Sheet/Actuarially Determined Tax Levy report is the oldest one on record, and he indicated that unless an independent actuarial calculation was performed, to use the 4/30/1987 amount for all 3 years.

(2) The Interest Period is the period of time between the date of membership in the fund (1/7/85) and the date of payment (5/1/2012). The interest rate for periods through fiscal years ending in 1986 is 6.5%, after that is 7.0%.

(3) Per Scott Brandt at the Department of Insurance, the first 1.31 years should be based at 6.5% interest, and the resulting amount of \$11,121.85 should then be plugged into the formula for the remaining years to calculate the total buyback amount.

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4/30/84	19,032.00	26.90%			
4/30/85	13,087.76	26.90%	1 yr, 3 mos, 23 days	1.31	11,121.85
			26 yrs, 8 mos, 14 days	26.71	67,744.11
			28 years, 0 months, 9 days	28.02	67,744.11
			total:		111,121.85

(1) Per Mike Langenfeld of the Dept of Insurance on 6/8/11, the 4/30/1987 Department of Insurance Actuarial Valuation Balance Sheet/Actuarially Determined Tax Levy report is the oldest one on record, and he indicated that unless an independent actuarial calculation was performed, to use the 4/30/1987 amount for all 3 years.

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Total Contributions required to be paid to the Article 3 Police Pension Fund