

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON WEDNESDAY, MAY 3, 2017, AT 3:00 PM, AT THE VILLAGE HALL, 835 MIDWAY DRIVE, WILLOWBROOK, DUPAGE COUNTY, ILLINOIS

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1. CALL TO ORDER

The special meeting was called to order at the hour of 3:15 p.m. by President Davi.

2. ROLL CALL

Those present at roll call were President Umberto Davi, Trustee Scott Eisenbeis, Trustee Joe Pec and Trustee Carrie Dittman. Also present was Ted Kirpach and Michael Stuart from MB Financial Bank. ABSENT: Trustee Timothy Kobler was in Springfield attending a meeting.

3. APPROVAL - MINUTES OF REGULAR MEETING - JANUARY 18, 2017

The Board reviewed the minutes from the January 18, 2017 meeting.

MOTION: Made by Trustee Pec, seconded by Trustee Dittman to approve the minutes of the regular meeting of the Willowbrook Police Pension Fund Board of Trustees held on January 18, 2017.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

4. APPROVAL - MINUTES OF SPECIAL MEETING - MARCH 15, 2017

The Board reviewed the minutes from the March 15, 2017 special meeting.

MOTION: Made by Trustee Pec, seconded by Trustee Dittman to approve the minutes of the special meeting of the Willowbrook Police Pension Fund Board of Trustees held on March 15, 2017.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

5. APPROVAL - EXPENSES INCURRED JANUARY THRU MARCH 2017

Trustee Dittman reviewed the financial report for the period January through March 2017. Expenses include \$250.00 attorney fees for Atwell & Atwell, quarterly financial advisory fees were \$8,355.76, fiduciary insurance fee of \$3,026.00, and IPPFA online training expense of \$250.00. The pension benefits for the first quarter of 2017 totaled \$235,685.55; widow's benefit was \$9,628.11; and disability benefits totaled \$17,119.86. The last expense was a separation refund to Daniel Herrera of \$4,267.92.

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 January through March 2017.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

6. APPROVAL OF INVESTMENTS MADE JANUARY THRU MARCH 2017 - 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 03/31/2017 is at \$20,190,398.00. He summarized the portfolio allocations are targeted at 53% in equities, 42% in fixed income and 4% in alternative strategies. The latest five-year actual is at 6.13% vs. the benchmark at 6.39%.

Ted Kirpach advised that 2016 was not a great year. However, the US Stock market is beginning to improve. Corporate profits are holding strong and should continue to do so. Unemployment is at 4.5% and very inflationary as employees are asking for more money.

The GDP came in for the first quarter at .8%, which is not great since it is typically soft at this time and then the other quarters make up for it. The weather is usually to blame, this year being too warm! For the rest of the year, the stock market should look healthy.

International markets are looking good, especially China, Mexico and India despite the trade wars. Fixed income is not great at this time. If interest rates rise, we do not want to be in longer term bonds.

Mr. Kirpach advised that France's election is this Sunday and if Le Pen wins it could be bad for the market. The fund should focus on the long-term investments over the next three years. Equities and economy look solid for the year. Interest rates will be rising but don't be alarmed, think long-term on the portfolio.

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

MOTION: Made by Trustee Pec, seconded by Trustee Dittman to approve MB Financials' Quarterly report.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

7. APPROVAL - PROPOSED BUDGET FY 2017-18

Trustee Dittman reviewed the Proposed Budget for FY 2017/18 for the Police Pension Fund. The contribution amount from the village is \$871,363 based on the actuary's recommendation and the police department is \$208,955 for a total contribution for the year of \$1,080,318.00. Estimated interest income is \$500,000 which brings the total revenues to \$1,580,318.00. Expenses for FY 2017/18 will be pension benefits at \$1,080,948.00, contractual services at \$47,078.00, and supplies and materials at \$8,079.00 for a total amount of expenses of \$1,136,105.00. Chief Shelton's upcoming retirement has not been figured into this amount. A \$444,213.00 surplus will go back into the fund.

MOTION: Made by Trustee Pec, seconded by Trustee Eisenbeis to approve the proposed budget for FY 2017/18 as presented.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

\*NOTE - Ted Kirpach and Michael Stuart of MB Financial Bank were dismissed from the meeting at 4:00 p.m. The meeting resumed at 4:05 p.m.

8. DISCUSSION - REQUEST FOR PROPOSAL (RFP) RESPONSES - INVESTMENT MANAGEMENT/CUSTODIAL SERVICES

The Board thanked Trustee Dittman for collecting the responses and putting the pertinent information from each company into a spreadsheet for easy viewing. Complete proposals from each respondent had been previously distributed to each board member as well.

Trustee Dittman gave a brief summary of the process. Five firms were sent a Request for Proposal (RFP) after the last meeting in March. The RFP was also posted on the Village's website.

Trustee Dittman put together a summary spreadsheet of criteria for the proposal. This included name of firm, contact person, telephone number, year founded, local office location, number of staff members, staff assigned to our account, current number of police funds managed, current number of fire funds managed, current number of city funds managed, average term of contract, investment approach, performance data, asset custody, fee schedule, acknowledgement of sample reports provided in the proposals, references, complaints/sanctions/litigations, affiliates, subscription to CFA Institute of Code of Ethics, acknowledgement of fiduciary, and transfer of asset process.

After a lengthy discussion, the Board agreed to interview the following four (4) companies:

- MB Financial Bank
- Capital Gains Incorporated
- Sawyer Falduto
- Great Lakes Advisors

The Board chose three interview dates and Trustee Dittman will contact the companies and set a final interview date/schedule that is convenient for everyone. The Board will hold a special meeting in May to hold interviews and make a final decision on an investment advisor for the Willowbrook Police Pension fund.

9. VISITOR BUSINESS

None presented.

10. NEW BUSINESS

None presented.

11. OLD BUSINESS

None presented.

12. COMMUNICATIONS

None presented.

13. ADJOURNMENT

MOTION: Made by Trustee Pec, seconded by Trustee Eisenbeis to adjourn the special meeting of the Police Pension Fund at the hour of 4:59 p.m.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

PRESENTED, READ and APPROVED,

July 19, 2017  
Date

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President

Minutes transcribed by Debbie Hahn.