

## 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, OCTOBER 18, 2017, AT 2:30 P.M. AT THE WILLOWBROOK POLICE DEPARTMENT, 7760 QUINCY STREET, WILLOWBROOK, DUPAGE COUNTY, ILLINOIS

1. CALL TO ORDER
2. ROLL CALL
3. **APPROVAL** - MINUTES OF REGULAR MEETING - 07/19/17
4. **APPROVAL** - NEW EMPLOYEES PENSION APPLICATIONS
  - EULALIO MESTRE, JR. - TIER 2
  - ALEXANDER ERDMANN - TIER 2
5. **APPROVAL** - QUARTERLY EXPENSE REPORT - JULY THROUGH SEPTEMBER 2017
6. REPORT - POLICE PENSION FUND BALANCES - FISCAL YEAR TO DATE THROUGH SEPTEMBER 30, 2017
7. REPORT - AUDITED FINANCIAL STATEMENTS - APRIL 30, 2017
8. **APPROVAL** - ACTUARIAL VALUATION REPORT - AS OF APRIL 30, 2017
9. **APPROVAL** - REQUEST FOR ANNUAL VILLAGE CONTRIBUTION FOR FISCAL YEAR ENDING APRIL 30, 2019 AND REQUIRED REPORTING TO MUNICIPALITY BY PENSION BOARD
10. REPORT - ANNUAL DEPARTMENT OF INSURANCE REPORT - APRIL 30, 2017
11. **APPROVAL** - TRANSFER TO VILLAGE'S GENERAL FUND FOR REIMBURSEMENT OF POLICE PENSION EXPENSES
12. **APPROVAL** - QUARTERLY INVESTMENT REPORT JULY THROUGH SEPTEMBER 2017 - SAWYER & FALDUTO
13. **APPROVAL** - INVESTMENT DIRECTION TO SAWYER & FALDUTO

14. VISITOR BUSINESS (Public comment is limited to three minutes per person on agenda items only)
15. NEW BUSINESS
  - A. 2018 MEETING DATES
16. OLD BUSINESS
  - A. OFFICER HIRING PRACTICES
17. COMMUNICATIONS
18. ADJOURNMENT

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON WEDNESDAY, JULY 19, 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 meeting was called to order at the hour of 3:16 p.m. by President Davi.

2. ROLL CALL

Those present at roll call were President Umberto Davi, Trustee Timothy Kobler, Trustee Scott Eisenbeis, Trustee Joseph Pec, Trustee Carrie Dittman and Recording Secretary Debbie Hahn. Guests included Michael Stuart from MB Financial Bank and John Falduto from Sawyer Falduto.

ABSENT: None.

3. APPROVAL - MINUTES OF THE SPECIAL MEETING - 05/03/17

The Board reviewed the Special Meeting minutes from May 3, 2017.

MOTION: Made by Trustee Pec, seconded by Trustee Eisenbeis to approve the Special Meeting minutes of May 3, 2017, as presented.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

4. APPROVAL - MINUTES OF THE SPECIAL MEETING - 05/24/17

The Board reviewed the Special Meeting minutes from May 24, 2017.

MOTION: Made by Trustee Pec, seconded by Trustee Eisenbeis to approve the Special Meeting minutes of May 24, 2017, as presented.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

5. APPROVAL OF INVESTMENTS MADE APRIL THROUGH JUNE 2017 - QUARTERLY INVESTMENT REPORT - MB FINANCIAL BANK

Michael Stuart, a representative of MB Financial Bank, thanked the Village of Willowbrook and Board members for allowing MB Financial Bank to service the pension fund over the past years. Mr. Stuart summarized the quarterly investment report for the Police Pension Board.

Mr. Stuart reported that the total fund value on 06/30/2017 is at \$20,697,813 in a thriving market. The fund is at 53.62% equities, which is close to the 55% allocation target. The portfolio allocations are targeted at 55% in equities, 45% in fixed income. The performance summary for the total fund in the second quarter of 2017 was 2.56%. The latest

five-year actual is at 6.92% vs. the benchmark at 7.07%. Equities were at 3.79% vs the benchmark of 3.66%, however the 7-year totals are looking solid. The fund out-performed in alternative strategies at 2.97% vs the benchmark of 2.86%.

MB Financial Bank noted that due to the underperformance of Kroger stock, a sell off of the stock is pending. If the Pension Board would like MB Financial Bank to sell off the stock, Mr. Stuart needs direction on that prior to transitioning to Sawyer & Falduto, otherwise MB Financial Bank can transfer this stock to Schwab. He will need signatures prior to this transaction. No action was taken on this item.

Trustee Dittman inquired what the timeframe for the transfer to Schwab would be once the proper paperwork is completed.

Mr. John Falduto advised that once the Sawyer & Falduto Investment Management Agreement and the Schwab paperwork is reviewed and approved, the paperwork will be electronically sent over to Schwab. Schwab will then open up the Schwab Custodial Account. This will take approximately five (5) days to complete. An account transfer form gives MB Financial Bank direction to transfer the assets per the delivery instructions. The assets will then be moved. Once the assets arrive, the Pension Board will have three (3) options:

- Move forward with Sawyer & Falduto's strategies
- Hold a special meeting to discuss options with Sawyer & Falduto and go over where the assets are as they transferred in and discuss strategies to continue moving forward.
- Or wait until the Board's next meeting and begin discussions and strategies at that time.

President Davi confirmed that the asset transfers will be transferred "in-kind", which Mr. Falduto advised that they have looked at all our assets and see no problems concerning that issue.

MOTION: Made by Trustee Kobler, seconded by Trustee Dittman, to accept MB Financial Bank's final quarterly report for April through June 2017, as presented.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

6. APPROVAL OF RETIREMENT APPLICATIONS - CHIEF MARK SHELTON AND OFFICER THEODORE KOLODZIEJ

Trustee Dittman provided a memo to the Pension Board regarding Chief Mark Shelton's Retirement Pension Application. She read the following for the record:



*Enclosed for your review is an application for regular retirement benefits submitted by Chief Mark Shelton. As of July 2, 2017, Chief Shelton has contributed \$220,683.89 into the pension fund and contribution for his last days (July 3-14) will be deducted from his final paycheck.*

*As noted on the paperwork, Chief Shelton's retirement date is July 14, 2017 and his retirement pension will begin on July 15, 2017. He will have earned 30 years, 0 months, and 0 days of service credit granting him 75.0% of his current salary of \$132,266. This calculates to an annual pension amount of \$99,199.50.*

*The initial monthly pension will be \$8,266.63, except that the month of July is prorated and will be \$4,533.31.*

*The first increase in pension will occur June 1, 2020.*

*As required under state statute, as the Finance Director/Pension Fund Treasurer, I have attached Chief Shelton's pension calculation.*

After a brief discussion, the following motion was made:

MOTION: Made by Trustee Pec, seconded by Trustee Dittman to approve the retirement benefits for Chief Mark Shelton beginning July 15, 2017.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

Trustee Dittman provided a memo to the Pension Board regarding Officer Theodore Kolodziej's Retirement Pension Application. She read the following for the record:

*Enclosed for your review is an application for regular retirement benefits submitted by Officer Theodore Kolodziej. As of July 2, 2017, Officer Kolodziej has contributed \$175,043.54 into the pension fund and contribution for his last day (July 3) will be deducted from his final paycheck.*

*As noted on the paperwork, Officer Kolodziej's retirement date is July 3, 2017 and his retirement pension will begin on July 4, 2017. He will have earned 29 years, 5 months, and 23 days of service credit granting him 72.5% of his current salary plus longevity of \$95,756.58. This calculates to an annual pension amount of \$69,423.52.*

*The initial monthly pension will be \$5,785.29, except that the month of July is prorated and will be \$5,225.42.*

*The first increase in pension will occur August 1, 2018.*

*As required under state statute, as the Finance Director/Pension Fund Treasurer, I have attached Officer Kolodziej's pension calculation.*

After a brief discussion, the following motion was made:

MOTION: Made by Trustee Pec, seconded by Trustee Kobler to approve the retirement benefits for Officer Theodore Kolodziej beginning July 4, 2017.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

7. APPROVAL - FINANCIAL REPORT - APRIL THRU JUNE 2017

Trustee Dittman reviewed the financial report for the period April through June 2017. Expenses include \$4,400.00 to Tepfer Consulting for actuary services, quarterly financial advisory fees were \$8,699.95, a \$563.13 IPPFA conference expense (prepaid in FY 16), \$3,824.45 for Illinois Department of Insurance annual filing fee, pension retirement benefits for April were \$79,404.25, May and June benefits were \$80,221.40 for each month, widow's benefit was \$3,209.37 per month for April, May and June; and disability benefits were \$5,706.62 per month for April, May and June. The detail of the pension benefits is attached.

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

MOTION: Made by Trustee Kobler, seconded by Trustee Eisenbeis, to approve the financial report for April through June 2017.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

8. REPORT - POLICE PENSION FUND BALANCES - FISCAL YEAR ENDING APRIL 30, 2017 (UNAUDITED)

Trustee Dittman advised that this is a new report that the Board has not seen in years past. The purpose of this report is to see what the actual figures are vs. the budget for assets, liabilities, revenues and expenditures for the last fiscal year. This has not been audited since the audit has not occurred yet but the numbers are adjusted to where they will be.

As of April 30, 2017, about the pension fund owes \$88,320.24 to the Village's General Fund as monthly benefit payments exceed monthly contributions; we are less than the break-even point so we are not sending more money to be invested at this time. By the October meeting, we will have two more pensioners' benefits coming out, and we need to take another look at this and determine if cash from the pension fund's money-market funds needs to be transferred to the Village to be caught up again.

At the end of the fiscal year, the fund has seen an increase of \$1,375,291.07. This report is for informational purposes. If the Board would like to see this report on a quarterly basis, Trustee Dittman will make it part of the quarterly packet. She is looking for direction from the Board.

President Davi asked that the report stay on the agenda for informational purposes.

9. REPORT - REVENUE AND EXPENDITURE REPORT FOR POLICE PENSION FUND THROUGH JUNE 30, 2017

Trustee Dittman advised the previous report presented assets, liabilities, revenues and expenditures. This report shows summary totals May 2017 to June 2017 of the budgeted amount, availability of funds and percent of budget that's been collected or spent.

Under revenues, the fund has collected 15.38% of the budgeted annual village contribution, 16.17% of police contribution, and 9.10% of interest income.

Under expenditures, we have spent 100% of the annual budgeted actuary services, 100.54% of the Department of Insurance filing fee, 16.48% for pension retirement benefits, 16.67% for widow's pension, and 16.57% for disability benefits.

- **Mr. Michael Stuart of MB Financial Bank left the meeting at 3:45 p.m.**

10. APPROVAL - INVESTMENT ADVISORY AGREEMENTS - SAWYER & FALDUTO

Trustee Dittman advised that Mr. John Falduto previously emailed the Investment Advisory Agreement, Company Retirement Account Application, Company Retirement Account Application Agreement, and the Account Agreement Addendum for Company Retirement Account Application Agreement. These were then forwarded to pension attorney Charles Atwell for his review and approval. Mr. Atwell advised the documents were fine with no additions or modifications needed to them. Mr. Falduto then completed the forms adding the Willowbrook data and compiled the additional agreements which are the Addendum to Schwab Account Application for Wrap Fee Arrangement, Transfer Your Account to Schwab form, Schwab Moneylink Electronic Funds Transfer form, and the Sawyer & Falduto Privacy Notice. All the agreements are included in today's packet for review.

Mr. Falduto reviewed the process of these forms with the Board. Trustee Dittman asked for clarification on document H - Sawyer & Falduto Privacy Notice, page 5 under Fee Differential/Conflict of Interest. Where it states "...a Program fee based upon a percentage (%) of the market value of the assets placed under management (between 0.20% and 1.00%)". Trustee Dittman noted that the quoted fee from Sawyer and Falduto was .125%. She asked for clarification on this number. Trustee Dittman noted that the same incorrect fee language appeared on the ADV Part 2A, Appendix 1 Wrap Fee Program Brochure on pages 3 and 6.

Mr. Falduto stated that was an error on their part and will update and forward a corrected copy with the program fee of 0.125%.

MOTION: Made by Trustee Pec, seconded by Trustee Kobler, to accept and approve the Investment Advisory Agreement, Company Retirement Account Application, Company Retirement Account Application Agreement, the Account Agreement for Company Retirement Account Application Agreement, Addendum to Schwab Account Application for Wrap Fee Arrangement, Transfer Your Account to Schwab form, Schwab Moneylink Electronic Funds Transfer form, and the Sawyer & Falduto Privacy Notice (with fee correction).

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

11. VISITOR BUSINESS

None present.

12. NEW BUSINESS

Trustee Eisenbeis raised the question of whether the Police Pension board could review the medical records of new hires and reject an application for admission to the pension fund if the new hire had a pre-existing disability. There was some discussion on past practice and possible HIPPA implications. Trustee Dittman commented that the Board of Police Commissioners does the screening of new applicants and publishes a list that the Village must use to hire from. She commented that she was not aware of the Village's ability to deviate from the list. She noted that she would inquire of the pension board attorney Charles Atwell for his guidance.

13. OLD BUSINESS

None presented

14. COMMUNICATIONS

None presented.

15. ADJOURNMENT

MOTION: Made by Trustee Pec, seconded by Trustee Dittman to adjourn the Board of Trustees meeting of the Police Pension Fund at the hour of 4:17 p.m.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

PRESENTED, READ and APPROVED,

\_\_\_\_\_  
Date

\_\_\_\_\_  
President

Minutes transcribed by Debbie Hahn.



# APPLICATION FOR MEMBERSHIP

WILLOWBROOK POLICE PENSION FUND - Tier 2

I hereby make application to come under the terms and conditions of the Police Pension fund of the Municipality of Willowbrook, Illinois.

Name: Eulalio MESTRE JR.  
Place of Birth: BROOKLYN Maiden Name: (if applicable) \_\_\_\_\_  
Date of Birth: 8 NY  
Social Security Number: \_\_\_\_\_

Spouse Date of Birth: \_\_\_\_\_ Place of Birth: CHICAGO, IL

LIST ALL MINOR CHILDREN WITH THEIR DATES OF BIRTH.

\* ELI \_\_\_\_\_ 4 \_\_\_\_\_  
\* MIA \_\_\_\_\_  
SA \_\_\_\_\_

ISAAC  
Please include copy of marriage license or copy of dissolution of previous marriage and copies of birth certificates of each child

Please include applicant's legal parent's full names and indicate if living or deceased:

Father Eulalio MESTRE ☒ Living ☐ Deceased  
Mother SANDRA JUDITH CANACIO ☒ Living ☐ Deceased

I was first appointed as a full time police officer on 8-2-2017 and have continued to serve since that date. If service has been broken, list all dates in which you were not in receipt of regular salary and the date of re-entry on the attached Form (i.e. suspension, leave of absence, military service, disability, etc. Certified copies of birth and marriage certificates are attached with this application per the request of the pension board.

[Signature]  
Applicant

Approved for membership into the Willowbrook Police Pension Fund and duly recorded in the Minute Book on \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Secretary/Board of Trustees  
Police Pension Fund

\_\_\_\_\_  
President/Board of Trustees

\* birth certificates attached



TIER 2

# APPLICATION FOR MEMBERSHIP

## WILLOWBROOK POLICE PENSION FUND

I hereby make application to come under the terms and conditions of the Police Pension fund of the Municipality of Willowbrook, Illinois.

Name: Alexander J. Edmann Maiden Name (if applicable)  
Date of Birth: 2 7 7 Place of Birth: Hurdle, IL  
Social Security Number: \_\_\_\_\_

LIST ALL MINOR CHILDREN WITH THEIR DATES OF BIRTH.

Born: \_\_\_\_\_  
Born: \_\_\_\_\_  
Born: \_\_\_\_\_

Please include copy of marriage license or copy of dissolution of previous marriage and copies of birth certificates of each child

Please include applicant's legal parent's full names and indicate if living or deceased:

Father David G. Edmann ☒ Living ☐ Deceased  
Mother Tanya A. Eitzenhoefer ☒ Living ☐ Deceased

I was first appointed as a full time police officer on 1/1/11 and have continued to serve since that date. If service has been on, list all date in which you were not in receipt of regular salary and the date of re-entry on the attached Form (i.e. suspension, leave of absence, military service, disability, etc. Certified copies of birth and marriage certificates are attached with this application per the request of the pension board.

[Signature]  
Applicant

Approved for membership into the Willowbrook Police Pension Fund and duly recorded in the Minute Book on \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
Secretary/Board of Trustees  
Police Pension Fund

\_\_\_\_\_  
President/Board of Trustees

GL ACTIVITY REPORT FOR WILLOWBROOK  
TRANSACTIONS FROM 07/01/2017 TO 09/30/2017

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Date	JNL	Type	Description	Reference #	Debits	Credits	Balance
Fund 07 POLICE PENSION FUND							
07/01/2017			07-62-401-242 LEGAL FEES		BEG. BALANCE		0.00
07/14/2017	AP	INV	ATWELL & ATWELL	JUNE 2017	400.00		400.00
08/08/2017	AP	INV	ATWELL & ATWELL	JULY 2017	300.00		700.00
09/30/2017			07-62-401-242	END BALANCE	700.00	0.00	700.00
07/01/2017			07-62-401-253 FINANCIAL ADVISORY FEES		BEG. BALANCE		0.00
07/27/2017	GJ	JE	REC POLICE PENSION MONTHLY INVE	995	8,939.98		8,939.98
09/30/2017			07-62-401-253	END BALANCE	8,939.98	0.00	8,939.98
07/01/2017			07-62-401-304 SCHOOLS CONFERENCE TRAVEL		BEG. BALANCE		7.00
08/08/2017	AP	INV	GOVT FINANCE OFCRS ASSN	2857027	85.00		92.00
09/30/2017			07-62-401-304	END BALANCE	85.00	0.00	92.00
07/01/2017			07-62-401-307 FEES DUES SUBSCRIPTIONS		BEG. BALANCE		0.00
08/08/2017	AP	INV	I.P.P.F.A.	2017 CONF FEE	1,500.00		1,500.00
09/30/2017			07-62-401-307	END BALANCE	1,500.00	0.00	1,500.00
07/01/2017			07-62-401-581 PENSION BENEFITS		BEG. BALANCE		160,442.80
07/21/2017	PR	CHK	SUMMARY PR 07/21/2017		90,000.13		250,442.93
08/18/2017	PR	CHK	SUMMARY PR 08/18/2017		94,273.32		344,716.25
09/29/2017	PR	CHK	SUMMARY PR 09/29/2017		94,273.32		438,989.57
09/30/2017			07-62-401-581	END BALANCE	278,546.77	0.00	438,989.57
07/01/2017			07-62-401-582 WIDOW'S PENSION		BEG. BALANCE		6,418.74
07/21/2017	PR	CHK	SUMMARY PR 07/21/2017		3,209.37		9,628.11
08/18/2017	PR	CHK	SUMMARY PR 08/18/2017		3,209.37		12,837.48
09/29/2017	PR	CHK	SUMMARY PR 09/29/2017		3,209.37		16,046.85
09/30/2017			07-62-401-582	END BALANCE	9,628.11	0.00	16,046.85
07/01/2017			07-62-401-583 DISABILITY BENEFITS		BEG. BALANCE		11,413.24
07/21/2017	PR	CHK	SUMMARY PR 07/21/2017		5,706.62		17,119.86
08/18/2017	PR	CHK	SUMMARY PR 08/18/2017		5,706.62		22,826.48
09/29/2017	PR	CHK	SUMMARY PR 09/29/2017		5,706.62		28,533.10
09/30/2017			07-62-401-583	END BALANCE	17,119.86	0.00	28,533.10

**WILLOWBROOK POLICE PENSION FUND**  
**Monthly Police Pension Beneficiary Payments**  
**FY 2017-18**

Retirement:	Retirement Date	Future				
		Increases				
		May	June	July	August	Sept
Altobella, Mark	5/2/2016	(7,069.11)	(7,069.11)	(7,069.11)	(7,069.11)	(7,069.11)
Barnacle, John	4/1/2012	(6,553.62)	(6,553.62)	(6,553.62)	(6,553.62)	(6,553.62)
Bozek, William D.	8/1/2011	(5,460.28)	(5,460.28)	(5,460.28)	(5,460.28)	(5,460.28)
Finlon, Steven J.	8/1/2011	(5,962.20)	(5,962.20)	(5,962.20)	(5,962.20)	(5,962.20)
Foley, Francis (Pat)	6/1/2010	(7,758.93)	(7,758.93)	(7,758.93)	(7,758.93)	(7,758.93)
Kolodziej, Theodore	7/3/2017	-	-	(5,225.42)	(5,785.29)	(5,785.29)
Konstanty, Ed	3/1/2010	(9,059.83)	(9,059.83)	(9,059.83)	(9,059.83)	(9,059.83)
Kurinec, Michael J.	8/1/2011	(6,819.50)	(6,819.50)	(6,819.50)	(6,819.50)	(6,819.50)
Long, Mark	10/8/2015	(6,043.29)	(6,043.29)	(6,043.29)	(6,043.29)	(6,043.29)
Oggerino, Paul M.	1/4/2013	(7,226.15)	(7,226.15)	(7,226.15)	(7,226.15)	(7,226.15)
Pec, Joe	11/29/2008	(7,829.86)	(7,829.86)	(7,829.86)	(7,829.86)	(7,829.86)
Pelliccioni, Andy	2/8/2015	(5,881.51)	(5,881.51)	(5,881.51)	(5,881.51)	(5,881.51)
Shelton, Mark	7/14/2017	-	-	(4,553.31)	(8,266.63)	(8,266.63)
Skiba, John	8/13/2015 *	(4,557.11)	(4,557.11)	(4,557.11)	(4,557.11)	(4,557.11)
Disability:		(80,221.39)	(80,221.39)	(90,000.12)	(94,273.31)	(94,273.31)
Dusek, Joe						
McCarthy, James		(2,919.07)	(2,919.07)	(2,919.07)	(2,919.07)	(2,919.07)
		(2,787.55)	(2,787.55)	(2,787.55)	(2,787.55)	(2,787.55)
Surviving Spouse:		(5,706.62)	(5,706.62)	(5,706.62)	(5,706.62)	(5,706.62)
Klevin, Martha						
	fixed - life	(3,209.37)	(3,209.37)	(3,209.37)	(3,209.37)	(3,209.37)
Monthly pension requirement beg May 2017		\$ (89,137.38)	\$ (89,137.38)	\$ (98,916.11)	\$ (103,189.30)	\$ (103,189.30)

\*pension began Feb 1, 2016 at age 50

## TRIAL BALANCE REPORT FOR WILLOWBROOK

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PERIOD ENDING 09/30/2017

GL NUMBER	DESCRIPTION	BALANCE 09/30/2016	END BALANCE 09/30/2017	2017-18 APPROVED BUDGET
Fund 07 - POLICE PENSION FUND				
Assets				
07-00-110-202	COMMUNITY BANK OF WB PP - 4155	124,137.17	62,580.97	
07-00-110-335	MONEY MARKET - MB FINANCIAL	350,586.36	0.00	
07-00-110-336	SCHWAB - PP MONEY MARKET	0.00	561,534.86	
07-00-120-250	US TREASURIES	61,606.41	61,606.41	
07-00-120-260	US AGENCIES	3,564,717.30	3,986,313.00	
07-00-120-270	MUNICIPAL BONDS	705,997.23	656,822.24	
07-00-120-288	CORPORATE BONDS	3,041,035.34	3,313,365.29	
07-00-120-289	EQUITIES	4,518,565.33	3,869,276.98	
07-00-120-290	MUTUAL FUNDS	5,714,497.56	6,447,387.41	
07-00-120-292	BROKERED CDS	100,000.00	100,000.00	
07-00-120-900	MARKET VALUE CONTRA	1,394,411.83	1,930,081.89	
07-00-130-401	ACCRUED INTEREST RECEIVABLE	96,076.76	105,374.67	
07-00-140-101	DUE TO/FROM GENERAL FUND	(84,496.66)	(103,189.31)	
07-00-190-101	PREPAID EXPENDITURES	563.13	0.00	
TOTAL ASSETS		19,587,697.76	20,991,154.41	
Fund Equity				
07-00-300-101	FUND BALANCE	19,021,207.76	19,021,207.76	
TOTAL FUND EQUITY		19,021,207.76	19,021,207.76	
Revenues				
07-00-310-607	VILLAGE CONTRIBUTION	340,919.59	368,653.56	871,363.00
07-00-310-906	POLICE CONTRIBUTIONS	85,398.17	87,275.68	208,955.00
07-00-320-108	INTEREST INCOME	161,424.67	215,758.31	500,000.00
07-00-320-110	UNREALIZED GAIN OR LOSS ON INVESTMENTS	314,874.05	460,841.67	0.00
07-00-320-111	GAIN/LOSS ON INVESTMENTS	104,313.83	(34,847.69)	0.00
TOTAL REVENUES		1,006,930.31	1,097,681.53	1,580,318.00
Expenditures				
07-62-401-242	LEGAL FEES	0.00	700.00	2,000.00
07-62-401-251	AUDIT FEES	0.00	0.00	3,126.00
07-62-401-252	ACTUARY SERVICES	4,400.00	4,400.00	4,400.00
07-62-401-253	FINANCIAL ADVISORY FEES	8,262.31	8,939.98	34,435.00
07-62-401-254	FIDUCIARY INSURANCE	0.00	0.00	3,117.00
07-62-401-304	SCHOOLS CONFERENCE TRAVEL	1,660.00	92.00	3,460.00
07-62-401-307	FEES DUES SUBSCRIPTIONS	0.00	1,500.00	815.00
07-62-401-531	DEPT OF INSURANCE FILING FEE	3,862.74	3,824.45	3,804.00
07-62-401-581	PENSION BENEFITS	383,743.86	438,989.57	973,575.00
07-62-401-582	WIDOW'S PENSION	16,046.85	16,046.85	38,512.00
07-62-401-583	DISABILITY BENEFITS	22,464.55	28,533.10	68,861.00
TOTAL EXPENDITURES		440,440.31	503,025.95	1,136,105.00
Total Fund 07 - POLICE PENSION FUND				
TOTAL ASSETS		19,587,697.76	20,991,154.41	
BEG. FUND BALANCE - 2016-17		19,021,207.76	19,021,207.76	
+ NET OF REVENUES/EXPENDITURES - 2016-17			1,375,291.07	
+ NET OF REVENUES & EXPENDITURES		566,490.00	594,655.58	444,213.00
= ENDING FUND BALANCE		19,587,697.76	20,991,154.41	
+ LIABILITIES		0.00	0.00	
= TOTAL LIABILITIES AND FUND BALANCE		19,587,697.76	20,991,154.41	





EST. 1960

# Willowbrook

835 Midway Drive  
Willowbrook, IL 60527-5549

Phone: (630) 323-8215 Fax: (630) 323-0787 [www.willowbrookil.org](http://www.willowbrookil.org)

October 10, 2017

**Mayor**

Frank A. Trilla

**Village Clerk**

Leroy R. Hansen

**Village Trustees**

Sue Berglund

Umberto Davi

Terrence Kelly

Michael Mistele

Gayle Neal

Paul Oggerino

**Village  
Administrator**

Tim Halik

**Chief of Police**

Robert J. Pavelchik, Jr.

**Director of  
Finance**

Carrie Dittman

MEMO TO: Village of Willowbrook Police Pension Board

FROM: Carrie Dittman, Director of Finance *C.D.*

SUBJECT: Audited Financial Statements - 4/30/2017

Attached are the Police Pension Fund financial statements excerpted from the April 30, 2017 audit, which was approved at the October 9, 2017 Village board meeting. The Village (including the Police Pension Fund) received an unmodified, or "clean" opinion, as a result of the audit.

The Village's independent auditors had no adjustments or management letter comments that related to the Police Pension Fund.

Please let me know if you have any questions.



Proud Member of the  
Illinois Route 66 Scenic Byway

# VILLAGE OF WILLOWBROOK, ILLINOIS

Police Pension Fund

Statement of Fiduciary Net Position

April 30, 2017

## Assets

Cash and Cash Equivalents	\$ 85,853
Investments, at Fair Value	
Money Market Account	259,853
Certificates of Deposits	100,428
Mutual Funds	7,181,357
State and Local Obligations	671,738
U.S. Treasury Obligations	70,536
U.S. Agency Obligations	4,139,799
Mortgage Backed Securities	13,006
Corporate Bonds	3,320,328
Equities	4,536,545
Receivables	
Accrued Interest	105,375
Total Assets	20,484,818

## Liabilities

Due to Primary Government	88,320
---------------------------	--------

## Net Position

Restricted for Pensions	\$ 20,396,498 *
-------------------------	-----------------



# VILLAGE OF WILLOWBROOK, ILLINOIS

## Police Pension Fund

Statement of ~~Changes~~ in Fiduciary Net Position - Budget and Actual  
Year Ended April 30, 2017

	Original and Final Appropriations	Original and Final Operating Budget	Actual
Additions			
Contributions			
Village Contributions	\$ -	\$ 805,810	\$ 805,810
Police Contributions	-	202,140	196,680
Total Contributions	-	1,007,950	1,002,490
Investment Income (Loss)			
Interest Income	-	500,000	567,322
Net Appreciation (Depreciation) in Fair Value of Investments	-	-	890,314
Total Investment Income (Loss)	-	500,000	1,457,636
Less Investment Expense	(67,834)	(33,917)	(33,774)
Net Investment Income (Loss)	(67,834)	466,083	1,423,862 *
Total Additions	(67,834)	1,474,033	2,426,352
Deductions			
Administration	42,572	21,286	19,954
Benefits and Refunds	1,884,478	942,239	1,031,109
Total Deductions	1,927,050	963,525	1,051,063
Change in Net Position	\$ (1,994,884)	\$ 510,508	1,375,289 * <i>mer</i>
Net Position Restricted for Pensions			
May 1			19,021,209
April 30			\$ 20,396,498 *

# VILLAGE OF WILLOWBROOK, ILLINOIS

## Police Pension Fund

Schedule of Deductions - Budget and Actual  
Year Ended April 30, 2017

	Original and Final Appropriations	Original and Final Operating Budget	Actual
Administration			
Contractual Services			
Legal Fees	\$ 4,000	\$ 2,000	\$ 400
Audit	7,738	3,869	3,869
Actuary Services	8,800	4,400	4,400
Fiduciary Insurance	6,196	3,098	3,026
Supplies and Materials			
Meetings, Travel and Conferences	6,474	3,237	3,599
Fees, Dues and Subscriptions	1,638	819	797
Other			
Filing Fees	7,726	3,863	3,863
<i>line item</i>			
Total Administration	42,572	21,286	19,954
Benefits and Refunds			
Personal Services			
Pension Benefits	1,689,914	844,957	929,559
Widow Pension Benefits	77,024	38,512	38,512
Disability Benefits	117,540	58,770	58,770
Separation Refunds	-	-	4,268
<i>category</i>			
Total Benefits and Refunds	1,884,478	942,239	1,031,109 *
Total Deductions	\$ 1,927,050	\$ 963,525	\$ 1,051,063



EST. 1960

# Willowbrook

835 Midway Drive  
Willowbrook, IL 60527-5549

Phone: (630) 323-8215 Fax: (630) 323-0787 www.willowbrookil.org  
October 2, 2017

## Mayor

Frank A. Trilla

## Village Clerk

Leroy R. Hansen

## Village Trustees

Sue Berglund

Umberto Davi

Terrence Kelly

Michael Misteale

Gayle Neal

Paul Oggerino

## Village Administrator

Tim Halik

## Chief of Police

Robert J. Pavelchik, Jr.

## Director of Finance

Carrie Dittman



Proud Member of the  
Illinois Route 66 Scenic Byway

MEMO TO: Village of Willowbrook Police Pension Board

FROM: Carrie Dittman, Director of Finance *C.D.*

SUBJECT: Actuarial Valuation Report

Attached for the Board's information is the Actuarial Valuation Report prepared by Tepfer Consulting Group, Ltd. This reports on the value of the Fund as of April 30, 2017 and includes funding recommendations which will be used for the fiscal year ending April 30, 2019. \*The actuary's calculated contribution amounts for the employer (Village) are as follows:

- 1) **\$871,084** or **41.18%** of current payroll. This assumes 100% funding by 2040 under the entry age normal actuarial cost method. \*
- 2) **\$579,258** or **27.39%** of current payroll. This assumes 90% funding by 2040 under the projected unit credit actuarial cost method (statutory minimum). \*

The amount from the last valuation that is being contributed this year (May 1, 2017 - April 30, 2018) is **\*\$871,363**, which was based on 100% funding by 2040. As in the prior valuation, this valuation assumes an investment return of 7.25%. The actual investment rate of return for the fiscal year ending 4/30/2017 was 7.39%.

The summary of actuarial assumptions used in the valuation is located on pages 20-21. No changes were made to the assumptions for this valuation, and the actuary notes in his summary that due to the strong investment return he ~~recommends holding off lowering the interest rate~~ \* assumption for now.

The contribution request for the next year needs to be approved by the Police Pension Board and will be proposed to the Village board in the FY 18/19 budget planning process.

VILLAGE OF WILLOWBROOK  
POLICE PENSION FUND

ACTUARIAL VALUATION  
AS OF MAY 1, 2017 FOR THE  
FISCAL YEAR ENDING APRIL 30, 2018

June 19, 2017



June 19, 2017

Ms. Carrie Dittman  
Village Treasurer  
Village of Willowbrook  
7760 Quincy Street  
Willowbrook, IL 60527-5594

RE: Willowbrook Police Pension Fund

Dear Carrie:

Enclosed is our **FUNDING ACTUARIAL VALUATION REPORT** for the **Willowbrook Police Pension Fund** for the fiscal year May 1, 2017 through April 30, 2018.

The results of our valuation indicate that the recommended minimum contribution from the Village ("Sponsor") for the next tax year is **\$871,084 or 41.18%** of current payroll. This contribution coupled with the anticipated \$ 201,555 or 9.91% of current payroll to be collected from participating police officers will be sufficient to meet the State statutory requirements described in 40 ILCS 5/3. Further information is provided within our report.

**Please note that, as a result of the implementation of GASB 67, the recommended contribution is calculated to provide a 100% funding target rather than the statutorily required 90%. This contribution is also the Actuarially Determined Employer Contribution (ADEC) in accordance with the adopted funding policy.**

**The change in recommended contribution resulting from actual plan experience is \$ (235,907) as shown in Exhibit 3-B.**

Alternatively, under the current statute, our valuation results indicate the statutory minimum contribution from the Village for the next tax year to be \$ 579,258 or 27.39% of current payroll. This remains at a 90% target.

GASB 67 and 68 information, if requested, is provided in a separate report.

#### Factors Influencing the Choice of Actuarial Assumptions

As part of the consulting process, it is our policy to talk with selected members of the Board of Trustees and the Sponsor's representatives for the **Village of Willowbrook Police Pension Fund** in order to obtain information which will enable the Actuary to properly choose the actuarial assumptions which are most appropriate for the current cost determination for the pension fund.

As part of this process, statistics are compiled concerning historical investment returns, salary increases, retirement incidence and other factors which are influential in the actuarial assumption setting process. Based upon an analysis of the specifics as they relate to the **Village of Willowbrook Police Pension Fund** and a general understanding of the inter-relationships of the actuarial assumptions, the Board, the Sponsor and the Actuary hopefully reach a mutual agreement as to the assumptions which will be used in the current actuarial valuation. The ultimate decision, nonetheless, remains with the actuary who must abide by his professional standards and judgment.

Published statistics regarding experience for police and firefighters are available from the State of Illinois Department of Insurance. These statistics form the basis of the actuarial assumptions selected by the State Actuary in the valuation of pension funds covered under the Downstate Pension System. We have found in our consulting, that whenever appropriate, the actuarial assumptions used by the State Actuary are relied upon as a starting point. However, in order to make the calculations more "*Willowbrook-sensitive*", the analysis of the actual historical performance is carefully examined.

### Experience Analysis

Actuarial assumptions are not sacrosanct. In fact, it is not uncommon for actuarial assumptions to be changed to better reflect a plan's experience and prognosis. Each year the actuarial process examines the experience of the fund. General parameters indicate that a variance of less than 3% of the actuarial accrued liability is acceptable to assure that the assumptions used remain suitable. The measurement compares the actual unfunded liability to the expected unfunded liability. The total gain and loss developed is then analyzed by individual assumption, where available, to assure appropriateness. Based upon the results of this year's analysis, both in aggregate and individually, we have determined that many of the chosen assumptions remain suitable for continued use. A single year deviation is not an automatic trigger for a change in assumptions. Instead, multiple years are monitored and changes in assumptions generally occur only after trends are discovered.

### Approach to Setting Actuarial Assumptions including valuation date and source of actuarial data (please see the section in the report beginning on Page 3)

The complete actuarial assumptions used in this valuation are contained in Appendix 1. Although specific assumptions must be used in the mathematical exercise, actuarial assumptions are better viewed as a range. Actuarial Professional Standards indicate that in the selection of economic assumptions, a "best-estimate" range should be developed. Based upon our analysis of Downstate Police and Fire Pension funds we have developed the following best estimate ranges for economic assumptions:

Investment Return	6.50% - 7.50%
Inflation:	1.50% - 2.50%
Compensation Scale	Rates ranging from 4.86% to 1.12% varying by age, plus an inflation factor
Payroll Growth	3.50% - 4.50%

Actuarial Professional Standards indicate that in the selection of non-economic assumptions, a reliance upon published tables and/or individual experience studies pertinent to the group are acceptable procedures. Based upon our analysis of experience for approximately 70 Downstate Police and Fire Pension funds we have developed the following general rates for non-economic assumptions:

Mortality Rates (active and disabled) - Published tables projected to 2015 loaded for public safety employee experience  
Termination rates – aged based rates ranging from 7% to 1%  
Disability rates - aged based rates ranging from 0.13% to 0.16%  
Retirement rates – aged based rates ranging from 36% to 100%

At this point in time, these rates are applied to all participants without regard to tier. It is anticipated that once experience is developed, the retirement rates for tier 2 employees may be modified

### Demographic considerations

For this valuation, it was noted that the force continues to remain stable as to its size and demographic composition. In the current valuation, it was observed that the ratio of the number of inactive participants (15, exclusive of terminated employees who are due a refund of their contributions) to the active participants (23) in the Fund is **65.22**. This remains average for a fund of this size.

There are currently 5 police officers who will become eligible in the next 5 years. This represents about 22% of the current active group. There was one retirement during the last fiscal year which increased annual pension payments by over 21%. Fortunately, pension liabilities remain at an acceptable level. Absent a large growth in the active force, with proper funding, the fund's position should become more favorable for the foreseeable future.

### ***The fund remains in a strong financial condition.***

As a percentage of the total pension liabilities, the liabilities for inactive participants represent over 59% of the total liabilities. This is not unreasonable for a fund of this size.

### Financial considerations

As would be expected in this situation, a larger portion of the assets available for investment (81%) has been committed to provide benefits for existing pensioners and beneficiaries. Additionally, with the retirement this year, pension disbursements on an annual basis now total almost \$1,050,000. It is time to closely monitor the investments to ensure that larger and more stable returns are achieved.



In these uncertain times, the fund continues to experience very limited short-term investment growth. However, the fund continues to maintain adequate funded ratios. The fund has earned marginal rates of return over the short term. As shown in Exhibit 5-C of our report, the composite rate of return for the fund since 2007 is 5.19%, but about 1/2% higher since 1998. The investment smoothing method adopted initially by the fund and now mandated by statute serves to level the contribution and shield against annual investment volatility. **However, it is noted that annual pension payments were less than the investment income during 2016/2017. However, we are reminded that an annual investment return of 5.05% is currently needed to cover the outgoing benefit expenses.** The Trustees and investment advisors are clearly performing well in the current marketplace.

In last year's valuation report we suggested that a lowering of the investment return assumption to 7.00% was recommended. However, the strong investment return has allowed us to hold off the recommendation. While we still believe that a 7.25% assumption is modestly aggressive in today's environment, we are hard pressed to lower the interest rate considering the recent strong investment performance. We suggest deferring this decision until we perform a subsequent valuation. The potential for new retirements coupled with the current investment climate are clear indicators that a more conservative approach will ultimately be required; however, we believe that another year delay is still acceptable.

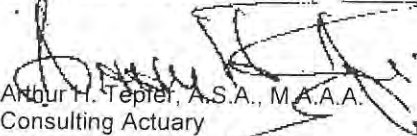
The ongoing commitment of the Village toward making recommended contributions has served the fund well and the positive investment return by the Plan's fiduciaries have provided a strong platform for continued stability and growth.

We ask that you review the section entitled "Actuarial Experience since the last actuarial valuation" beginning on page 5 for a further explanation of what has occurred since the last actuarial valuation.

Please do not hesitate to contact us if you have any questions concerning our report.

Sincerely,

TCG PUBLIC CONSULTING, LTD.

  
Arthur H. Tepfer, A.S.A., M.A.A.A.  
Consulting Actuary

AHT/lf  
Encl.

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**ACTUARIAL STATEMENT**

TCG Public Consulting, Ltd. was retained by the Village of Willowbrook Police Pension Fund to perform an independent actuarial valuation for the Police Pension Fund. This valuation is permitted under 40 ILCS 5/22, Section 503.2.

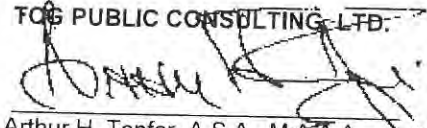
The actuarial valuation was performed for the year ended April 30, 2018 and indicates a **statutorily required contribution in accordance with 40 ILCS 5/3, Section 125 of \$579,258 or 27.39% of member payroll, a recommended minimum contribution of \$871,084 or 41.18% of payroll.** These contributions are net of contributions made by active member police officers during the fiscal year. The recommended minimum contribution also serves as the Actuarially Determined Employer Contribution (ADEC) for purposes of GASB 67 and 68.

The results shown in this report have been calculated under the supervision of a qualified Actuary as defined in appropriate State statutes. All results are based upon demographic data submitted by the Police Pension Fund, financial data submitted by the Police Pension Fund, applications of actuarial assumptions, and generally accepted actuarial methods.

In our opinion, all calculations and procedures are in conformity with generally accepted actuarial principles and practices; and the results presented comply with the requirements of the applicable State statute, Actuarial Standards Board, or Statements of Governmental Accounting Standards, as applicable.

In our opinion, the actuarial assumptions used are reasonable, taking into account the experience of the plan and future expectations, and represent a reasonable and adequate approach to the financing of the retirement program. The costs, actuarial liabilities and other information presented in this report, in our opinion, fully and fairly disclose the actuarial position of the plan.

I, Arthur H. Tepfer, am an Enrolled Actuary in good standing under the Employee Retirement Income Security Act of 1974. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. I certify that the results presented in this report are accurate and correct to the best of my knowledge.

TCG PUBLIC CONSULTING, LTD.  
  
Arthur H. Tepfer, A.S.A., M.A.A.A.  
Enrolled Actuary #17-02352

June 19, 2017

**\*Statement No. 25\* of the Governmental Accounting Standards Board has been replaced by Statement No. 67. Information pertaining to Statement 67 is not included in this valuation report.**

## VALUATION OBJECTIVES

The **Village of Willowbrook Police Pension Fund** provides benefits to members when they retire, die, become disabled or terminate employment. For plans providing these types of benefits, an appropriate budgeting pattern must be established to enable appropriate funds to be accumulated to meet all payments when due. The actual cost of the plan can best be expressed in the following simplistic manner:

### ACTUAL COST EQUALS

Benefits Paid  
Plus  
Expenses Paid  
Less  
Investment Income Earned

If the actual cost is incurred on a "pay as you go" basis, then the future generations of members will be paying for the benefits of current plan participants. Proper financial planning calls for budgeting the actual cost of the plan over the working lifetime of current plan membership to establish an equitable allocation. An actuarial valuation is the procedure used to determine an appropriate amount to be contributed to the pension plan each year to attain this equity.

An actuarial valuation is an estimate at a point in time of the assumed incidence of the future benefit costs. Since the total actual cost of the plan is essentially unknown, pre-funding (budgeting for future benefit costs) requires certain assumptions about future events. Assumptions are made for such things as salary increases, terminations of participants, disablement of participants, death of participants and anticipated investment earnings. These assumptions, although not affecting the actual costs of the plan, will affect the incidence of calculated future costs. For proper funding, it is required that the Actuary select assumptions which are appropriate considering the economic, demographic, and legislative environment as they relate to the pension program. Additionally, the actuary is bound by Actuarial Standards of Practice ("ASOP's") as published by the Actuarial Standards Board. The assumptions we have made concerning these future events are described more fully in Appendix 2 of this report. Based on these assumptions, a projection of future benefits was made and a current contribution level sufficient to provide the anticipated benefit payments was determined using an actuarial cost method.

### Selection of the Actuarial Cost Method

An actuarial cost method, sometimes called a "funding method", therefore, is essentially an approach to budgeting for the calculated future costs. There are many actuarial cost methods which are available to the actuary and each method operates differently. However, all funding methods accomplish the same objective—to assign to each fiscal year of the Sponsor the portion of the expected actuarial value of benefits assumed to have accrued in that year. The portion of the actuarial value of benefits assigned to a year in respect of an individual participant of the fund is called the **normal cost**. All funding methods are described by how the normal cost is calculated.

The actuarial cost method prescribed by the State statutes to determine the **statutorily minimum required contribution** for periods on or after January 1, 2011 is the Projected Unit Credit Cost Method. Under this actuarial cost method, the ongoing cost expressed as a percentage of total payroll will increase. In this method, the normal cost is determined by first calculating the projected dollar amount of each participant's accumulated benefit under the plan as of both the first day of the fiscal year and as of the last day of the fiscal year and then determining the difference between these two amounts. The second step in deriving the normal cost for a given participant is to multiply the dollar amount of this difference by the actuarial present value of \$1 of benefit.

The actuarial cost method selected by our firm to determine the **recommended plan contribution** is the Entry Age Normal Cost Method. Under this actuarial cost method, ideally, the ongoing cost expressed as a percentage of total payroll should remain stable. In this method, the normal cost is determined by assuming each participant covered by the plan entered the plan under the same conditions that will apply to future entrants. The annual normal cost assigned to each year of an employee's career is calculated as a level percentage of the employee's assumed earnings each year. These normal costs accumulate to the present value of the employee's benefit at retirement age.

**VALUATION OBJECTIVES  
(Continued)**

Under both the Entry Age Normal Cost Method and the Projected Unit Credit Cost Method, the total funding of projected benefit costs is allocated between an unfunded liability, representing past benefit history, and future normal costs. This allocation assumes that the Sponsor will pay the normal cost for each plan year on a regular basis. It should be noted that although the term "unfunded liability" is applied to both funding methods, the resulting amount is different because of the method of calculation. Another feature of these methods is that only the unfunded liability (not the Normal Cost) is affected by the experience of the plan, and, therefore, any adjustments are made only in the future amortization payments.

In addition to the methodology changes described above, P.A. 96-1495 also addressed the valuation of pension fund assets—the second component in the determination of the unfunded liability. The statute now provides that the actuarial value of a pension fund's assets be set equal to the market value of the assets on March 30, 2011 and that, in determining the actuarial value of assets after that date, any actuarial gains or losses from investment returns incurred in a fiscal year be recognized in equal amounts over the 5-year period following that fiscal year.

The actuarial valuation process is usually repeated each year and is to a certain extent self-correcting. As part of these actuarial cost methods, any deviation of actual experience from the chosen actuarial assumptions will be reflected in future contributions. A complete description of these actuarial cost methods is explained in Appendix 4 of this report.

Despite the statutory language which requires an application of the Projected Unit Credit method, we feel that funding under this method as a *level percentage of payroll* severely undermines the benefit security of the retirement system and transfers the payment for currently earned pensions to future generations of taxpayers. For these reasons, our valuation report also presents a **recommended minimum contribution** that will operate to maintain the fundamental fiscal soundness of the retirement program, although a statutorily required contribution has also been calculated. The calculation of the **recommended minimum contribution** is based upon an **amortization payment of 100% of any unfunded accrued liabilities as a level dollar amount** over 30 years from January 1, 2011, the effective date of P.A. 96-1495. The calculation of the statutorily required contribution is based upon an **amortization payment of 90% of any unfunded accrued liabilities as a "level percentage of payroll"** over 30 years from January 1, 2011, the effective date of P.A. 96-1495.

Although, we do not agree with the statutorily required level percentage of payroll methodology of determining the amortization of the unfunded accrued liability, we would be remiss if we did not advise our clients as to a "statutorily" acceptable calculation under the State law.

Approach to Setting Actuarial Assumptions

In February 2014, the Society of Actuaries released a "Report of the Blue-Ribbon Panel on Public Pension Plan Funding" which focuses on the development of recommendation for strengthening public plan funding. Some of the recommendations are as follows:

Adequacy: Funding entities and plan trustees should strive to fund 100% of the obligation for benefits using assumptions that are estimated to be realizable 50% of the time.

Intergenerational Equity: Fully funding pension benefits over the average future service period of employee reasonably aligns the cost of the benefits of the public services with the taxpayers who benefit from those services.

Cost Stability and Predictability: Level costs over an intermediate period is often at odds with the goals of adequacy and intergenerational equity. Funding by allocating a significant portion to higher- risk, more volatile assets will tend to undermine the goal of cost stability. Adequacy and intergenerational equity should take precedence over the goal of cost stability and predictability.



**VALUATION OBJECTIVES  
(Continued)**

The Interest Rate Assumption

Regarding the choice of interest rate, the following is helpful:

According to the report, public retirement systems should use a forward-looking rate to discount pension liabilities rather than actual plan returns.

The new rate would replace the actual long-term rate of return on plan assets generally used now to discount liabilities and set contribution levels.

The panel rejected use of a risk-free rate — or rates on the Treasury yield curve — to discount liabilities despite the basis in economic theory to balance generational risks, instead

"Plans should be using rates of return that they believe can be achieved over the next 20- to 30-year period with a 50% probability," the report said.

"The panel does not believe the rate should be aggressively conservative, as doing so may lead to a surplus." When making assumptions, "it is important to consider the extent to which future economic and market conditions may differ from those of today or of the past," ... noting that "the long-term secular decline in interest rates ... strongly suggests that the robust fixed-income performance of the past is not likely to be repeated in the future."

It is our opinion that other specific factors in the Downstate System must also be considered in the choice of a "funding interest rate" assumption. The Police and Fire Pension funds in the Downstate System are limited in their investment opportunities by State Statutes. Depending upon the current amount of assets in the fund, various investments are not permitted. Unfortunately, in our opinion, these limitations have a negative impact on fund growth.

We believe that these statutory limitations are counter-productive to fund growth. Additionally, the newly applicable GASB disclosure rules require Financial Reporting under lower interest rate assumptions than historically used for funding calculations.

It is anticipated that many Pension Boards will reassess the overall investment portfolio to balance the competing funding requirements and the financial disclosure rules. We hope that the Legislature also will respond to the increasing need of more investment latitude to the Pension Fund Trustees.

What is the appropriate practice for measuring public pension plan liabilities: is it "level cost" or "market pricing?"<sup>1</sup>

Actuaries and economists have been debating this ongoing controversy for ten years. Which of the competing methods is "correct," and can both camps coexist?

The Methods

The level cost model is based on long-term methods and assumptions:

- discount rate is the long-term expected return on assets in the plan's investment portfolio.
- cost method is a level cost based on projected benefits (generally Entry Age).
- such calculations are based on established funding practices.

Whereas the market pricing model uses current methods and assumptions:

- discount rate is based on market yields on low risk bonds (with a default risk comparable to the public pension promise).
- cost method is an increasing cost based on accrued benefits (Unit Credit).
- such calculations<sup>2</sup> are based on "financial economics."

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<sup>1</sup> Excerpted from The Journal of the Conference of Consulting Actuaries, The Consulting Actuary, Volume XXIX Number 1



**VALUATION OBJECTIVES**

(Continued)

What is "financial economics?" The key tenet of financial economics is that there can be no arbitrage (no free lunch) where an investment yields an immediate risk-free profit. Two cash flows identical in amount, risk, etc. must have identical market prices (the Law of One Price), otherwise an arbitrage opportunity will exist. For pension plans, financial economics measures a liability by using the discount rate embedded in an asset portfolio with matching cash flows (namely bonds, in the view of market pricing proponents).

Liabilities should be valued without regard to funding strategy, and expected excess returns should be recognized after they materialize. Focus is on current values. Most discussion has been on whether public pension plans should disclose a market pricing type measure.

In fact, the three possible applications are (1) to disclose a market value Accrued Benefit Obligation (**ABO**), (2) to fund based on a risk-free rate based ABO, or (3) to invest only in bonds. The rationales for each are as follows:

1. The economic liability is an ABO valued at current market (default) risk-free rates;
2. Funding based on a risk-free discount rate (even if invested in equities) avoids kicking the "risk" can down the road to future generations of taxpayers; and
3. Investing only in bonds avoids increasing taxpayers' equity risk exposure.

Should public plans disclose a market pricing type measure using a (default) risk-free discount rate?

The Governmental Accounting Standards Board (GASB) first added the issue to their agenda in 2008. Following an "Invitation to comment," GASB issued a preliminary views document and two exposure drafts, before releasing final Statements 67 and 68 in August 2012. In those statements, GASB unequivocally endorsed the level cost model for accounting and financial reporting with the discount rate to be based on expected return (if the plan has assets) and the cost method to be Entry Age. The Actuarial Standards Board (ASB) began reviewing two key Actuarial Standards of Practice (ASOPs) in 2011. Following numerous discussion drafts, exposure drafts and working drafts, ASOP 4 (Measuring Pension Obligations) and ASOP 27 (Selecting Economic Assumptions) were revised in December 2012 and September 2013 respectively. Incorporating requests from the American Academy of Actuaries' (AAA) Public Interest Committee (PIC) and Board, the discussion draft of ASOP 4 defined a "market-consistent" present value (MCPV). However, resulting comments argued that the MCPV is a type of measure, not a single measure. When issued, the final ASOPs 4 and 27 instead stressed the "purpose of the measurement." ASOP 4 stated: "When measuring pension obligations and determining periodic costs or contributions, the actuary should reflect the purpose of the measurement." ASOP 27 stated: "The actuary should consider the purpose of the measurement as a primary factor in selecting a discount rate." Interestingly, both standards included the market-pricing model not only as a type of measurement but also as an example of a purpose of the measurement!

However, it should be noted that it is our opinion that, under current conditions, a market pricing valuation would cause confusion and, therefore, at this juncture we are not including a market-pricing model in this valuation report.

Specific thoughts on the Mortality Assumption

The mortality assumption can be viewed in one of two ways:

1. How long will a participant and or beneficiary continue to participate in the plan? – probability of surviving.
2. When will benefit accruals or payments cease? – probability of not surviving.

Mortality studies are generally performed based upon the experience of large populations and are published by the Society of Actuaries. In our opinion, **there are no credible published tables for the Downstate Police and Fire Pension System, despite the recent experience study completed by the Department of Insurance.** With the publication of the RP-2014 Mortality Table, we found it necessary to examine our existing mortality assumption (based upon the RP-2000 table issued in the early portion of this century).

**VALUATION OBJECTIVES  
(Continued)**

The Downstate System contains many small funds which are not suitable for a mortality study (despite the DOI promulgation). We reject the use of the unloaded RP-2000 Blue Collar table and instead assume an increased mortality risk for public safety personnel. The RP-2014 table is unsuitable because it excluded any experience from public plans. The RP-2000 mortality table, in our opinion, is a more appropriate table to use as a base. The RP-2000 table, although a static table, comes with a generational approximation technique using a mortality projection scale. Two scales are provided by the study scale AA and Scale BB. Scale AA has been proven to be non-predictive and is no longer suggested. Scale BB is now the preferred projection scale. With all this in mind, our mortality assumption is the following:

**RP-2000 Combined Healthy Male with Blue Collar adjustment,  
projected to 2015 by Scale BB.**

The Choice of the Actuarial Valuation Date and the Source of the Actuarial Data

Actuarial valuations can be performed as of any date. Ideally the data used (census and financial) should be representative of the fund on the actuarial valuation date. Actuarial Standards of Practice require the actuary to disclose the sources of the data and indicate whether the actuary has reviewed the data. The actuary additionally must disclose the extent of the actuary's reliance on the data and other relevant information to use of data supplied by others; any material adjustments or assumptions the actuary applied to the data, any limitations on the use of the actuarial work product due to uncertainty about the quality of the data and any unresolved concerns the actuary may have about the data that could have a material effect on the actuarial work product.

The actuarial valuation results presented in this report are calculated based upon data provided by each fund and/or sponsoring municipality and are taken from the Department of Insurance (DOI) Annual Statement Filing as of the end of the fiscal year prior to the valuation date. For example, funds with a fiscal year beginning January 1, 2016 use a valuation date of January 1, 2016 and actuarial data is used from the Annual Statement filing for the period ending December 31, 2015. This data is provided to the actuary by the fund, the fund's auditors, the sponsoring entity and/or the sponsoring entity's auditor. The data is used for both the actuarial valuation to determine funding for the fiscal year beginning on the valuation date; and is also used to calculate the Actuarially Determined Employer Contribution (ADEC) as required under GASB standards for the year ending on fiscal year prior to the valuation date.

The assumption is made that there is no material difference in data between these two dates and that this data is acceptable, without additional actuarial review or adjustment, for the particular valuation being presented.

Actuarial experience since the last actuarial valuation

As part of the actuarial valuation process, it is helpful to examine the actual experience of the fund as compared to the experience that is expected by the actuarial assumptions. The measurement of any deviations of actual to expected experience is commonly referred to as a "Gain and Loss Analysis". In performing this analysis, the actuary analyzes each actuarial assumption used in the valuation process. It is highly unlikely that actual experience will follow expected experience on a year-by-year basis. It is hoped that over the long term, if the actuarial assumptions are "reasonable", the total gains and losses will offset each other.

A "gain and loss analysis" is a useful tool to examine whether the actuarial assumptions used to determine the municipal tax levy are suitable. Care must be taken in placing too much credibility in a short-term analysis as the assumptions are more appropriately measured over the long term. Nonetheless, an annual evaluation of the actuarial assumptions will assist in identifying trends that, if unnoticed, can lead to inappropriate conclusions. When these trends are recognized, it is the actuary's responsibility to modify one or more of the assumptions to better anticipate future experience.

**VALUATION OBJECTIVES  
(Continued)**

Some assumptions are easier to measure than others. In small plans, credible analysis can generally be made regarding the economic (financial) assumptions. These primarily include investment and salary increase assumptions. Unfortunately, it is often impossible to establish credible long-term analysis of demographic assumptions (rates of termination, disability, retirement and mortality). Therefore, in choosing demographic assumptions, the actuary generally relies upon standardized tabular assumptions modified only by fund-specific characteristics.

The actuarial gain and loss analysis for the current year is presented in Exhibit 3-C and 3-D of the report. Exhibit 3-C shows the impact of the actuarial gains or losses on the recommended minimum contribution through a reconciliation of this contribution from the end of the prior valuation year to the end of the current valuation year. Exhibit 3-D derives the actuarial gain or loss in total as well as separating the individual financial and demographic components.

The overall experience gain (loss) for the year was \$ (382,654) or 1.37% of the accrued liability at the beginning of the plan year. The dollar amount for the plan's current recommended minimum contribution is 99.97% of the prior year's contribution. When measured as a percentage of payroll, the contribution level has changed from 41.91% to 41.18%.

Thirty-year Projection of Liabilities

The final section of our report illustrates projected payments from the Trust Fund for a 30-year period commencing with the valuation date. These projections are based upon the actuarial assumptions selected concerning death, disability and retirement occurring. Care should be taken in interpreting or relying on these results— particularly for Funds with fewer than 200 participants. The credibility of this type of projection is rarely realized beyond 10 years. Exhibit 5D presents this projection. Exhibit 5D presents this projection.

**RESULTS OF VALUATION**

The following exhibits present the results of our actuarial valuation of the **Village of Willowbrook Police Pension Fund** for the fiscal year May 1, 2017 through April 30, 2018.

Exhibit 1 indicates that the recommended minimum contribution, calculated using the Entry Age Normal Cost method (EANC), from the Village is \$871,084 or 41.18% of total participating payroll. **Under the Entry Age Normal actuarial cost method selected, this percentage of payroll should remain reasonably level over the lifetime of the plan.**

Exhibit 1 also indicates that the statutory minimum contribution, calculated using the Projected Unit Credit method (PUC), from the Village is \$579,258 or 27.39% of total participating payroll. **Under the Projected Unit Credit actuarial cost method selected, this percentage of payroll should increase over the lifetime of the plan.**

Exhibits 2 and 3 provide specific information used to develop the recommended minimum and statutorily required the Village contribution.

Contribution amounts presented in this report have not been adjusted for interest to the date of payment. All values were determined using the actuarial assumptions and methods as more fully described in Appendix 1 of this report.

Exhibit 4 presents a brief description of the demographic characteristics of the current member group.

Exhibit 5 shows information relating to the pension assets.

**GENERAL VALUATION RESULTS FOR FISCAL YEAR  
MAY 1, 2017 THROUGH APRIL 30, 2018**

Recommended Minimum Contribution

1.	Entry Age Normal Cost:	\$ 446,289
2.	Unfunded Actuarial Accrued Liability (or Surplus):	6,555,131
3.	Actuarial Value of Assets:	21,333,170
4.	Annual Salaries of Active Police Officers:	2,033,854
5.	Recommended Minimum Contribution from the Village:	871,084
	Contribution Percentage:	41.18%*

Statutory Minimum Contribution

1.	Projected Unit Credit Normal Cost:	\$ 556,750
2.	Unfunded Actuarial Accrued Liability (or Surplus):	5,556,079
3.	Actuarial Value of Assets:	21,333,170
4.	Annual Salaries of Active Police Officers:	2,033,854
5.	Statutory Minimum Contribution from the Village:	579,258
	Contribution Percentage:	27.39%*

\* Projected for the fiscal year ending April 30, 2018.



SUMMARY OF SPECIFIC VALUATION RESULTS

	<u>Number</u>	<u>Actuarial Present Value of Projected Benefits</u>	<u>Entry Age Normal Cost</u>	<u>Projected Unit Credit Normal Cost</u>
1. Active Police Officers:	23			
Retirement Pension:		\$13,000,578	\$313,945	\$464,203
Survivors Pension:		233,663	12,704	10,198
Disability Pension:		1,264,515	88,029	64,795
Withdrawal Pension:		264,902	31,611	17,554
TOTAL . . . . .	23	\$14,763,658	\$446,289	\$556,750
1. Inactive Police Officers and Survivors:				
Normal Retirees:	12	\$15,629,086		
Widows (Survivors):	1	200,399		
Children (Survivors):	0	0		
Disabled Retirees:	2	729,843		
Deferred Vested:	0	0		
Terminated/Separated:	1	5,081		
TOTAL . . . . .	16	\$16,564,409		

**SUMMARY OF SPECIFIC VALUATION RESULTS  
(Continued)**

	<u>Entry Age Normal (EAN)</u>	<u>Projected Unit Credit (PUC)</u>
3. Total Actuarial Present Value of Projected Benefits:	\$31,328,067	N/A
4. Actuarial Present Value of Future Normal Costs:	3,439,766	N/A
5. Actuarial Accrued Liability [(3) - (4)]	27,888,301	26,889,249
6. Actuarial Value of Assets:	21,333,170	21,333,170
7. Unfunded Actuarial Accrued Liability (or Surplus) [(5) - (6)]	6,555,131	5,556,079
8. Funded Ratio Percentage [(6) ÷ (5)] x 100	76.50%	79.34%

**HISTORY OF FUNDED PERCENTAGES**

<u>For the Year beginning May 1</u>	<u>Valuation Assets</u>	<u>EAN Accrued Liabilities</u>	<u>EAN Funded Percentage</u>	<u>PUC Accrued Liabilities</u>	<u>PUC Funded Percentage</u>
2017	\$21,333,170	\$27,888,301	76.50%	\$26,889,249	79.34%
2016	20,293,619	26,535,655	76.48%	25,469,272	79.68%
2015	19,338,999	25,119,749	76.99%	23,862,708	81.04%
2014	18,109,643	22,784,660	79.48%	21,476,845	84.32%
2013	16,732,747	21,190,138	78.96%	19,868,443	84.22%
2012	15,529,357	19,543,545	79.46%	18,104,732	85.78%
2011	14,814,863	17,920,397	82.67%	16,275,873	91.02%
2010	13,403,601	16,588,318	80.80%	N/A	N/A
2009	12,054,324	15,068,464	80.00%	N/A	N/A
2008	11,658,708	13,556,150	86.00%	N/A	N/A
2007	10,400,186	11,624,444	89.47%	N/A	N/A
2006	9,182,027	10,784,158	85.14%	N/A	N/A
2005	8,155,777	9,796,059	83.26%	N/A	N/A
2004	7,202,513	8,810,555	81.75%	N/A	N/A
2003	6,373,705	8,038,993	79.28%	N/A	N/A

**DEVELOPMENT OF RECOMMENDED MINIMUM VILLAGE CONTRIBUTION**

	Fiscal Year May 1, 2017 through <u>April 30, 2018</u>
1. Entry Age Normal Cost:	\$446,289
2. Recommended Minimum Payment to Amortize <b>100 % of the Entry Age Normal Unfunded Accrued Liability as a level dollar amount</b> over 23.00068 Years from May 1, 2017:	553,841
3. Interest on (1) and (2):	72,509
4. Credit for Surplus:	0
5. Total Recommended Minimum Contribution for Fiscal Year 2018: [(1) + (2) + (3) + (4)], but not less than Statutorily Required	1,072,639
6. Active Member Contributions (9.91% of Salaries):	201,555
7. Net Recommended Minimum Village Contribution: [(5) - (6)]	871,084

**DEVELOPMENT OF STATUTORILY REQUIRED VILLAGE CONTRIBUTION  
(NOTE THAT THIS CONTRIBUTION CALCULATION IS NOT RECOMMENDED)**

	Fiscal Year May 1, 2017 through <u>April 30, 2018</u>
1. Projected Unit Credit Normal Cost:	\$556,750
2. Minimum Payment to Amortize <b>90% of the Projected Unit Credit Unfunded Accrued Liability as a level percentage of payroll</b> over 23.00068 Years from May 1, 2017:	171,281
3. Interest on (1) and (2):	52,782
4. Credit for Surplus:	0
5. Total Statutorily Required Contribution for Fiscal Year 2018: [(1) + (2) + (3) + (4)]	780,813
6. Active Member Contributions (9.91% of Salaries):	201,555
7. Net Statutorily Required Village Contribution: [(5) - (6)]	579,258

**RECONCILIATION OF THE CHANGE  
IN THE RECOMMENDED MINIMUM VILLAGE CONTRIBUTION**

1.	Recommended Minimum Contribution for Year ending 4/30/2017:	\$871,363
2.	Increase in Normal Cost and Amortization Payment due to anticipated pay changes:	32,715
3.	Increase/ (Decrease) in Normal Cost resulting from actual pay changes:	( 6,995)
4.	Effect of Asset Smoothing:	28,366
5.	Increase/ (Decrease) resulting from changes in assumptions:	0
6.	Increase/ (Decrease) resulting from other demographic and financial sources (retirements, deaths, new entrants, salary changes, etc.):	( 54,365)
7.	Recommended Minimum Contribution for Year ending April 30, 2018:	\$ 871,084

**DERIVATION OF EXPERIENCE GAIN (LOSS) AND COST METHOD CHANGE  
AS OF MAY 1, 2017**

1.	EANC Unfunded Actuarial Accrued Liability at May 1, 2016:	\$6,242,036
2.	Entry Age Normal Cost due at May 1, 2016:	478,970
3.	Interest on (1) and (2) to May 1, 2017 (at 7.25% per year):	487,273
4.	Contributions made for the prior year with interest to May 1, 2017:	1,035,802
5.	Expected EANC Unfunded Actuarial Accrued Liability at May 1, 2017 Before Assumption Changes [(1) + (2) + (3) - (4)]:	6,172,477
6.	Change in EANC Unfunded Actuarial Accrued Liability due to Assumptions Change at May 1, 2017:	0
7.	Expected EANC Unfunded Actuarial Accrued Liability at May 1, 2017 [(5) + (6)]:	6,172,477
8.	Actual EANC Unfunded Actuarial Accrued Liability at May 1, 2017:	6,555,131
9.	Gain (Loss) for the prior Plan Year [(7) - (8)]:	<u>\$ (382,654)</u>

The experience gain (loss) reported above is the net result of the following:

1.	<u>FINANCIAL SOURCES</u>	
a)	Investment experience (based upon market value of assets):	\$ 81,581
b)	Contribution experience:	( 77,382)
c)	Benefit Payments experience:	45,550
d)	Salary increases (greater)/lower than expected:	<u>45,063</u>
	Total from Financial Sources:	94,812
2.	<u>DEMOGRAPHIC SOURCES</u>	
	Mortality, retirement, disability, termination, etc.:	(141,728)
3.	<u>ACTUARIAL ADJUSTMENTS</u>	
	Market value adjustment for asset smoothing, including expenses	(335,738)
4.	<u>GAIN (LOSS) ALL SOURCES</u>	
	Total Gain (Loss) for the prior Plan Year [(1) + (2) + (3)]	<u>\$ (382,654)</u>



**SUMMARY OF DEMOGRAPHIC INFORMATION AS OF MAY 1, 2017**

	<u>Number</u>	<u>Projected Annual Salaries (Fiscal Year 2018)</u>
Active Police Officers:	23	\$2,033,854

	<u>Number</u>	<u>Total Monthly Benefits</u>
Normal Retirees:	12	\$ 79,404
Survivors (Widows):	1	3,209
Survivors (Children):	0	0
Disabled Retirees:	2	5,706
Deferred Vested:	0	0
Terminated/Separated:	1	5,081 *

\* Return of Contributions

AVERAGE AGE OF ACTIVE EMPLOYEES  
41.95

AVERAGE SERVICE OF ACTIVE EMPLOYEES  
14.43

AVERAGE ANNUAL COMPENSATION  
\$88,428

The actuarial valuation was performed as of May 1, 2017 to determine contribution requirements for fiscal year ending April 30, 2018

**ASSET INFORMATION**

According to the information provided by the Annual Filing with the Department of Insurance the following is provided:

Net Present Assets at Market Value	\$20,396,498
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The development of the Actuarial Value of Assets is shown in Exhibit 5-B

**DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS**

1.	Market Value of Assets, May 1, 2016				\$ 19,021,209
2.	Actual Income and Disbursements in prior year weighted for timing				
	<b>Item</b>	<b>Amount</b>	<b>Weight for Timing</b>	<b>Weighted Amount</b>	
	Contributions Received During 2016-2017	1,002,490	50.00%	501,245	
	Miscellaneous Revenue	0	50.00%	0	
	Benefit Payments and Expenses Made During 2016-2017	1,084,835	(50.00)%	( 542,418)	
	Total			( 41,173)	
3.	Market Value of assets adjusted for actual income disbursements [(1) + 2(d)]			18,980,037	
4.	Assumed rate of return on plan assets for the year			7.25%	
5.	Expected return on assets [(3) x (4)]			1,376,053	
6.	Market Value of Assets, May 1, 2016*			19,021,209	
7.	Income (less investment income) for prior year			1,002,490	
8.	Disbursements paid in prior year			1,084,835	
9.	Market Value of Assets, May 1, 2017			\$20,396,498	
10.	Actual Return [(9) + (8) - (7) - (6)]			1,457,634	
11.	Investment Gain/(Loss) for Prior Year [(10) - (5)]			81,581	

12. Market Value of Assets, May 1, 2017:					\$20,396,498
13. Deferred investment gains and (losses) for last 4 years:					
	<b>Plan Year Beginning</b>	<b>Gain/(Loss)</b>	<b>Percent Deferred</b>	<b>Deferred Amount</b>	
a)	2017	\$ 81,581	80%	\$ 65,265	
b)	2016	\$ (1,609,168)	60%	\$ (965,501)	
c)	2015	\$ (108,715)	40%	\$ (43,486)	
d)	2014	\$ 35,250	20%	\$ 7,050	
e)	Total	\$ (1,601,052)		\$ (936,672)	
14. Actuarial value of plan assets for funding, May 1, 2017: Item (12) less item 13(e):				\$ 21,333,170	

Notes: The calculated value is determined by adjusting the market value of assets to reflect investment gains and losses (the difference between the actual investment return and the expected investment return) during each of the last five years at the rate of 20% per year.

**ANALYSIS OF INVESTMENT RETURN**

<u>Fiscal Year</u> <u>Ending April 30</u>	<u>Annual Rate</u> <u>of Return</u>
2017	<b>7.39%</b>
2016	<b>(1.37)</b>
2015	6.39
2014	8.55
2013	9.41
2012	4.25
2011	11.20
2010	18.59
2009	-12.22
2008	2.67
 <u>Composite</u>	
<b>2008-2017</b>	<b>5.19%</b>
1999-2017	5.58%



THIRTY - YEAR PROJECTION OF PAYMENTS

Year	-----Termination-----		-----Payouts from Active Group Upon-----		Retirement	Disability	-----Payouts from-----		Total
	Lump Sum	Deferred Pension	Death				Retired Group	Deferred Pensioners	
2017	4,071	0	5,282		104,282	12,172	1,059,547	5,081	1,190,435
2018	5,158	0	6,534		183,260	21,241	1,074,722	0	1,290,915
2019	5,907	0	7,002		266,791	29,431	1,089,287	0	1,398,418
2020	4,219	0	8,585		325,791	36,678	1,103,239	0	1,478,512
2021	2,702	0	10,491		424,189	43,976	1,123,299	0	1,604,657
2022	1,824	0	12,292		537,695	51,445	1,137,689	0	1,740,945
2023	0	0	14,159		639,679	58,670	1,151,345	0	1,863,853
2024	0	0	15,259		719,076	65,149	1,164,222	0	1,963,706
2025	0	0	16,278		785,252	71,507	1,176,217	0	2,049,254
2026	0	0	16,995		850,607	77,194	1,187,212	0	2,132,008
2027	0	0	18,645		911,568	82,199	1,196,983	0	2,209,395
2028	0	0	19,488		963,892	87,008	1,205,480	0	2,275,868
2029	0	0	20,728		1,005,841	93,780	1,212,440	0	2,332,789
2030	0	0	21,460		1,053,695	99,435	1,217,496	0	2,392,086
2031	0	0	22,390		1,100,201	107,398	1,220,310	0	2,450,299
2032	0	0	23,023		1,170,619	116,389	1,220,526	0	2,530,557
2033	0	0	23,727		1,217,093	124,103	1,217,737	0	2,582,660
2034	0	0	24,223		1,270,156	130,201	1,211,689	0	2,636,269
2035	0	0	24,785		1,335,616	135,751	1,202,047	0	2,698,199
2036	0	0	25,115		1,378,826	140,803	1,188,396	0	2,733,140
2037	0	0	25,531		1,434,921	145,035	1,170,427	0	2,775,914
2038	0	0	25,682		1,485,932	148,929	1,147,786	0	2,808,329
2039	0	0	25,898		1,554,432	152,093	1,120,328	0	2,852,751
2040	0	0	25,887		1,599,878	156,304	1,088,024	0	2,870,093
2041	0	0	25,962		1,632,153	159,890	1,050,860	0	2,868,865
2042	0	0	25,827		1,660,456	166,446	1,008,874	0	2,861,603
2043	0	0	25,718		1,683,178	167,365	962,310	0	2,838,571
2044	0	0	25,411		1,702,826	170,281	911,292	0	2,809,810
2045	0	0	25,157		1,711,849	173,807	856,308	0	2,767,121
2046	0	0	24,680		1,714,086	173,491	798,048	0	2,710,305

**ACTUARIAL ASSUMPTIONS**

**(Economic)**

**Investment Return**

7.25% per annum, compounded annually (net of expenses).

**Salary Increases**

Representative values of assumed salary increases are as follows:

<u>Age</u>	<u>Increase %</u>
25	4.8611
30	2.9848
35	2.0341
40	1.5239
45	1.3083
50	1.1846
55	1.1220

An additional inflation allowance of 2.00% per year is added to the above.

**Payroll Growth**

It was assumed that payroll will grow 4.00% per year.

**Cost of Living Adjustments**

It was assumed that the Consumer Price Index – Urban (CPI-U) would increase 2.00% per year

**Actuarial Asset Basis**

The actuarial value of assets recognizes future gains and losses based on a 5-year smoothed market method as prescribed by Statute

In a 5-year smoothed market method, the current market value of assets is reduced (increased) for the current year and each of three succeeding years, by a portion of the gain/(loss) in market value during the prior year. Such gain/(loss) is determined as the excess/(deficit) of the current market value of assets over the market value of assets as of the prior year, increased to reflect interest at the actuarial rate and adjusted to reflect contributions and benefit payments during the prior year. The portion of such gain/(loss) by which the current market value of assets is reduced (increased) shall be 80% in the current year, 60% in the first succeeding year, 40% in the second succeeding year and 20% in the third succeeding year.

Additionally, in accordance with government accounting standards, the actuarial value of assets is adjusted to remove any contributions receivable on the reporting date.

**Expenses**

None assumed.

**(Demographic)**

**Mortality**

**Active Lives**

RP-2000 Combined Healthy Mortality Table (male) with blue collar adjustment projected by Scale BB to 2015. Five percent (5%) of deaths amongst active police officers are assumed to be in the performance of their duty.

**Non-Active Lives**

RP-2000 Combined Healthy Mortality Table (male) with blue collar adjustment projected by Scale BB and with a 150% load for participants under age 50.

**Termination**

Illustrative rates of withdrawal from the plan for reasons other than death or disability are as follows:

<u>Age</u>	<u>Rate of Withdrawal</u>
25	.0734
30	.0416
35	.0223
40	.0119
45	.0102

It is assumed that terminated police officers will not be rehired.

**Disability Rates**

Incidence of disability amongst police officers eligible for disability benefits:

<u>Age</u>	<u>Rate</u>
25	.0013
30	.0026
35	.0044
40	.0071
45	.0108
50	.0159

15% of disabilities amongst active police officers are assumed to be in the performance of their duty.

**Retirement Rates**

Retirements are assumed to occur between the ages of 50 and 69 in accordance with the following table:

<u>Age</u>	<u>Rate of Retirement</u>	<u>Age</u>	<u>Rate of Retirement</u>
50	.36	60	.22
51	.22	61	.30
52	.18	62	.39
53	.19	63	.48
54	.19	64	.57
55	.20	65	.65
56	.20	66	.74
57	.20	67	.83
58	.21	68	.91
59	.21	69	1.00

**(Additional)**

**Marital Status**

85% of police officers are assumed to be married.

**Spouse's Age**

Wives are assumed to be 3 years younger than their husbands.

**Actuarial Cost Method:**

Projected Unit Credit for statutory minimum

Entry Age Normal for recommended and GASB reporting

**SUMMARY OF PRINCIPAL PLAN PROVISIONS**

**Definitions**

**Tier 1 – For Police Officers first entering Article 3 prior to January 1, 2011**

**Tier 2 – For Police Officers first entering Article 3 after December 31, 2010**

**Police Officer (3-106):** Any person appointed to the police force and sworn and commissioned to perform police duties.

**Persons excluded from Fund (3-109):** Part-time officers, special police officer, night watchmen, traffic guards, clerks and civilian employees of the department. Also, police officers who fail to pay the required fund contributions or who elect the Self-Managed Plan option.

**Creditable Service (3-110):** Time served by a police officer, excluding furloughs in excess of 30 days, but including leaves of absences for illness or accident and periods of disability where no disability pension payments have been received and also including up to 3 years during which disability payments have been received provided contributions are made.

**Pension (3-111)**

***Normal Pension Age***

**Tier 1 -** Age 50 with 20 or more years of creditable service.

**Tier 2 -** Age 55 with 10 or more years of creditable service.

***Normal Pension Amount***

**Tier 1 -** 50% of the greater of the annual salary held in the year preceding retirement or the annual salary held on the last day of service, plus 2½% of such annual salary for service from 20 to 30 years (maximum 25%).

**Tier 2 -** 2½% of Final Average salary for each year of service. Final Average Salary is the highest salary based on the highest consecutive 96 months of the final 120 months of service

Early Retirement at age 50 with 10 or more years of service but with a penalty of ½% for each month prior to age 55.

Annual Salary capped at \$106,800 increased yearly by the lesser of ½ of the Consumer Price Index- Urban (CPI-U) or 3%. Salary for valuations beginning in 2017 is \$112,408.42

Minimum Monthly Benefit: \$1,159.27

Maximum Benefit Percentage: 75% of salary

***Termination Retirement Pension Date***

Separation of service after completion of between 8 and 20 years of creditable service.

***Termination Pension Amount***

Commencing at age 60, 2½% of annual salary held in the year preceding termination times years of creditable service or refund of contributions, or for persons terminating on or after July 1, 1987, 2½% of annual salary held on the last day of service times years of credible service, whichever is greater.

***Pension Increase***

**Non-Disabled**

**Tier 1 -** 3% increase of the original pension amount after attainment of age 55 for each year elapsed since retirement, followed by an additional 3% of the original pension amount on each January 1 thereafter. Effective July 1, 1993, 3% of the amount of pension payable at the time of the increase including increases previously granted, rather than 3% of the originally granted pension amount.

**SUMMARY OF PRINCIPAL PLAN PROVISIONS  
(Continued)**

**Tier 2** - The lesser of  $\frac{1}{2}$  of the Consumer Price Index- Urban (CPI-U) or 3% increase of the original pension amount after attainment of age 60, followed by an additional 3% of the original pension amount on each January 1 thereafter.

**Disabled**

3% increase of the original pension amount after attainment of age 60 for each year he or she received pension payments, followed by an additional 3% of the original pension amount in each January 1 thereafter.

**Pension to Survivors (3-112)**

***Death of Retired Member***

**Tier 1** - 100% of pension amount to surviving spouse (or dependent children).

**Tier 2** -  $66 \frac{2}{3}\%$  of pension amount to surviving spouse (or dependent children), subject to the following increase: the lesser of  $\frac{1}{2}$  of the Consumer Price Index- Urban (CPI-U) or 3% increase of the original pension amount after attainment of age 60, followed by an additional 3% of the original pension amount on each January 1 thereafter.

***Death While in Service (Not in line of duty)***

With 20 years of creditable service, the pension amount earned as of the date of death.

With between 10 and 20 years of creditable service, 50% of the salary attached to the rank for the year prior to the date of death.

***Death in Line of Duty***

100% of the salary attached to the rank for the last day of service year prior to date of death.

***Minimum Survivor Pension***

\$1,000 per month to all surviving spouses.

**Disability Pension - Line of Duty (3-114.1)**

***Eligibility***

Suspension or retirement from police service due to sickness, accident or injury while on duty.

***Pension***

Greater of 65% of salary attached to rank at date of suspension or retirement and the retirement pension available. Minimum \$1,000 per month.

**Disability Pension - Not on Duty (3-114.2)**

***Eligibility***

Suspension or retirement from police service for any cause other than while on duty.

***Pension***

50% of salary attached to rank at date of suspension or retirement. Minimum \$1,000 per month.

**Other Provisions**

***Marriage After Retirement (3-120)***

No surviving spouse benefit available.

***Refund (3-124)***

At death prior to completion of 10 years of service, contributions are returned without interest to widow.

At termination with less than 20 years of service, contributions are refunded upon request.

***Contributions by Police Officers (3-125.1)***

Beginning January 1, 2001, 9.91% of salary including longevity, but excluding overtime pay, holiday pay, bonus pay, merit pay or other cash benefit.



**GLOSSARY**

**Actuarial Accrued Liability**

See *Entry Age Normal Cost Method* and *Projected Unit Credit Cost Method*.

**Actuarial Assumptions**

The economic and demographic predictions used to estimate the present value of the plan's future obligations. They include estimates of investment earnings, salary increases, mortality, withdrawal and other related items. The *Actuarial Assumptions* are used in connection with the *Actuarial Cost Method* to allocate plan costs over the working lifetimes of plan participants.

**Actuarial Cost Method**

The method used to allocate the projected obligations of the plan over the working lifetimes of the plan participants. Also referred to as an *Actuarial Funding Method*.

**Actuarial Funding Method**

See *Actuarial Cost Method*

**Actuarial Gain (Loss)**

The excess of the actual *Unfunded Actuarial Accrued Liability* over the expected *Unfunded Actuarial Accrued Liability* represents an *Actuarial Loss*. If the expected *Unfunded Actuarial Accrued Liability* is greater, an *Actuarial Gain* has occurred.

**Actuarial Present Value**

The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of *Actuarial Assumptions*.

**Actuarial Value of Assets**

The asset value derived by using the plan's *Asset Valuation Method*.

**Asset Valuation Method**

A valuation method designed to smooth random fluctuations in asset values. The objective underlying the use of an asset valuation method is to provide for the long-term stability of employer contributions.

**Employee Retirement Income Security Act of 1974 (ERISA)**

The primary federal legislative act establishing funding, participation, vesting, benefit accrual, reporting, and disclosure standards for pension and welfare plans.

**Entry Age Normal Cost Method**

One of the standard actuarial funding methods in which the *Present Value of Projected Plan Benefits* of each individual included in the *Actuarial Valuation* is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The portion of this *Actuarial Present Value* allocated to a valuation year is called the *Normal Cost*. The portion of this *Actuarial Present Value* not provided for at a valuation date by the *Actuarial Present Value* of future *Normal Costs* is called the *Actuarial Accrued Liability*.

**Normal Cost**

The portion of the *Present Value of Projected Plan Benefits* that is allocated to a particular plan year by the *Actuarial Cost Method*. See *Entry Age Normal Cost Method* for a description of the Normal Cost under the *Entry Age Normal Cost Method*. See *Projected Unit Credit Cost Method* for a description of the Normal Cost under the *Projected Unit Credit Cost Method*.

**Present Value of Future Normal Costs**

The present value of future normal costs determined based on the *Actuarial Cost Method* for the plan. Under the *Entry Age Normal Cost Method*, this amount is equal to the excess of the *Present Value of Projected Plan Benefits* over the sum of the *Actuarial Value of Assets* and *Unfunded Actuarial Accrued Liability*.

**Present Value of Projected Plan Benefits**

The present value of future plan benefits reflecting projected credited service and salaries. The present value is determined based on the plan's actuarial assumptions.

**GLOSSARY  
(Continued)**

***Projected Unit Credit Cost Method***

One of the standard actuarial funding methods in which the *Present Value of Projected Plan Benefits* of each individual included in the *Actuarial Valuation* is allocated by a consistent formula to valuation years. The *Actuarial Present Value* allocated to a valuation year is called the *Normal Cost*. The *Actuarial Present Value* of benefits allocated to all periods prior to a valuation year is called the *Actuarial Accrued Liability*.

***Unfunded Actuarial Accrued Liability***

The excess of the *Actuarial Accrued Liability* over the *Actuarial Value of Assets*.

## NOTES



EST. 1960

# Willowbrook

835 Midway Drive  
Willowbrook, IL 60527-5549

Phone: (630) 323-8215 Fax: (630) 323-0787 [www.willowbrookil.org](http://www.willowbrookil.org)

October 10, 2017

**Mayor**

Frank A. Trilla

**Village Clerk**

Leroy R. Hansen

**Village Trustees**

Sue Berglund

Umberto Davi

Terrence Kelly

Michael Mistele

Gayle Neal

Paul Oggerino

**Village  
Administrator**

Tim Halik

**Chief of Police**

Robert J. Pavelchik, Jr.

**Director of  
Finance**

Carrie Dittman

MEMO TO: Village of Willowbrook Police Pension Board

FROM: Carrie Dittman, Director of Finance *C.D.*

SUBJECT: 4/30/17 Annual Report to the Village

Attached is the required annual reporting to the Village by the Pension Board for the fiscal year ended 4/30/17, as prepared by the Pension Board's actuary, Art Tepfer.

The report should be signed by the Pension Board President and submitted to the Village Board with the attachments.

Please let me know if you have any questions.



Proud Member of the  
Illinois Route 66 Scenic Byway

## Required Reporting to the Municipality

To comply with 40 ILCS 5/3-143, each Downstate Police Pension Fund is required to prepare a report indicating various statistics of the pension fund. Various items in the report are "actuarial in nature" and, therefore, to avoid errors by the fund, we include a "draft required report" as part of the actuarial valuation package.

Items contained in this report are taken directly from the source data used to prepare the actuarial valuation and from the current and prior actuarial valuation reports prepared by our firm.

Some Pension Boards use this report as the formal request for the tax levy. PLEASE BE ADVISED THAT THIS REPORT IS NOT INTENDED TO REPLACE THE FORMAL REQUEST BY THE FUND. Particular attention should be paid to the "Employer contributions and all other sources" in item 2 and the "estimated amount required to meet the annual requirements of the fund" in item 3(b), both of which are completed based upon the calculated statutory minimum contribution as required by the statute. **These items are not based upon the recommended minimum contribution calculated by our firm and presented in the accompanying actuarial valuation report.**

We strongly suggest that a separate formal request for tax levy be submitted by the Pension Board to the municipality. Your Board attorneys should be consulted for the preparation of this formal request.

**REQUIRED REPORTING TO MUNICIPALITY BY PENSION BOARD**  
As of 4/30/2017 fiscal year end

(40 ILCS 5/3-143) (from Ch. 108 1/2, par. 3-143)

Sec. 3-143. Report by pension board.

The pension board shall report annually to the city council or board of trustees of the municipality on the condition of the pension fund at the end of its most recently completed fiscal year. The report shall be made prior to the council or board meeting held for the levying of taxes for the year for which the report is made.

1.

Total Trust Assets (see attachment 1 for complete listing)

Total Assets (market value):

\$20,396,498

Actuarial Value of Assets (see item 8 for explanation):

\$21,333,170

2.

Estimated receipts during the next succeeding fiscal year from:

Participant Contributions deducted from payroll:

\$201,555

Employer Contributions and all other sources:

\$871,084

3.

Estimated amount required during the next succeeding fiscal year to:

(a) pay all pensions and other obligations provided in this Article:

\$1,190,435

(b) meet the annual requirements of the fund as provided in Sections 3-125 and 3-127:

\$780,813

4.

Total Net Income received from investment of net assets:

\$1,457,636

Assumed Investment Return:

7.25%

Actual Investment Return:

7.39%

Total Net Income received from investment of net assets (FYE April 30, 2016):

\$ (211,849)

Assumed Investment Return (FYE April 30, 2016):

7.25%

Actual Investment Return (FYE April 30, 2016):

( 1.37)%

5.

Total number of Active Employees that are financially contributing to the fund:

23

6.

Disbursements to:

(i) Annuitants in receipt of a regular retirement pension:

Total number of annuitants:

12

Total amount that was disbursed in benefits:

\$929,559

(ii) Recipients being paid a disability pension:

Total number of annuitants:

2

Total amount that was disbursed in benefits:

\$ 58,770

(iii) Survivors and children in receipt of benefits:

Total number of annuitants:

1

Total amount that was disbursed in benefits:

\$ 38,512



7.

Funded ratio of the fund:

76.50%

8.

Unfunded Actuarial Accrued Liability:

\$6,555,131

The Unfunded Actuarial Accrued Liability is the excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.

The Actuarial Accrued Liability is the portion of the present value of future plan benefits reflecting projected credited service and salaries determined by the actuarial cost method based upon the plan's actuarial assumptions and not provided for at a valuation date by the actuarial present value of future normal costs. The normal cost is the portion of this present value which is allocated to the current valuation year.

The Actuarial Value of Assets is the asset value derived by using the plan's asset valuation method which is a method designed to smooth random fluctuations in asset values. The objective underlying the use of an asset valuation method is to provide for the long-term stability of municipal contributions.

9.

Investment Policy of the pension board under the statutory investment restrictions imposed on the fund.  
(See attachment 2)

#### **Certification**

I, Umberto Davi, President of the Willowbrook Police Pension Board, Village of Willowbrook, DuPage County, Illinois, do hereby certify that this document is a true and correct copy of: "Required Reporting to Municipality By Pension Board" as outlined in 40 ILCS 5/3-143.

Witness my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Umberto Davi  
President of Willowbrook Police Pension Board

*Source: P.A. 95-950, eff. 8-29-08*

## VILLAGE OF WILLOWBROOK, ILLINOIS

Police Pension Fund

Statement of Fiduciary Net Position

April 30, 2017

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Assets	
Cash and Cash Equivalents	\$ 85,853
Investments, at Fair Value	
Money Market Account	259,853
Certificates of Deposits	100,428
Mutual Funds	7,181,357
State and Local Obligations	671,738
U.S. Treasury Obligations	70,536
U.S. Agency Obligations	4,139,799
Mortgage Backed Securities	13,006
Corporate Bonds	3,320,328
Equities	4,536,545
Receivables	
Accrued Interest	105,375
Total Assets	20,484,818
Liabilities	
Due to Primary Government	88,320
Net Position	
Restricted for Pensions	\$ 20,396,498

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**WILLOWBROOK POLICE PENSION FUND**

**STATEMENT OF  
INVESTMENT POLICY**

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## **DEFINITION OF TERMS**

**Beneficiary** - person eligible for or receiving benefits from a pension fund.

**Book Entry Security** - securities that can be transferred from institution to institution using the federal electronic wire system, thus eliminating the physical transfer of certificates. Records are maintained on a computer system at the Federal Reserve.

**Collateral** - the pledging of a security to guarantee performance of an obligation.

**Commercial Paper** - unsecured promissory notes of corporations issued for 270 days or less.

**Fiduciary** - person entrusted with the control of assets for the benefit of others.

**Investment Manager** - an individual or organization that provides investment management services for a fee, either on a discretionary or nondiscretionary basis. Under Illinois law, an investment manager is considered a fiduciary with respect to the Fund.

**IL Funds (formerly known as the Illinois Public Treasurers' Investment Pool)** - a short-term money market fund for public funds in Illinois.

**Market Value** - the present price of a given security.

**B of A Merrill Lynch Corporate 1-10 Year Index** - benchmark index based upon publicly issued intermediate corporate debt securities.

**B of A Merrill Lynch Treasury Index** - benchmark index that quantifies the price and yield performance of all U.S. Treasury obligations with a maturity of at least one year and an outstanding par value of at least \$100 million. The securities comprising the index are rebalanced on a daily basis.

**B of A Merrill Lynch US Treasury/Agency Index**: The U.S. Government/Agency Index tracks the performance of the combined U.S. Treasury and U.S. Agency Markets. It includes U.S. dollar- denominated U.S. Treasury and U.S. Agency Bonds, issued in the U.S. domestic bond market, having at least one year remaining term to maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 Billion for U.S. Treasuries and \$150 Million for U.S. Agencies. The index is re-balanced on the last calendar day of the month.

**Morgan Stanley Capital International (EAFE)** - Indices are based on the share prices of approximately 1,600 companies listed on stock exchanges in the twenty-two countries that make up the MSCI National Indices.

**Return** – Income and capital appreciation or depreciation on an investment.

**Russell 2000 Stock Index** - is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 11% of the Russell 3000 total market capitalization. The Index was developed with a base value of 135.00 as of December 31, 1986.

**Security** - any note, stock, bond, certificate of interest or certificate of deposit.

**Separate Account** - term used of variable annuities. Because the risk is borne by the investor in a variable annuity, the issuer may not commingle funds invested in the variable annuity with the general funds of the issuer.

**Standard & Poor's 400 Midcap Stock Index** – is comprised of 400 stocks chosen for market size, liquidity and industry group representation. All stocks within the S & P 500 are not eligible for inclusion.

**Standard & Poor's 500 Stock Index** - is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index was developed with a base level of 10 for the 1941-43 base period.

**Treasury Bill** - short-term debt obligation of U.S. government which will mature within one year of original issuance.

**Treasury Note** - intermediate debt obligation of U.S. government which will mature in 1 to 10 years of original issuance.

**Treasury Bond** - longer debt obligations of U.S. government which will mature in more than ten years of original issuance.

**Yield** - percentage measured by taking annual income from an investment and dividing by current market value.

## **STATEMENT OF PURPOSE**

The investment of pension funds is the responsibility of the members of the Board of Trustees of the Willowbrook Police Pension Fund (Pension Board). The purpose of this investment policy is to:

- Define and assign the responsibilities of all parties involved
- Establish the relevant investment horizon for which the Pension Fund will be managed
- Offer guidance and limitations to all Investment Managers regarding the investment of Pension Fund
- Communicate the Pension Board's policy views on management of pension funds to the public, participants, and beneficiaries of the Willowbrook Police Pension Fund (Fund)



- Establish long-term expected rates
- Establish a basis of evaluating investment results

In general, the purpose of this investment policy is to outline a philosophy which will guide the investment management of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical. This document is intended to serve as a reference tool, an operating code, and a communications link between the Board of Trustees, its staff, and its investment professionals.

## **INVESTMENT OBJECTIVES**

The Pension Board has a fiduciary responsibility to discharge their duties with respect to the pension fund solely in the interest of the participants and beneficiaries as set forth in the Illinois Pension Code at 40 ILCS 5/1-109.

**Safety:** Safety of principal is the foremost objective of the Pension Fund. Each investment transaction shall seek to first ensure that large capital losses are avoided whether they are from securities defaults or erosion of market value.

**Return on Investments:** The Pension Board seeks to attain market rates of return on its investments consistent with constraints imposed by its safety objectives, cash flow considerations and Illinois state laws that restrict the placement of public funds.

**Maintenance of Public Trust:** All participants in the investment process shall seek to act prudently as custodians of pension funds. Investment officials shall avoid any transactions that might reasonably impair Fund participant's confidence in the Pension Board's ability to manage the Fund.

**Liquidity:** The assets shall be sufficiently liquid to meet the Fund's disbursement requirements for the payment of operating expenses and benefits.

## **DISTINCTION OF RESPONSIBILITIES**

Management of the investment program is the responsibility of the Pension Fund Board of Trustees. No person may engage in an investment transaction except as provided under terms of this policy established by the Pension Board. The Pension Board may appoint an investment manager (as defined in 40 ILCS 5/1 - 101.4) to assist in the management of the investment program. Any such appointment shall be made in accordance with the requirements of Section 1-113.5 of the Illinois Pension Code (40 ILCS 5/1-113.5). The investment manager shall acknowledge, in writing, that it is a fiduciary with respect to the Pension Fund. Any such written agreement shall be attached to this policy. The Pension Board will meet with the investment manager at least quarterly to review market conditions, review the investment portfolio, and determine investment strategy.

The Board of Trustees will generally be responsible for the following:

- Complying with applicable laws, regulations, and rulings.
- Selecting all qualified investment professionals.
- Monitoring and evaluating investment performance and compliance with this Policy.
- Reviewing and suggesting changes, as needed, to this Policy.
- Establishing and reviewing the appropriateness of the Pension Fund's asset allocation policy.
- Taking action according to this policy.

## **PRUDENCE**

Investments shall be made with judgment and care, under circumstances prevailing, which a person of prudence, discretion and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return. The standards of prudence to be used by investment officials shall be the "Prudent Investor" and shall be applied in the context of managing the portfolio.

## **PROHIBITED TRANSACTIONS**

The members of the Pension Fund Board of Trustees, and all other employees, agents, officials, or representatives of the Pension Fund involved in the investment process shall avoid any transactions prohibited by federal, state, or local law, particularly as set forth in 40 ILCS 5/1-110 and 30 ILCS 235/2. A Fiduciary with respect to the Fund shall not:

- Deal with the assets of the Fund in their own interests or for their own account.
- In their individual or other capacity act in any transaction involving the Fund on behalf of a party whose interests are adverse to the interests of the Fund or the interests of its participants or beneficiaries.
- Receive any consideration for their own personal account from any party dealing with the Fund in connection with a transaction involving the assets of the Fund.

## **INVESTMENT GUIDELINES**

The Fund may invest in any type of investment instrument permitted by Illinois law, as described in Chapter 40 of the Illinois Compiled Statutes, 40 ILCS 5/1-113.1 through 113.4(a). Permitted investment instruments include, but are not limited to:

1. Interest bearing direct obligations of the United States of America.
2. Interest bearing obligations to the extent that they are fully guaranteed or insured as to payment of principal and interest by the United States of America.

3. Interest bearing bonds, notes, debentures, or other similar obligations of agencies of the United States of America. For the purposes of this section, "Agencies of the United States of America" include:
  - a. The Federal National Mortgage Association
  - b. Federal Land Banks, Federal Intermediate Credit Banks, Federal Farm Credit Banks, and any other entity authorized to issue direct debt obligations of the United States of America under the Farm Credit Act of 1971 or amendments to that Act
  - c. Federal Home Loan Banks and the Federal Home Loan Mortgage Corporation
  - d. Any agency created by Act of Congress that is authorized to issue direct debt obligations of the United States of America.
4. Interest bearing savings accounts or certificates of deposit, issued by federally chartered banks or savings and loan associations, or by State of Illinois chartered banks or savings and loan associations, to the extent that the deposits are insured by agencies or instrumentalities of the federal government.
5. Interest bearing bonds of the State of Illinois.
6. Pooled interest bearing accounts managed by the Illinois Public Treasurer's Investment Pool, also known as the IL Fund, in accordance with the Deposit of State Moneys act, interest bearing funds or pooled accounts of the Illinois Metropolitan Investment Funds, and interest bearing funds or pooled accounts managed, operated, and administered by banks, subsidiaries of banks, or subsidiaries of bank holding companies in accordance with the law of the State of Illinois.
7. Interest bearing bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois.
8. Money Market Mutual Funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies; provided that the portfolio of the money market mutual fund is limited to:
  - a. Bonds, notes, certificates of indebtedness, treasury bills, or other securities that are guaranteed by the full faith and credit of the United States of America as to principal and interest.
  - b. Bonds, notes, debentures, or other similar obligations of the United States of America or its agencies.
  - c. Short term obligations of corporations organized in the United States with assets exceeding \$400,000,000, provided that i) the obligations mature no later than 180 days from the date of purchase, ii) at the time of purchase, the obligations are rated by at least 2 standard national rating services at one of their 3 highest

classifications, and iii) the obligations held by the mutual fund do not exceed 10% of the corporation's outstanding obligations.

9. Not to exceed 10% of the portfolio; any combination of separate accounts that are managed by life insurance companies authorized to transact business in Illinois and are comprised of diversified portfolios consisting of common or preferred stock, bonds or money market instruments or mutual funds that meet the following requirements:
  - a. The mutual fund must be managed by an investment company registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953.
  - b. The mutual fund must have been in operation for at least 5 years.
  - c. The mutual fund must have total net assets of \$250,000,000 or more.
  - d. The mutual fund must be comprised of a diversified portfolio of common or preferred stocks, bonds, or money market instruments.
10. Corporate bonds, managed through an investment advisor, and the bonds meet the following requirements:
  - a. The bonds must be rated as investment grade by one of the two largest rating services at the time of purchase.
  - b. If subsequently downgraded below investment grade, the bonds must be liquidated from the portfolio within 90 days after being downgraded by the manager.
11. A pension fund with net assets of \$2,500,000 or more, may invest a portion of its net assets, not to exceed 45% of the market value of the pension fund's net present assets as stated in its most recent annual report on file with the Illinois Department of Insurance, in separate accounts that are managed by life insurance companies authorized to transact business in Illinois and are comprised of diversified portfolios consisting of common or preferred stock, bonds or money market instruments or mutual funds that meet the following requirements:
  - a. The mutual fund must be managed by an investment company registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953.
  - b. The mutual fund must have been in operation for at least 5 years.
  - c. The mutual fund must have total net assets of \$250,000,000 or more.
  - d. The mutual fund must be comprised of a diversified portfolio of common or preferred stocks, bonds, or money market instruments.
12. A pension fund with net assets of \$5,000,000 or more, which has appointed an investment adviser under Section 1-113.5, may, through that investment adviser, invest in common and preferred stocks and mutual funds that meet all of the following requirements:



The stocks must meet all of the following requirements:

- a. The common stocks must be listed on a national securities exchange or board of trade (as defined in the Federal Securities Exchange Act of 1934 and set forth in paragraph G of Section 3 of the Illinois Securities Law of 1953) or quoted in the National Association of Securities Dealers Automated Quotation System National Market System.
- b. The securities must be of a corporation in existence for at least 5 years.
- c. The market value of stock in any one corporation may not exceed 5% of the cash and invested assets of the pension fund, and the investments in the stock of any one corporation may not exceed 5% of the total outstanding stock of that corporation.
- d. The straight preferred stocks or convertible preferred stocks must be issued or guaranteed by a corporation whose common stock qualifies for investment by the board.

The mutual funds must meet the following requirements:

- a. The mutual fund must be managed by an investment company registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953.
- b. The mutual fund must have been in operation for at least 5 years.
- c. The mutual fund must have total net assets of \$250,000,000 or more.
- d. The mutual fund must be comprised of a diversified portfolio of common or preferred stocks, bonds, or money market instruments.

The Fund's investment in the above equity investments shall not exceed 45% of the market value of the pension fund's net present assets stated in its most recent annual report on file with the Illinois Department of Insurance.

13. A pension fund with net assets of \$10,000,000 or more, which has appointed an investment adviser under Sections 1-101.4 and 1-113.5, may, through that investment adviser, invest an additional portion of its assets in common and preferred stocks and mutual funds that meet all of the following requirements:

The stocks must meet all of the following requirements:

- a. The common stocks must be listed on a national securities exchange or board of trade (as defined in the Federal Securities Exchange Act of 1934 and set forth in paragraph G of Section 3 of the Illinois Securities Law of 1953) or quoted in the National Association of Securities Dealers Automated Quotation System National Market System.
- b. The securities must be of a corporation in existence for at least 5 years.
- c. The market value of stock in any one corporation may not exceed 5% of the cash and invested assets of the pension fund, and the investments in the stock of any one corporation may not exceed 5% of the total outstanding stock of that corporation.

- d. The straight preferred stocks or convertible preferred stocks must be issued or guaranteed by a corporation whose common stock qualifies for investment by the board.

The mutual funds must meet the following requirements:

- a. The mutual fund must be managed by an investment company registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953.
- b. The mutual fund must have been in operation for at least 5 years.
- c. The mutual fund must have total net assets of \$250,000,000 or more.
- d. The mutual fund must be comprised of a diversified portfolio of common or preferred stocks, bonds, or money market instruments.

The Fund's total investment in the items authorized under this Section shall not exceed 60% effective July 1, 2011 and 65% effective July 1, 2012 of the market value of the pension fund's net present assets stated in its most recent annual report on file with the Illinois Department of Insurance.

## PERFORMANCE MEASUREMENTS

Performance will be calculated using professional standards as established by the Association for Investment Management Research. The Pension Board shall utilize the following benchmarks for evaluating the Fund's performance:

<u>Application</u>	<u>Benchmark</u>
Cash Equivalents	90 - day U.S. Treasury Bills
Fixed Income (excludes Corporate Bonds)	B of A Merrill Lynch Treasury/Agency Index
Corporate Bond	B of A Merrill Lynch 1-10 Year Corporate
Large Capitalization Equities	Standard & Poor's 500 Stock Index
Mid Capitalization Equities	Standard & Poor's 400 Stock Index
Small Capitalization Equities	Russell 2000 Stock Index
International Equities (includes developed and emerging markets)	Morgan Stanley Capital International Europe/Australias/Far East Index

The investment performance of total portfolios, as well as asset class components, will be measured against said benchmarks. The Trustees reserve the right to terminate a manager for any reason including, but not limited to, the following:



- Investment performance which is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification of poor results.
- Failure to adhere to any aspect of this statement of investment policy, including communication and reporting requirements.
- Significant qualitative changes to the investment management organization.

## CONTROLS

The Fund maintains its books and records in conformance with generally accepted accounting principles. The internal controls shall be established by the Treasurer and reviewed by the Pension Board and an independent auditor. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees and officers of the Pension Board.

## DIVERSIFICATION / STRATEGY

### Fixed Income:

The average maturity/duration of the portfolio will be managed based upon the current existing interest rate environment. Under most circumstances the maturity/modified duration of the portfolio will be maintained at approximately 5.0 years and will range from 1.0 years to 7.0 years. The investment manager may change the duration of the portfolio as the market conditions permit.

The allocation guidelines, by asset class, for the fixed income investments are as follows:

	Target <u>Allocation</u> <sup>3</sup>	Range of <u>Allocation</u>
Cash, Money Market, IPTIP accounts: <sup>1</sup>	0%	0 - 20%
Bank Certificates of Deposit: <sup>2</sup>	0%	0 - 25%
U.S. Treasury Securities:	10%	0 - 40%
U.S. Government Agency Securities:	40%	0 - 75%
U.S. Government Agency MBS's: <sup>4</sup>	0%	0 - 20%
Taxable Municipal Securities:	10%	0 - 20%
Corporate Bonds:	25%	0 - 50%
High-Yield Fixed Income Funds:	7.5%	0 - 10%
Emerging Market Fixed Income Funds	7.5%	0 - 10%

### Notes:

1. Cash will be maintained to manage cash flow of the Fund or as a transition asset.
2. Bank certificates of deposit will only be used if market returns are favorable. They will be used as a substitute for the Treasury and Agency portion of the portfolio.
3. Under normal market conditions the structure of the portfolio will be within these limits; however the portfolio manager may diverge from the above suggestions due to abnormal market conditions.
4. May be individual Mortgage Backed Securities (MBS) or MBS Funds

**Equities:**

Once the fund reaches the equity allocation approved by the Board and permitted by law, normal asset allocation range for equity portfolio allocation weightings should be:

	<u>Target Allocation</u>	<u>Range of Allocation</u>
U.S. Large Company Stocks	55%	15-75%
U.S. Mid-Sized Company Stocks	10%	0-20%
U.S. Small Company Stocks	10%	0-25%
International Stock Funds	15%	0-30%
Alternative Investment Funds *	10%	0-30%

\*Such as, but not limited to: Real Estate Funds, Natural Resources Funds, Infrastructure Funds. All funds used in this space will meet the State Statute guidelines for mutual funds.

Portfolio allocations should be rebalanced at least annually at the end of the fiscal year or when the portfolio allocation to equities rises above the limit established and confirmed at each board meeting.

**LONG-TERM EXPECTED RATES [as required by GASB 67]**

Willowbrook Police Pension Fund

**Long-Term Expected Rates\***

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>	<u>Long-Term Inflation Expectations</u>	<u>Long-Term REAL Rates of Return Expectations</u>
<b><u>Fixed Income</u></b>			
US Treasuries	4.30%	2.50%	1.75%
US Agencies	4.50%	2.50%	2.00%
Taxable Municipal Securities	4.50%	2.50%	2.00%
Corporate Bonds	5.00%	2.50%	2.50%
High-Yield Fixed Income	6.00%	2.50%	3.50%
Emerging Market Fixed Income	6.50%	2.50%	4.00%
<b><u>Equities</u></b>			
US Large Cap	7.50%	2.50%	5.00%
US Mid Cap	7.80%	2.50%	5.25%
US Small Cap	7.50%	2.50%	5.00%
International	7.80%	2.50%	5.25%

<u>Alternatives</u>			
Real Estate	6.80%	2.50%	4.25%
Global Infrastructure	7.30%	2.50%	4.75%
Natural Resources	3.80%	2.50%	1.25%

\*The above data has been requested per GASB 67, MB Financial Bank has formulated this data in accordance with the Asset Management and Trust Division's proprietary research and analytical tools. These projections were most recently updated in September, 2014. And to the extent they will be updated in the future, it will be done as an addendum to this investment policy statement.

**COLLATERALIZATION** - It is the policy of the Fund to require that all deposits in excess of FDIC insurable limits (applies to bank Certificates of Deposit and other cash deposits) be secured by collateral in order to protect deposits from default.

1. Eligible collateral instruments and collateral ratios (market value divided by deposit) are as follows:
  - a. U.S. Government Securities = 110%
  - b. Obligations of Federal Agencies = 115%
  - c. Obligations of the State of Illinois = 115%
  - d. Local and Municipal Bonds rated "A" or better by Moody's = 115%

The ratio of fair market value of collateral to the amount of funds secured shall be reviewed at least quarterly and additional collateral shall be requested when the ratio declines below the level required.

2. Safekeeping of collateral
  - a) Third party safekeeping is required for all collateral. To accomplish this, the securities can be held at the following locations:
    1. A Federal Reserve Bank or branch office.
    2. At another custodial facility - generally in a trust department through book-entry at the Federal Reserve, unless physical securities are involved. If physical securities are involved, at a third party depository in a suitable vault and insured against loss by fire, theft and similar causes.
  - b) Safekeeping of collateral shall be documented by a written agreement approved by the Treasurer. This may be in the form of a safekeeping agreement, trust agreement, escrow agreement or custody agreement.
  - c) Substitution or exchange of securities held in safekeeping as collateral may occur without prior written notice to the Treasurer provided that the market value of the replacement securities are equal to or greater than the market value of the securities

being replaced. The Treasurer shall be notified in writing within two days of all substitutions.

### **CUSTODY, REGISTRATION AND SAFEKEEPING OF INVESTMENTS**

1. Third party safekeeping is required for all securities owned by the Fund. To accomplish this, the securities shall be held in a trust department through book-entry at the Depository Trust Company.
2. The Board of Trustees may register the investments of the Fund in the name of the Pension Fund, in the nominee name of a bank or trust company authorized to conduct trust business in Illinois, or in the nominee name of the Illinois Public Treasurer's Investment Pool.
3. Safekeeping shall be documented by an approved written agreement. The agreement may be in the form of a safekeeping agreement, trust agreement, escrow agreement or custody agreement. Fees for this service shall be mutually agreed upon by the Pension Board and the safekeeping bank.

### **ETHICS AND CONFLICTS OF INTEREST**

Any fiduciary with respect to the Fund shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

### **INDEMNIFICATION**

The Pension Fund may indemnify and protect the trustees, staff and advisors against all damage claims and suits, including defense thereof, when damages are sought for negligent or wrongful acts alleged to have been committed in the scope of employment or under the direction of the trustees. However, the trustees, staff and advisors shall not be indemnified for willful misconduct and gross negligence.

### **REPORTING AND COMMUNICATION**

#### **Reporting**

On a quarterly basis, the Treasurer, Finance Director and /or Investment Manager shall submit to the Pension board an investment report which shall describe the portfolio in terms of investment securities, maturity, cost, transactions and earnings for the current period. The Treasurer or Investment Manager shall also submit a comprehensive annual report on the investment program and activity.

#### **Meeting Schedule**

The Board shall schedule periodic meetings for the purposes of portfolio and investment performance review. Special meetings may be called as needed to conduct the business of the

pension Board. Investment policies and Fund management guidelines will be reviewed by the Pension Board every year.

**Audit**

The Fund is subject to periodic examination by the Illinois Department of Insurance.

**Filing of Policy; Public Availability**

The Board shall file this policy with the Illinois Department of Insurance within thirty (30) days of its adoption. The Board shall make a copy of this Policy available to the public at the main administrative office of the Pension Fund.

**AMENDMENT**

The Board shall review this Policy periodically to ensure its effectiveness in meeting the Pension Fund's needs for safety, liquidity, rate of return, and diversification, and its general performance. Any changes shall be presented to the Pension Board for its approval. Whenever this policy is amended, the Board shall file a copy of the new policy with the Illinois Department of Insurance within thirty (30) days.

**CONFLICT**

In the event of any conflict between this Policy and the Illinois Compiled Statutes or case decisions of the State of Illinois, the Statutes and case law decisions shall govern.

**ADOPTION**

Adopted by the Willowbrook Police Pension Fund Board of Trustees, as amended, on this 21<sup>st</sup> day of May, 2015.

\_\_\_\_\_  
President

\_\_\_\_\_  
Trustee

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Trustee

\_\_\_\_\_  
Treasurer

\_\_\_\_\_  
Trustee





EST. 1960

# Willowbrook

835 Midway Drive  
Willowbrook, IL 60527-5549

Phone: (630) 323-8215 Fax: (630) 323-0787 [www.willowbrookil.org](http://www.willowbrookil.org)

## Mayor

Frank A. Trilla

## Village Clerk

Leroy R. Hansen

## Village Trustees

Sue Berglund

Umberto Davi

Terrence Kelly

Michael Mistele

Gayle Neal

Paul Oggerino

## Village Administrator

Tim Halik

## Chief of Police

Robert J. Pavelchik, Jr.

## Director of Finance

Carrie Dittman

October 10, 2017

MEMO TO: Village of Willowbrook Police Pension Board

FROM: Carrie Dittman, Director of Finance *C.D.*

SUBJECT: 4/30/17 Dept. of Insurance annual report

Attached is the annual filing of the police pension fund for the fiscal year ended 4/30/17, that I have prepared and submitted to the Dept of Insurance (DOI) on 10/10/2017. The required certification form must be signed by board officers, notarized and submitted to DOI by their October 31, 2017 deadline.

Please let me know if you have any questions on the filing.



Proud Member of the  
Illinois Route 66 Scenic Byway



**CERTIFICATION FORM**  
**WILLOWBROOK POLICE PENSION FUND**

Fiscal Year Ending: 4/30/2017

Date of Internet Filing: 10/10/2017 2:43:45 PM

Submitted By: Carrie Dittman

Pension Fund Number: 3315

Batch Identification (BID): 20170401

State of Illinois

County of DuPage

**President: Umberto Davi**

**Secretary: Scott R. Eisenbeis**

**Treasurer: Carrie Dittman**

of the

**WILLOWBROOK POLICE PENSION FUND,**

being duly sworn, each for himself deposes and says that they are the above described officers of the said Pension Fund and that the electronically filed annual statement referred to above is a full, true and correct exhibit of all Assets, Liabilities, Income, and Disbursements, and of the conditions of the said Fund on the said 30th day of April, 2017, and for the fiscal year ended on that day, according to their information, knowledge, and belief, respectively and that the assets, liabilities, revenues, and expenses are in agreement with the annual financial audit conducted by an independent certified public accountant with generally accepted auditing standards for local government.

Subscribed and Sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

**President:** \_\_\_\_\_

**Secretary:** \_\_\_\_\_

**Treasurer:** \_\_\_\_\_

\_\_\_\_\_  
**Notary Public**

**Complete and Mail To:**

Department of Insurance

Public Pension Division

320 West Washington Street

Springfield, IL 62767-0001

# ANNUAL STATEMENT

## WILLOWBROOK POLICE PENSION FUND

Fiscal Year 5/1/2016 Through 4/30/2017

State of Illinois, City of Willowbrook, County of DuPage

Established 6/30/1983

Pension Fund Number - 3315 Federal Employer Identification Number (FEIN) - 36-6097046

Organized under the Laws of the State of Illinois,  
made to the Department of Insurance of the State of Illinois Pursuant to the Laws Thereof.

Fund Subtype: Village or Township

### Fund Mailing Address

Street Address 1: 835 Midway Drive  
Street Address 2:  
City, State, Zip: Willowbrook, IL 60527-5594  
Fax Number: (630)323-0787  
Email Address: N/A

### Location of Member

Name (Last, First MI): Eisenbeis, Scott  
Job Title: Police Pension Board Secretary  
Street Address 1: 7760 Quincy Street  
Street Address 2:  
City, State, Zip: Willowbrook, IL 60527-5594  
Phone Number: (630)325-2808

### Annual Statement Contact Person

Name (Last, First MI): Dittman, Carrie  
Job Title: Director of Finance  
Phone Number: (630)920-2235  
Fax Number: (630)323-0787  
Email Address: cdittman@willowbrook.il.us

### Location of Financial Records

Name (Last, First MI): Dittman, Carrie  
Job Title: Director of Finance  
Street Address 1: 835 Midway Drive  
Street Address 2:  
City, State, Zip: Willowbrook, IL 60527-5594  
Phone Number: (630)920-2235

# Current Board Members

<b>Pension Board Role: Assistant Secretary</b>			
<b>Name:</b>	<b>Pec, Joseph</b>	<b>Occupation:</b>	<b>Retired Officer</b>
<b>Reason On Board:</b>	<b>Elected Retired</b>	<b>Phone Number:</b>	
<b>Term Expires:</b>	<b>04/30/2018</b>	<b>Email:</b>	
<b>Pension Board Role: President</b>			
<b>Name:</b>	<b>Davi, Umberto</b>	<b>Occupation:</b>	<b>Attorney</b>
<b>Reason On Board:</b>	<b>Appointed by Officials</b>	<b>Phone Number:</b>	
<b>Term Expires:</b>	<b>04/30/2019</b>	<b>Email:</b>	
<b>Pension Board Role: Secretary</b>			
<b>Name:</b>	<b>Eisenbeis, Scott R</b>	<b>Occupation:</b>	<b>Police Officer</b>
<b>Reason On Board:</b>	<b>Elected Active</b>	<b>Phone Number:</b>	
<b>Term Expires:</b>	<b>04/30/2018</b>	<b>Email:</b>	
<b>Pension Board Role: Treasurer</b>			
<b>Name:</b>	<b>Dittman, Carrie</b>	<b>Occupation:</b>	<b>Director of Finance</b>
<b>Reason On Board:</b>	<b>Appointed by Officials</b>	<b>Phone Number:</b>	
<b>Term Expires:</b>	<b>04/30/2018</b>	<b>Email:</b>	
<b>Pension Board Role: Vice President</b>			
<b>Name:</b>	<b>Kobler, Timothy</b>	<b>Occupation:</b>	<b>Police Officer</b>
<b>Reason On Board:</b>	<b>Elected Active</b>	<b>Phone Number:</b>	
<b>Term Expires:</b>	<b>04/30/2018</b>	<b>Email:</b>	

# Fiscal Year End Board Members

## Pension Board Role: Assistant Secretary

**Name:** Pec, Joseph  
**Reason On Board:** Elected Retired  
**Term Expires:** 04/30/2018  
**Occupation:** Retired Officer  
**Phone Number:**  
**Email:**

## Pension Board Role: President

**Name:** Davi, Umberto  
**Reason On Board:** Appointed by Officials  
**Term Expires:** 04/30/2019  
**Occupation:** Attorney  
**Phone Number:**  
**Email:**

## Pension Board Role: Secretary

**Name:** Eisenbeis, Scott R  
**Reason On Board:** Elected Active  
**Term Expires:** 04/30/2018  
**Occupation:** Police Officer  
**Phone Number:**  
**Email:**

## Pension Board Role: Treasurer

**Name:** Dittman, Carrie  
**Reason On Board:** Appointed by Officials  
**Term Expires:** 04/30/2018  
**Occupation:** Director of Finance  
**Phone Number:**  
**Email:**

## Pension Board Role: Vice President

**Name:** Kobler, Timothy  
**Reason On Board:** Elected Active  
**Term Expires:** 04/30/2018  
**Occupation:** Police Officer  
**Phone Number:**  
**Email:**



# Revenues Statement

1.1	Amount of Ledger Assets at End of Previous Year's Statement:	\$19,021,209.00	
1.2	Amount of Ledger Assets at End of Previous Year – Should Coincide with Line 1.1:	\$19,021,209.00	
1.3	Adjustment – If Line 1.1 is Different from Line 1.2 (Absolute Value of the Difference of Lines 1.1 and 1.2):	\$0.00	
<b><u>From Municipalities</u></b>			
2.1	Current Tax Levy:	\$0.00	
2.2	All Previous Year's Taxes:	\$0.00	
2.3	Illinois Personal Property Replacement Tax:	\$0.00	
2.4	Contributions from Municipality (in lieu of tax levy):	\$805,810.00	
2.5	Other Revenue Received From Municipality (from detail):	\$0.00	
3.0	<b>Total Received from Municipality (Sum of Lines 2.1 through 2.5):</b>		<b>\$805,810.00</b>
<b><u>From Members</u></b>			
4.1	Salary Deductions – Current Year's Service:	\$196,680.00	
4.2	Contributions – Prior Year's Service:	\$0.00	
4.3	Repayment of Refund(s):	\$0.00	
4.4	Interest Received from Members:	\$0.00	
4.5	Other Revenue Received from Members (from detail):	\$0.00	
5.0	<b>Total Received from Members (Sum of Lines 4.1 through 4.5):</b>		<b>\$196,680.00</b>
<b><u>From Investments</u></b>			
6.1	Interest on Deposits in Checking, Money Market, IL Fund, Repurchase Agreements and Other Cash Investments (Total Interest Received and Accrued from Schedule A):	\$1,785.00	
6.2	Interest on Certificates of Deposits (Total Interest Received and Accrued from Schedule B):	\$1,705.00	
6.3	Income from State, Local and Corporate Obligations (Difference of (Sum of Total Interest Received and Accrued from Schedule C2, Total Interest Received and Accrued from Schedule C3, and Total Accrual of Discount from Schedule C3) and Total Amortization of Premium from Schedule C3)	\$170,404.00	
6.4	Income from U.S. Government and Agency Obligations (Difference of (Sum of Total Interest Received and Accrued from Schedule D2, Total Interest Received and Accrued from Schedule D3, and Total Accrual of Discount from Schedule D3) and Amortization of Premium from Schedule D3):	\$148,520.00	

**From Investments**

6.5	Income from Insurance Company Contracts – General Accounts (Difference of Total Earnings Credited to Account from Schedule E and Surrender Charges Paid from Schedule E):	\$0.00	
6.6	Income from Insurance Company Contracts – Separate Accounts (Difference of Total Earnings Credited to Account from Schedule F and Surrender Charges Paid from Schedule F):	\$0.00	
6.7	Income from Investment Pools (Total Earnings Credited to Account from Schedule G):	\$0.00	
6.8	Gain/Loss from Sales of Securities (Sum of Total Profit or Loss on Sale from Schedule C2, Total Profit or Loss on Sale from Schedule D2, Total Profit or Loss on Sale from Schedule J2, and Total Profit or Loss on Sale from Schedule K2):	\$638,724.00	
6.9	Income from Other Investment Assets (from detail):	\$3,665.00	
	<u>Detail Text:</u>		
6.9.1	Change in interest accrued/purchased		
	<u>Detail Amount:</u>		
6.10	Unrealized Gains/Losses:		
6.11	Income/Dividends from Mutual Funds (Sum of Total Income/Dividends from Schedule K2 and Total Income/Dividends from Schedule K3):	\$251,590.00	
6.12	Income/Dividends from Common and Preferred Stocks (Sum of Total Income/Dividends from Schedule J2 and Total Income/Dividends from Schedule J3):	\$156,511.00	
7.0	<b>Total Income from Investments (Sum of Lines 6.1 through 6.12):</b>	\$84,730.00	\$1,457,634.00

**From Other Sources**

8.0	Donations:		
9.0	Other Income (from detail):	\$0.00	
10.0	<b>Total Income (Sum of Lines 3.0, 5.0, 7.0, 8.0, and 9.0):</b>		\$2,460,124.00
11.0	<b>Amount Carried Forward (Sum of the Beginning of Year Balance and Line 10.0):</b>		\$21,481,333.00



# Expenses Statement

11.0	Amount Carried Forward (Sum of the Beginning of Year Balance and Line 10.0):		\$21,481,333.00
<b><u>Pensions and Benefits</u></b>			
12.1	Service Pensions:	\$929,559.00	
12.2	Non-Duty Disability Pensions:	\$58,770.00	
12.3	Duty Disability Pensions:	\$0.00	
12.4	Occupational Disease Disability Pensions:	\$0.00	
12.5	Surviving Spouse Pensions:	\$38,512.00	
12.6	Children's Pensions:	\$0.00	
12.7	Parents' Pensions:	\$0.00	
12.8	Handicapped Annuitant Pensions:	\$0.00	
12.9	Refund of Contributions:	\$4,268.00	
12.10	Transfers to other Illinois Public Employee Funds or Systems:	\$0.00	
13.0	<b>Total Pensions and Benefits Paid (Sum of Lines 12.1 through 12.10):</b>		<b>\$1,031,109.00</b>
<b><u>Personal Services</u></b>			
14.1	Salaries and Wages:	\$0.00	
14.2	Group Insurance:	\$0.00	
14.3	Social Security Contributions:	\$0.00	
14.4	Retirement Contributions:	\$0.00	
14.5	Unemployment Insurance:	\$0.00	
14.6	Worker's Compensation:	\$0.00	
15.0	<b>Total Personal Services (Sum of Lines 14.1 through 14.6):</b>		<b>\$0.00</b>
<b><u>Insurance</u></b>			
16.1	Fiduciary Insurance:	\$3,026.00	
16.2	Surety Bonds:	\$0.00	
16.3	Fidelity Bonds:	\$0.00	

**Insurance**

16.4	Liability:	
16.5	Property:	\$0.00
17.0	Total Insurance Expense (Sum of Lines 16.1 through 16.5):	\$0.00
		\$3,026.00

**Professional Services**

18.1	Actuarial:	
18.2	Auditing:	\$4,400.00
18.3	Accounting and Bookkeeping:	\$3,869.00
18.4	Medical:	\$0.00
18.5	Legal Expense:	\$0.00
18.6	Public Stenographer/Court Reporter:	\$400.00
19.0	Total Professional Services (Sum of Lines 18.1 through 18.6):	\$0.00
		\$8,669.00

**Investment Expense**

20.1	Investment Manager/Adviser Fee:	
20.2	Custodial:	\$33,774.00
20.3	Investment Research:	\$0.00
20.4	Safe Deposit and Bank Charges:	\$0.00
20.5	Broker Commissions:	\$0.00
20.6	Investment Expense (from detail):	\$0.00
20.7	Indirect Expenses (from detail):	\$0.00
21.0	Total Investment Expense (Sum of Lines 20.1 through 20.7):	\$0.00
		\$33,774.00

**Electronic Data Processing (EDP)**

22.1	Equipment Purchases:	
22.2	Supplies:	\$0.00
22.3	Professional Services:	\$0.00
22.4	Repairs and Maintenance:	\$0.00
22.5	Depreciation:	\$0.00

## Electronic Data Processing (EDP)

23.0	Total Electronic Data Processing (Sum of Lines 22.1 through 22.5):		\$0.00
<u>Equipment</u>			
24.1	Equipment Purchases:	\$0.00	
24.2	Equipment Repairs, Rental and Maintenance:	\$0.00	
24.3	Depreciation:	\$0.00	
25.0	Total Equipment Expense (Sum of Lines 24.1 through 24.3):		\$0.00
<u>Other</u>			
26.1	Conference/Seminar Fees:	\$3,599.00	
26.2	Association Dues:	\$795.00	
26.3	Travel:	\$0.00	
26.4	Postage:	\$0.00	
26.5	Printing:	\$0.00	
26.6	Supplies:	\$0.00	
26.7	Telecommunications:	\$0.00	
26.8	Election Expense:	\$0.00	
26.9	Education Expense:	\$0.00	
26.10	State of Illinois Compliance Fee – Department of Insurance:	\$3,863.00	
26.11	Other Expense (from detail):	\$0.00	
27.0	Total Other Expenses (Sum of Lines 26.1 through 26.11):		
28.0	Total Administrative Expenses (Sum of Lines 15.0, 17.0, 19.0, 21.0, 23.0, 25.0, and 27.0):		\$8,257.00
29.0	Total Expenses (Sum of Lines 13.0 and 28.0):		\$53,726.00
30.0	Fund Balance (Difference of Lines 11.0 and 29.0):		\$1,084,835.00
			\$20,396,498.00

## Assets Statement

31.1	Cash on Hand:	
31.2	Deposits in Money Market, Checking, N.O.W., IL Fund, Repurchase Agreements, etc. (Total Balance End of Year from Schedule A):	\$345,706.00
<b>Investments</b>		
32.1	Certificates of Deposit (Total Balance End of Year from Schedule B):	\$100,428.00
32.2	State, Local and Corporate Obligations (Total Value from Schedule C3):	\$3,987,758.00
32.3	U.S. Government and Agency Obligations (Total Value from Schedule D3):	\$4,170,979.00
32.4	Insurance Company Contracts – General Accounts (Total Balance End of Year from Schedule E):	\$0.00
32.5	Insurance Company Contracts – Separate Accounts (Total Balance End of Year from Schedule F):	\$0.00
32.6	Pooled Investment Accounts (Total Balance End of Year from Schedule G):	\$0.00
32.7	Common and Preferred Stocks (Total Balance End of Year from Schedule J3):	\$4,536,544.00
32.8	Mutual Funds (Total Balance End of Year from Schedule K3):	\$7,181,359.00
33.0	<b>Total Investments (Sum of Lines 32.1 through 32.8):</b>	<b>\$19,977,068.00</b>
<b>Receivables</b>		
34.1	Taxes Receivable:	\$0.00
34.2	Accrued Past Due Interest:	\$105,375.00
34.3	Salary Deductions:	\$0.00
34.4	Taxes Received – Not Distributed:	\$0.00
34.5	Due from Members for Prior Services:	\$0.00
34.6	Other Receivables (from detail):	\$0.00
35.0	<b>Total Receivables (Sum of Lines 34.1 through 34.6):</b>	<b>\$105,375.00</b>
36.0	Equipment:	\$0.00
37.0	Other Assets (from detail):	\$0.00
38.0	<b>Total Assets (Sum of Lines 31.1, 31.2, 33.0, 35.0, 36.0, and 37.0):</b>	<b>\$20,428,149.00</b>

**Liabilities**

39.1	Pensions and Benefits Due and Unpaid:			
39.2	Expenses Due and Unpaid	\$0.00		
39.3	All Other Liabilities (from detail):	\$0.00		
	<u>Detail Text:</u>			
39.3.1	DUE TO VILLAGE GENERAL FUND			
40.0	Total Liabilities (Sum of Lines 39.1 through 39.3):			\$88,320.00
				<u>Market Value:</u>
				\$20,396,498.00
41.0	Net Present Assets, as per Balance (Difference of Lines 38.0 and 40.0):			
			<u>Actuarial Funding Value:</u>	
			\$20,339,829.00	

# Schedule A

## Deposits in Checking, Savings, Money Market, N.O.W., IL Fund, etc. Accounts

Name of Institution	Account Number	Date Acquired	Var. Rate	Rate	Beginning Balance	Balance End of Year	Interest Received and Accrued
<b>10103 Savings</b>							
Community Bank of Willowbrook		4/1/2000	Y	0.000 %	81,543.00	85,853.00	61.00
				Totals:	\$81,543.00	\$85,853.00	\$61.00
<b>10104 Bank Money Market Accounts</b>							
MB Financial Bank Fidelity Gov't Cash Po		6/30/1998	Y	0.000 %	364,701.00	259,853.00	1,724.00
				Totals:	\$364,701.00	\$259,853.00	\$1,724.00
				Totals:	\$446,244.00	\$345,706.00	\$1,785.00



# Schedule B

## Investments in Certificates of Deposit

Name of Institution	Account Number	Date Acquired	Maturity Date	Var. Rate	Rate	Beginning Balance	Balance End of Year	Interest Received and Accrued
10152 Brokered CDs		11/25/2015	11/26/2018	N	1.700 %	100,921.00	100,428.00	1,705.00
Goldman Sachs Bank						\$100,921.00	\$100,428.00	\$1,705.00
Totals:						\$100,921.00	\$100,428.00	\$1,705.00

# Schedule C - Part 1

## Investments in State, Local and Corporate Obligations - Acquired

Security Description	CUSIP Number	Date Acquired	Maturity Date	Var. Rate	Rate	Par Value of Security	Cost Excluding Interest and Charges	Investment Handling Charges	Accrued Interest Purchased
<b>10500 Corporate Bonds</b>									
Adobe Systems Inc	00724FAC5	10/25/2016	2/1/2025	N	3.250 %	100,000.00	102,106.00	0.00	0.00
Bank of America	06051GFS3	4/24/2017	8/1/2025	N	3.875 %	50,000.00	51,275.00	0.00	0.00
Citigroup Inc	172967HT1	9/26/2016	6/16/2024	N	3.750 %	100,000.00	106,681.00	0.00	0.00
Citigroup Inc	172967ES6	2/23/2017	5/15/2018	N	6.125 %	75,000.00	78,946.00	0.00	0.00
Ford Motor Credit Co LLC	345397XN8	10/25/2016	10/5/2018	N	2.551 %	200,000.00	201,680.00	0.00	0.00
JP Morgan Chase	46625HMN7	4/24/2017	7/15/2025	N	3.900 %	125,000.00	130,340.00	0.00	0.00
Valero Energy Corp.	91913YAS9	6/27/2016	3/15/2025	N	3.650 %	75,000.00	75,776.00	0.00	0.00
Verizon Communications	92343VBC7	2/23/2017	11/1/2021	N	3.500 %	75,000.00	77,300.00	0.00	0.00
Verizon Communications	92343VBY9	9/26/2016	3/15/2024	N	4.150 %	75,000.00	82,679.00	0.00	0.00
Welltower Inc	42217KBF2	6/27/2016	6/1/2025	N	4.000 %	100,000.00	104,980.00	0.00	0.00
<b>Totals:</b>						<b>\$975,000.00</b>	<b>\$1,011,763.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
						<b>Par Value of Security</b>	<b>Cost Excluding Interest and Charges</b>	<b>Investment Handling Charges</b>	<b>Accrued Interest Purchased</b>
						<b>\$975,000.00</b>	<b>\$1,011,763.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
						<b>Totals:</b>			

# Schedule C - Part 2

## Investments in State, Local and Corporate Obligations - Sold

Security Description	CUSIP Number	Date Acquired	Maturity Date	Par Value of Security	Cost Excluding Interest and Charges	Market Value Beginning of Year	Interest Received and Accrued	Date Sold	Receipts from Sale - Interest Excl.	Profit or Loss on Sale
<b>10203 Municipal Bonds</b>										
Aurora Bld America	051645YL7	9/1/2009	12/30/2016	25,000.00	25,000.00	25,467.00	1,000.00	12/30/2016	25,000.00	0.00
<b>Totals:</b>				<b>\$25,000.00</b>	<b>\$25,000.00</b>	<b>\$25,467.00</b>	<b>\$1,000.00</b>		<b>\$25,000.00</b>	<b>\$0.00</b>
<b>10249 Other State and Local Government Securities</b>										
Cook County SD #162	215291JF3	11/23/2007	12/1/2017	15,000.00	14,954.00	25,956.00	0.00	12/2/2016	15,000.00	46.00
<b>Totals:</b>				<b>\$15,000.00</b>	<b>\$14,954.00</b>	<b>\$25,956.00</b>	<b>\$0.00</b>		<b>\$15,000.00</b>	<b>\$46.00</b>
<b>10500 Corporate Bonds</b>										
Bank of America	06051GDX4	12/29/2014	5/1/2018	50,000.00	51,723.00	53,694.00	4,206.00	4/27/2017	51,840.00	117.00
Bank of America	060505CS1	5/29/2013	10/14/2016	100,000.00	100,000.00	102,046.00	2,812.00	10/14/2016	100,000.00	0.00
Bear Stearns Co JPM	073902PR3	7/23/2013	10/2/2017	100,000.00	107,170.00	106,833.00	1,564.00	6/30/2016	106,233.00	-937.00
Chevron Corp	166751AJ6	11/1/2011	3/3/2019	125,000.00	133,473.00	137,132.00	7,116.00	4/27/2017	132,406.00	-1,067.00
CVS Caremark	126650BU3	2/7/2012	5/18/2020	80,000.00	87,602.00	88,221.00	2,628.00	7/27/2016	90,600.00	2,998.00
CVS Caremark	126650BN9	9/27/2013	3/15/2019	100,000.00	113,018.00	113,740.00	2,420.00	7/28/2016	113,701.00	683.00
Goldman Sachs Grp Sr Unse	38144LAB6	9/27/2013	9/1/2017	100,000.00	106,583.00	106,126.00	1,805.00	6/16/2016	106,125.00	-458.00
Morgan Stanley	61746BDB9	6/25/2013	10/18/2016	50,000.00	50,000.00	51,066.00	1,437.00	10/20/2016	50,000.00	0.00
NBC Universal Media	63946BAE0	3/25/2015	4/1/2021	75,000.00	82,318.00	83,847.00	811.00	6/30/2016	84,249.00	1,931.00
Norfolk Southern	655844BG2	7/29/2014	12/1/2021	125,000.00	127,602.00	130,716.00	2,358.00	6/30/2016	132,341.00	4,939.00
PNC Funding Corp	693476BB8	12/6/2011	2/1/2017	85,000.00	85,000.00	93,166.00	4,781.00	2/1/2017	85,000.00	0.00
United Tech Corp	913017BQ1	12/6/2011	2/1/2019	85,000.00	93,703.00	95,674.00	4,339.00	12/1/2016	93,151.00	-551.00
<b>Totals:</b>				<b>\$1,075,000.00</b>	<b>\$1,138,192.00</b>	<b>\$1,162,261.00</b>	<b>\$36,277.00</b>		<b>\$1,145,646.00</b>	<b>\$7,655.00</b>
<b>Totals:</b>										
				<b>\$1,115,000.00</b>	<b>\$1,178,146.00</b>	<b>\$1,213,684.00</b>	<b>\$37,277.00</b>		<b>\$1,185,646.00</b>	<b>\$7,701.00</b>



# Schedule C - Part 3

## Investments in State, Local and Corporate Obligations Held at End of Year

Security Description	CUSIP Number	Date Acquired	Maturity Date	Var. Rate	Par Value of Security	Excluding Interest and Charges	Rating Agency	Market Value End of Year	Interest Received and Accrued	Accrual of Discount	Amortization of Premium	Book Value
<b>10203 Municipal Bonds</b>												
Barrington, IL Build Amer	068524EP8	5/29/2013	12/15/2017	N	0.044 %	50,000.00	56,047.00 Standard & Poor's	AA+	50,768.00	2,185.00	0.00	51,688.00
Crystal Lake Bld Am	229255FQ2	9/29/2009	1/1/2020	N	4.650 %	25,000.00	25,000.00 Moody's	Aa2	25,964.00	1,162.00	0.00	25,000.00
Lake & McHenry Cty, IL Cm	507408KD3	2/6/2014	1/1/2018	N	5.250 %	100,000.00	107,132.00 Moody's	A1	101,740.00	5,250.00	0.00	103,559.00
McHenry County	580815FX1	4/19/2012	12/15/2020	N	4.850 %	50,000.00	57,552.00 Moody's	Aaa	52,328.00	2,425.00	0.00	54,735.00
Will Cty FPD	968661GL6	10/22/2010	12/1/2033	N	5.150 %	100,000.00	106,684.00 Standard & Poor's	AA+	116,974.00	5,500.00	0.00	105,505.00
<b>Totals:</b>						<b>\$325,000.00</b>	<b>\$352,415.00</b>		<b>\$347,774.00</b>	<b>\$16,522.00</b>	<b>\$0.00</b>	<b>\$340,487.00</b>
<b>10249 Other State and Local Government Securities</b>												
Cook County Cmty SD	213633GH7	2/1/2016	12/1/2027	N	5.841 %	85,000.00	94,493.00 Standard & Poor's	AA+	91,956.00	4,965.00	0.00	93,975.00
Cook County SD #162	215291JF3	11/23/2007	12/1/2017	N	5.250 %	25,000.00	24,750.00 Moody's	Aa3	10,214.00	1,312.00	0.00	9,970.00
Cook Cty SD #225	215777JL8	6/24/2010	12/1/2025	N	5.700 %	50,000.00	50,000.00 Moody's	Aaa	54,311.00	2,850.00	0.00	50,000.00
Palatine Pk Dist	696123GX0	3/16/2015	12/1/2019	N	1.900 %	60,000.00	60,000.00 Moody's	Aa1	60,082.00	1,140.00	0.00	60,000.00
Will County Bld America	968657FN1	6/20/2014	11/15/2020	N	4.575 %	50,000.00	56,134.00 Standard & Poor's	AA+	53,830.00	2,287.00	0.00	53,930.00
Will Cty Cons Sch Dist	968717QR2	6/20/2014	10/1/2020	N	4.250 %	50,000.00	54,750.00 Moody's	Aa2	53,571.00	2,125.00	0.00	52,727.00
<b>Totals:</b>						<b>\$320,000.00</b>	<b>\$340,127.00</b>		<b>\$323,964.00</b>	<b>\$14,679.00</b>	<b>\$0.00</b>	<b>\$320,602.00</b>
<b>10500 Corporate Bonds</b>												
Adobe Systems Inc	00724FAC5	10/25/2016	2/1/2025	N	3.250 %	100,000.00	104,824.00 Moody's	A3	102,106.00	840.00	0.00	104,824.00
Allstate Corp	020002AZ4	9/16/2014	6/15/2023	N	3.150 %	100,000.00	99,895.00 Moody's	A3	102,563.00	3,150.00	0.00	99,920.00
Amgen	031162AX8	3/28/2013	6/1/2018	N	6.150 %	80,000.00	97,832.00 Moody's	Baa1	83,786.00	4,920.00	0.00	86,616.00
Bank of America	06051GEH8	3/30/2015	5/13/2021	N	5.600 %	100,000.00	113,101.00 Moody's	Baa1	108,841.00	5,000.00	0.00	109,655.00

Bank of America	06051GFS 3	4/24/2017	8/1/2025	N	3.875 %	50,000.00	51,275.00	Moody's Baa1	51,230.00	0.00	0.00	51,275.00
Burlington Northern	12189LAD3	12/17/2012	6/1/2021	N	4.100 %	75,000.00	84,420.00	Moody's A3	79,951.00	3,075.00	0.00	81,190.00
Chubb Corp Sr Unsecured	171232AR2	11/1/2011	5/15/2018	N	5.750 %	100,000.00	118,750.00	Moody's A3	104,303.00	5,750.00	0.00	107,077.00
Citigroup Inc.	172967ES6	2/23/2017	5/15/2018	N	6.125 %	75,000.00	78,946.00	Moody's Baa1	78,274.00	0.00	0.00	78,946.00
Citigroup Inc.	172967HT1	9/26/2016	6/16/2024	N	3.750 %	100,000.00	106,681.00	Moody's Baa1	102,683.00	802.00	0.00	106,681.00
Dow Chemical Co	260543CF8	5/27/2015	11/15/2021	N	4.125 %	100,000.00	106,517.00	Moody's Baa2	106,227.00	4,125.00	0.00	105,459.00
Ford Motor Credit Co LLC	345397XN8	10/25/2016	10/5/2018	N	2.551 %	200,000.00	201,680.00	Moody's Baa2	201,355.00	2,005.00	0.00	201,680.00
General Elec Capital Corp	36962G6S8	4/29/2013	1/9/2023	N	0.031 %	100,000.00	98,786.00	Moody's A1	103,507.00	3,100.00	0.00	99,121.00
General Electric	36962G3H 5	12/28/2011	9/15/2017	N	5.625 %	75,000.00	83,438.00	Moody's A1	76,212.00	4,219.00	0.00	76,271.00
General Mills	370334BT0	2/26/2015	2/15/2024	N	3.650 %	100,000.00	104,636.00	Moody's A3	104,857.00	3,650.00	0.00	103,656.00
Gilead Sciences	375558AW 3	3/30/2015	4/1/2024	N	3.700 %	100,000.00	107,067.00	Moody's A3	103,571.00	3,700.00	0.00	105,546.00
Gilead Sciences	375558AU7	5/27/2015	12/1/2021	N	4.400 %	125,000.00	137,725.00	Moody's A3	134,833.00	5,500.00	0.00	135,720.00
JP Morgan Chase	46625HMN 7	4/24/2017	7/15/2025	N	3.900 %	125,000.00	130,340.00	Moody's A3	129,998.00	0.00	0.00	130,340.00
Kellogg Co Sr Unsecured	487836BC1	7/28/2015	11/15/2019	N	4.150 %	75,000.00	79,566.00	Moody's Baa2	78,946.00	3,113.00	0.00	78,461.00
McDonald's Corp	58013MEG 5	11/1/2011	2/1/2019	N	5.000 %	125,000.00	146,125.00	Moody's Baa1	131,631.00	6,250.00	0.00	134,079.00
Norfolk Southern	655844BP2	12/10/2014	1/15/2024	N	3.850 %	50,000.00	52,450.00	Moody's Baa1	52,707.00	1,925.00	0.00	51,943.00
Occidental Petroleum	674599CC7	2/7/2012	2/15/2022	N	3.125 %	160,000.00	105,451.00	Moody's A3	163,761.00	5,000.00	0.00	162,776.00
Omnicom Group	681919AZ9	3/7/2016	5/1/2022	N	3.625 %	200,000.00	204,278.00	Moody's Baa1	208,584.00	7,250.00	0.00	203,861.00
Oracle	68389XAG 0	12/31/2013	7/8/2019	N	5.000 %	150,000.00	169,890.00	Moody's A1	160,662.00	7,500.00	0.00	159,947.00
Oracle Corp	68389XAS4	7/29/2014	7/15/2023	N	3.625 %	100,000.00	103,390.00	Moody's A1	105,848.00	3,625.00	0.00	102,547.00
PNC Funding Corp	693476BL6	7/14/2015	8/11/2020	N	4.375 %	165,000.00	178,919.00	Moody's A3	176,159.00	7,219.00	0.00	175,911.00
US Bancorp	91159HHA 1	7/29/2014	5/24/2021	N	4.125 %	125,000.00	134,217.00	Moody's A1	133,780.00	5,156.00	0.00	132,636.00
Valero Energy Corp.	91913YAS9	6/27/2016	3/15/2025	N	3.650 %	75,000.00	75,776.00	Moody's Baa2	75,184.00	1,939.00	0.00	75,776.00
Verizon Communications	92343VBC 7	2/23/2017	11/1/2021	N	3.500 %	75,000.00	77,300.00	Moody's Baa1	77,451.00	0.00	0.00	77,300.00

Verizon Communications	92343VBY9	3/15/2024	N	4.150 %	75,000.00	82,679.00	Moody's Baa1	78,706.00	1,435.00	0.00	82,679.00	
Welltower Inc	42217KBF2	6/27/2016	N	4.000 %	100,000.00	104,776.00	Moody's Baa1	102,612.00	1,678.00	0.00	104,776.00	
Totals:					\$3,180,000.00	\$3,340,730.00		\$3,320,328.00	\$101,926.00	\$0.00	\$3,326,669.00	
Cost												
					Par Value of Security	Excluding Interest and Charges		Market Value End of Year	Interest Received and Accrued	Accrual of Discount	Amortization of Premium	Book Value
Totals:					\$3,825,000.00	\$4,033,272.00		\$3,992,066.00	\$133,127.00	\$0.00	\$0.00	\$3,987,758.00



# Schedule D - Part 1

## Investments in US Government & Agency Obligations - Acquired

Security Description	CUSIP Number	Date Acquired	Maturity Date	Var. Rate	Rate	Par Value of Security	Cost Excluding Interest and Charges	Investment Handling Charges	Accrued Interest Purchased
<b>10284 Federal Farm Credit Banks</b>									
FFCB	31331JWU1	10/28/2016	7/6/2020	N	3.450 %	100,000.00	107,831.00	0.00	0.00
FFCB	31331YLB4	2/28/2017	12/28/2027	N	5.250 %	150,000.00	183,939.00	0.00	0.00
FFCB	31331VHD1	3/16/2017	8/25/2026	N	5.300 %	100,000.00	118,987.00	0.00	0.00
					<b>Totals:</b>	<b>\$350,000.00</b>	<b>\$410,757.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>10286 Federal Home Loan Banks</b>									
FHLB	3133X8L34	12/29/2016	9/9/2024	N	5.365 %	75,000.00	89,698.00	0.00	0.00
FHLB	3133XPKG8	12/30/2016	3/10/2023	N	4.750 %	100,000.00	114,645.00	0.00	0.00
FHLB	3133XVRK9	6/26/2016	12/13/2019	N	4.125 %	140,000.00	155,124.00	0.00	0.00
FHLB	3133XG6E9	6/29/2016	6/12/2026	N	5.750 %	100,000.00	134,999.00	0.00	0.00
FHLB	3133XRFZ8	7/28/2016	6/8/2018	N	4.750 %	200,000.00	214,290.00	0.00	0.00
FHLB	313375K48	9/28/2016	9/14/2018	N	2.000 %	200,000.00	204,396.00	0.00	0.00
FHLB	3133XPKG8	10/28/2016	3/10/2023	N	4.750 %	100,000.00	118,422.00	0.00	0.00
FHLB	3133XSR59	10/28/2016	12/14/2018	N	3.750 %	115,000.00	121,546.00	0.00	0.00
					<b>Totals:</b>	<b>\$1,030,000.00</b>	<b>\$1,153,120.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Totals:</b>									
						<b>\$1,380,000.00</b>	<b>\$1,563,877.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

# Schedule D - Part 2

## Investments in US Government & Agency Obligations - Sold

Security Description	CUSIP Number	Date Acquired	Maturity Date	Par Value of Security	Cost Excluding Interest and Charges	Market Value Beginning of Year	Interest Received and Accrued	Date Sold	Receipts from Sale - Interest Excl.	Profit or Loss on Sale
<b>10284 Federal Farm Credit Banks</b>										
FFCB	31331GG29	8/3/2009	8/3/2016	100,000.00	100,000.00	100,934.00	2,000.00	8/3/2016	100,000.00	0.00
Totals:				\$100,000.00	\$100,000.00	\$100,934.00	\$2,000.00		\$100,000.00	\$0.00
<b>10286 Federal Home Loan Banks</b>										
FHLB	3133XUKV4	3/4/2010	9/9/2016	150,000.00	150,000.00	151,747.00	2,812.00	9/9/2016	150,000.00	0.00
FHLB	3133XVRJ2	1/10/2011	12/9/2016	200,000.00	200,000.00	203,508.00	7,000.00	12/9/2016	200,000.00	0.00
Totals:				\$350,000.00	\$350,000.00	\$355,255.00	\$9,812.00		\$350,000.00	\$0.00
<b>10290 Federal National Mortgage Association (FNMA)</b>										
FNMA	31359MW41	9/30/2011	9/15/2016	100,000.00	100,000.00	101,754.00	2,625.00	9/15/2016	100,000.00	0.00
Totals:				\$100,000.00	\$100,000.00	\$101,754.00	\$2,625.00		\$100,000.00	\$0.00
<b>Totals:</b>										
				\$550,000.00	\$550,000.00	\$557,943.00	\$14,437.00		\$550,000.00	\$0.00

# Schedule D - Part 3

## Investments in US Government & Agency Obligations Held at End of Year

Security Description	CUSIP Number	Date Acquired	Maturity Date	Var. Rate	Rate	Par Value of Security	Cost Excluding Interest and Charges	Market Value End of Year	Interest Received and Accrued	Accrual of Discount	Amortization of Premium	Book Value (Amortized Cost)
<b>10259 Other U.S. Government Securities</b>												
U.S. T- Inflation Index	912828JX9	8/5/2009	1/15/2019	N	2.125 %	67,506.00	61,606.00	70,536.00	1,429.00	\$0.00	0.00	61,606.00
<b>Totals:</b>						<b>\$67,506.00</b>	<b>\$61,606.00</b>	<b>\$70,536.00</b>	<b>\$1,429.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$61,606.00</b>
<b>10261 Government National Mortgage Association (GNMA)</b>												
GNMA #1790	36202B7B5	11/22/1994	7/20/2024	N	8.000 %	102.00	107.00	110.00	9.00	\$0.00	0.00	108.00
GNMA #2629	36202C4N0	9/3/1998	8/20/2028	N	6.000 %	4,985.00	4,911.00	5,679.00	347.00	\$0.00	0.00	4,911.00
GNMA #623180	36291BJZ1	2/25/2004	12/15/2018	N	5.000 %	2,454.00	2,532.00	2,503.00	177.00	\$0.00	0.00	2,532.00
GNMA #628927	36291HVU5	8/4/2004	6/15/2019	N	4.500 %	4,620.00	4,588.00	4,711.00	287.00	\$0.00	0.00	4,588.00
<b>Totals:</b>						<b>\$12,161.00</b>	<b>\$12,138.00</b>	<b>\$13,003.00</b>	<b>\$820.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$12,139.00</b>
<b>10284 Federal Farm Credit Banks</b>												
FFCB	31331SLJ0	11/23/2007	9/10/2018	N	4.950 %	25,000.00	24,969.00	26,267.00	1,238.00	\$0.00	0.00	24,989.00
FFCB	31331THC8	10/22/2007	10/22/2018	N	5.340 %	50,000.00	51,340.00	53,052.00	2,670.00	\$0.00	0.00	50,486.00
FFCB	31331SUR5	10/16/2006	12/16/2019	N	4.950 %	75,000.00	103,814.00	108,735.00	4,950.00	\$0.00	0.00	102,166.00
FFCB	31331XFK3	4/17/2012	10/5/2021	N	5.030 %	150,000.00	184,599.00	169,639.00	7,545.00	\$0.00	0.00	171,594.00
FFCB	31331YFQ8	11/21/2013	11/28/2022	N	5.125 %	275,000.00	313,531.00	319,339.00	14,094.00	\$0.00	0.00	313,531.00
FFCB	31331YHY9	9/20/2012	12/19/2022	N	5.210 %	25,000.00	32,134.00	28,898.00	1,303.00	\$0.00	0.00	30,090.00
FFCB	31331XJ94	12/30/2015	7/3/2017	N	5.625 %	100,000.00	102,240.00	100,913.00	5,625.00	\$0.00	0.00	102,240.00
FFCB	31331S6U2	3/4/2016	7/20/2023	N	4.875 %	200,000.00	241,036.00	230,394.00	9,750.00	\$0.00	0.00	236,416.00
FFCB	31331VWN2	1/27/2016	4/13/2026	N	5.400 %	150,000.00	188,487.00	182,671.00	8,100.00	\$0.00	0.00	185,032.00
FFCB	31331JUW1	10/28/2016	7/6/2020	N	3.450 %	100,000.00	107,433.00	105,674.00	652.00	\$0.00	0.00	107,433.00
FFCB	31331VHD1	3/16/2017	8/25/2026	N	5.300 %	100,000.00	118,987.00	121,699.00	0.00	\$0.00	0.00	118,987.00
FFCB	31331YLB4	2/28/2017	12/28/2027	N	5.250 %	150,000.00	182,939.00	182,796.00	0.00	\$0.00	0.00	182,939.00
<b>Totals:</b>						<b>\$1,400,000.00</b>	<b>\$1,651,509.00</b>	<b>\$1,630,077.00</b>	<b>\$55,927.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,625,903.00</b>



10285 Federal Home Loan Mortgage Corporation (Freddie Mac)

FHLMC	3137EABA6	6/15/2011	11/17/2017	N	5.125 %	150,000.00	173,685.00	153,344.00	7,688.00	\$0.00	0.00	156,716.00
<b>Totals:</b>						<b>\$150,000.00</b>	<b>\$173,685.00</b>	<b>\$153,344.00</b>	<b>\$7,688.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$156,716.00</b>

10286 Federal Home Loan Banks

FHLB	3133X8L34	12/29/2016	9/9/2024	N	5.365 %	75,000.00	89,354.00	90,241.00	782.00	\$0.00	0.00	89,354.00
FHLB	3133XG6E9	6/29/2016	6/12/2026	N	5.750 %	100,000.00	133,535.00	124,470.00	2,603.00	\$0.00	0.00	133,535.00
FHLB	3133XDVS7	7/25/2014	12/11/2020	N	5.250 %	100,000.00	118,355.00	112,499.00	5,250.00	\$0.00	0.00	111,755.00
FHLB	3133XPKG8	3/27/2015	3/10/2023	N	4.750 %	125,000.00	148,464.00	372,392.00	8,603.00	\$0.00	0.00	374,432.00
FHLB	3133XRFZ8	7/28/2016	6/8/2018	N	4.750 %	200,000.00	211,517.00	207,890.00	3,431.00	\$0.00	0.00	207,890.00
FHLB	313375K48	9/28/2016	9/14/2018	N	2.000 %	200,000.00	203,364.00	202,034.00	1,844.00	\$0.00	0.00	203,364.00
FHLB	3133XVRK9	6/26/2016	12/13/2019	N	4.125 %	140,000.00	153,148.00	149,254.00	2,631.00	\$0.00	0.00	153,148.00
FHLB	3133XSR59	7/23/2010	12/14/2018	N	3.750 %	100,000.00	105,060.00	223,211.00	4,301.00	\$0.00	0.00	223,433.00
FHLB	3133XTB21	7/15/2009	3/6/2019	N	4.300 %	75,000.00	75,943.00	79,018.00	3,225.00	\$0.00	0.00	75,416.00
FHLB	3133X7S2	2/13/2007	5/15/2019	N	5.375 %	100,000.00	101,790.00	107,937.00	5,375.00	\$0.00	0.00	100,955.00
FHLB	3133XU3G6	3/7/2011	7/1/2019	N	4.375 %	100,000.00	104,900.00	106,252.00	4,375.00	\$0.00	0.00	102,500.00
FHLB	3133XD4P3	4/25/2014	9/11/2020	N	0.046 %	150,000.00	170,937.00	54,838.00	2,312.00	\$0.00	0.00	53,988.00
FHLB	3133XHRJ3	11/28/2006	12/10/2021	N	5.000 %	150,000.00	149,354.00	170,500.00	7,500.00	\$0.00	0.00	149,448.00
FHLB	3133XMFY2	11/21/2013	9/30/2022	N	5.375 %	50,000.00	58,896.00	58,702.00	2,687.00	\$0.00	0.00	56,097.00
FHLB	3133XN4B2	11/21/2013	12/9/2022	N	5.250 %	110,000.00	128,059.80	128,688.00	5,775.00	\$0.00	0.00	123,163.00
FHLB	3133X8EW8	1/16/2014	8/15/2024	N	5.375 %	240,000.00	280,579.20	168,454.00	7,525.00	\$0.00	0.00	156,137.00
<b>Totals:</b>						<b>\$2,015,000.00</b>	<b>\$2,233,256.00</b>	<b>\$2,356,380.00</b>	<b>\$68,219.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,314,615.00</b>

Par Value of Security	Cost Excluding Interest and Charges	Market Value End of Year	Interest Received and Accrued	Accrual of Discount	Amortization of Premium	Book Value (Amortized Cost)
\$3,644,667.00	\$4,132,194.00	\$4,223,340.00	\$134,083.00	\$0.00	\$0.00	\$4,170,979.00
<b>Totals:</b>						

## Investments in Insurance Company Contracts - General Accounts

**Totals:**

# Schedule F

## Investments in Insurance Company Contracts - Separate Accounts

Insurance Company	Title of Annuity	Name of Sep Acct	Contract Number	Date Acquired	Maturity Date	Cost of Separate Account	Market Value Beginning of Year	Earnings Credited to Account	Additions or Withdrawals	Surrender Charges Paid	Market Value End of Year
<hr/>											
						Cost of Separate Account	Market Value Beginning of Year	Earnings Credited to Account	Additions or Withdrawals	Surrender Charges Paid	Market Value End of Year
						\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
						Totals:					
						\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00



## Investments in Pooled Investment Accounts

September 29, 2017 6:07:40 PM

# Schedule J - Part 1

## Investments in Common and Preferred Stock - Acquired

Security Description	CUSIP Number	Shares	Trade Date	Unit Cost at Time of Purchase	Cost	Settle Date	Commissions / Fees
<b>10451 Domestic Common</b>							
Alphabet Inc Cl A	02079K305	34.000	2/13/2017	833.05	28,324.00	2/13/2017	0.00
Amazon.Com Inc	023135106	50.000	2/13/2017	818.70	40,936.00	2/13/2017	0.00
Baker Hughes	057224107	478.000	2/13/2017	60.91	29,119.00	2/13/2017	0.00
Biogen Idec Inc	09062X103	171.000	2/13/2017	268.10	45,847.00	2/13/2017	0.00
Biogen Idec Inc	09062X103	385.000	7/15/2016	253.97	97,784.00	7/15/2016	0.00
Blackrock Inc	09247X101	282.000	9/9/2016	371.83	104,857.00	9/9/2016	0.00
BlackRock Inc	09247X101	172.000	10/26/2016	346.62	59,620.00	10/26/2016	0.00
Cerner Corp	156782104	2155.000	2/13/2017	52.94	114,110.00	2/13/2017	0.00
Citigroup Inc	172967424	393.000	2/13/2017	56.48	22,201.00	2/13/2017	0.00
Citigroup Inc	172967424	2454.000	10/26/2016	49.28	120,968.00	10/26/2016	0.00
Conocophillips Com	20825C104	3574.000	6/22/2016	44.50	159,074.00	6/22/2016	0.00
General Dynamics	369550108	146.000	2/13/2017	182.94	26,710.00	2/13/2017	0.00
General Dynamics Corp	369550108	479.000	9/9/2016	154.44	73,980.00	9/9/2016	0.00
Gilead Sciences	375558103	121.000	6/24/2016	81.60	9,874.00	6/24/2016	0.00
Grainger W W Inc	384802104	2.000	6/24/2016	223.55	447.00	6/24/2016	0.00
Hasbro	418056107	100.000	2/13/2017	95.71	9,572.00	3/13/2017	0.00
Hasbro Inc	418056107	1449.000	11/21/2016	85.21	123,478.00	11/21/2016	0.00
Kroger Co	501044101	381.000	7/15/2016	37.42	14,261.00	7/15/2016	0.00
Kroger Co	501044101	1922.000	11/21/2016	34.00	65,373.00	11/21/2016	0.00
Manpower Inc	56418H100	128.000	7/15/2016	66.64	8,531.00	7/15/2016	0.00
McKesson Corp	58155Q103	707.000	6/22/2016	177.85	125,748.00	6/22/2016	0.00
McKesson Corp	58155Q103	108.000	2/13/2017	140.41	15,165.00	2/13/2017	0.00
Nike Inc Cl B	654106103	67.000	6/24/2016	54.82	3,674.00	6/24/2016	0.00
Nike Inc Cl B	654106103	978.000	11/21/2016	50.54	49,437.00	11/21/2016	0.00
Proctor and Gamble Co	742718109	39.000	6/24/2016	83.73	3,266.00	6/24/2016	0.00
Visa Inc Class A	92826C839	56.000	6/24/2016	77.36	4,333.00	6/24/2016	0.00
Wells Fargo & Co	949746101	461.000	7/15/2016	48.36	22,299.00	7/15/2016	0.00
<b>Totals:</b>					<b>\$1,378,988.00</b>		<b>\$0.00</b>

	Cost	Commissions / Fees
Totals:	\$1,378,988.00	\$0.00

# Schedule J - Part 2

## Investments in Common and Preferred Stock - Sold

Security Description	CUSIP Number	Shares	Trade Date	Unit Cost at Time of Sale	Commissions / Fees	Date Sold	Profit or Loss on Sale	Total Proceeds	Market Value Beginning of Year	Dividends / Income
<b>10451 Domestic Common</b>										
ALLSTATE	020002101	680.000	2/13/2017	78.05	0.00	2/13/2017	11,700.00	53,076.00	44,234.00	0.00
ANSYS INC	03662Q105	1206.000	2/13/2017	94.98	0.00	2/13/2017	10,137.00	114,544.00	109,469.00	0.00
APPLE COMPUTER	037833100	394.000	2/13/2017	131.50	0.00	2/13/2017	18,300.00	51,811.00	36,934.00	0.00
AT & T	00206R102	562.000	2/13/2017	41.20	0.00	2/13/2017	2,638.00	23,154.00	21,817.00	0.00
BIOERATIV	09075E100	0.500	2/14/2017	42.00	0.00	2/14/2017	1.00	21.00	0.00	0.00
BIOERATIV	09075E100	192.000	4/6/2017	54.33	0.00	4/6/2017	2,737.00	10,432.00	0.00	0.00
BLACKROCK INC	09247X101	58.000	2/13/2017	373.97	0.00	2/13/2017	677.00	21,690.00	0.00	0.00
BOEING	097023105	674.000	2/13/2017	163.93	0.00	2/13/2017	19,228.00	110,491.00	90,855.00	0.00
CONOCOPHILLIPS COM	20825C104	319.000	2/13/2017	49.87	0.00	2/13/2017	1,711.00	15,909.00	0.00	0.00
COSTCO WHOLESALE	22160K105	277.000	2/13/2017	168.26	0.00	2/13/2017	7,093.00	46,608.00	41,032.00	0.00
CVS HEALTH CORP	126650100	191.000	2/13/2017	76.40	0.00	2/13/2017	-667.00	14,593.00	19,196.00	0.00
DELTA	247361702	797.000	2/13/2017	47.99	0.00	2/13/2017	2,592.00	38,255.00	33,211.00	0.00
DOMINO'S PIZZA	25754A201	303.000	11/21/2016	162.01	0.00	11/21/2016	25,779.00	49,088.00	36,627.00	0.00
DOMINO'S PIZZA	25754A201	233.000	2/13/2017	183.67	0.00	2/13/2017	24,871.00	42,795.00	28,165.00	0.00
EDWARDS LIFESCIENCES	28176E108	1279.000	6/22/2016	98.28	0.00	6/22/2016	80,017.00	125,702.00	90,158.00	0.00
EXXON MOBIL	30231G102	1691.000	6/22/2016	90.48	0.00	6/22/2016	14,662.00	152,994.00	149,484.00	1,268.00
F5 NETWORKS	315616102	467.000	11/21/2016	141.75	0.00	11/21/2016	19,597.00	66,197.00	48,918.00	0.00
F5 NETWORKS	315616102	274.000	2/13/2017	138.63	0.00	2/13/2017	10,642.00	37,984.00	28,702.00	0.00
FRANKLIN RESOURCES	354613101	470.000	2/13/2017	39.64	0.00	2/13/2017	-5,785.00	18,630.00	17,550.00	0.00
GILEAD SCIENCES	375558103	777.000	2/13/2017	66.14	0.00	2/13/2017	-21,110.00	51,393.00	68,539.00	0.00
GOLDMAN SACHS GROUP	38141G104	620.000	9/9/2016	168.56	0.00	9/9/2016	-11,983.00	104,510.00	101,748.00	806.00



GRAINGER WW	384802104	96.000	2/13/2017	253.68	0.00	2/13/2017	2,979.00	24,353.00	22,514.00	0.00
HOME DEPOT	437076102	249.000	2/13/2017	137.19	0.00	2/13/2017	6,129.00	34,160.00	33,339.00	0.00
JOHNSON & JOHNSON	478160104	385.000	2/13/2017	113.52	0.00	2/13/2017	6,310.00	43,705.00	43,151.00	0.00
KROGER	501044101	295.000	2/13/2017	32.51	0.00	2/13/2017	-1,389.00	9,590.00	10,440.00	0.00
MANPOWER	56418H100	1030.000	9/9/2016	71.28	0.00	9/9/2016	-5,004.00	73,415.00	79,341.00	776.00
NIKE INC CL B	654106103	549.000	2/13/2017	53.47	0.00	2/13/2017	5,464.00	29,355.00	32,358.00	0.00
ORACLE CORP	68389X105	714.000	2/13/2017	40.11	0.00	2/13/2017	3,688.00	28,642.00	28,460.00	0.00
PAREXEL	699462107	171.000	6/22/2016	57.29	0.00	6/22/2016	-1,085.00	9,798.00	10,448.00	0.00
PAREXEL	699462107	790.000	6/23/2016	57.94	0.00	6/23/2016	-4,502.00	45,774.00	48,269.00	0.00
PROCTOR AND GAMBLE	742718109	22.000	2/13/2017	88.14	0.00	2/13/2017	94.00	1,939.00	1,763.00	0.00
PROSPERITY BANKSHARES	743606105	366.000	2/13/2017	70.44	0.00	2/13/2017	6,041.00	25,781.00	19,314.00	0.00
STARBUCKS CORP	855244109	161.000	2/13/2017	55.24	0.00	2/13/2017	2,790.00	8,894.00	9,053.00	0.00
TEXAS INSTRUMENTS	882508104	714.000	2/13/2017	76.14	0.00	2/13/2017	18,273.00	54,365.00	40,727.00	0.00
UNION PACIFIC	907818108	378.000	2/13/2017	107.38	0.00	2/13/2017	9,463.00	40,592.00	32,973.00	0.00
UNITEDHEALTH GROUP	91324P102	961.000	2/13/2017	159.68	0.00	2/13/2017	84,613.00	153,451.00	126,544.00	1,802.00
UNIVERSAL HEALTH B	913903100	324.000	2/13/2017	113.56	0.00	2/13/2017	2,198.00	36,794.00	43,312.00	0.00
VERIZON	92343V104	148.000	2/13/2017	48.52	0.00	2/13/2017	-281.00	7,181.00	7,539.00	0.00
VISA INC CLASS A	92826C839	528.000	2/13/2017	85.62	0.00	2/13/2017	6,518.00	45,206.00	40,783.00	0.00
WELLS FARGO & CO	949746101	4042.000	10/26/2016	44.97	0.00	10/26/2016	1,761.00	181,774.00	202,019.00	2,897.00
WYNDHAM WORLDWIDE	98310W108	1728.000	11/21/2016	71.42	0.00	11/21/2016	-25,569.00	123,410.00	122,602.00	1,728.00
<b>Totals:</b>					<b>\$0.00</b>		<b>\$331,328.00</b>	<b>\$2,128,056.00</b>	<b>\$1,921,588.00</b>	<b>\$9,277.00</b>

	Commissions / Fees	Profit or Loss on Sale	Total Proceeds	Market Value Beginning of Year	Dividends / Income
<b>Totals:</b>	<b>\$0.00</b>	<b>\$331,328.00</b>	<b>\$2,128,056.00</b>	<b>\$1,921,588.00</b>	<b>\$9,277.00</b>

# Schedule J - Part 3

## Investments in Common and Preferred Stock Held at End of Year

Security Description	CUSIP Number	Shares	Trade Date	Market Price End of Year	Cost	Unit Cost at Time of Purchase	Market Value End of Year	Dividends / Income	Unrealized Gains / Losses
<b>10451 Domestic Common</b>									
Allstate Corp	020002101	2206.000	1/4/2014	81.29	134,231.00	60.84	179,326.00	3,673.00	45,095.00
Alphabet	02079K305	275.000	11/27/2015	924.52	215,357.00	776.07	254,243.00	0.00	38,886.00
Amazon.com	023135106	196.000	2/23/2016	924.99	118,523.00	604.71	181,298.00	0.00	62,775.00
Apple Computer	037833100	1218.000	2/13/2013	143.65	103,595.00	85.05	174,966.00	3,451.00	71,371.00
At & T	00206R102	1890.000	2/9/2016	39.63	68,994.00	36.50	74,901.00	4,732.00	5,906.00
Baker Hughes Inc	057224107	2054.000	2/1/2015	59.37	129,410.00	63.64	121,946.00	1,072.00	-7,464.00
Biogen Idec	09062X103	556.000	2/13/2017	271.21	135,916.00	244.45	150,793.00	0.00	14,877.00
BlackRock Inc.	09247X101	396.000	10/26/2016	384.57	143,464.00	362.28	152,290.00	2,030.00	8,825.00
Boeing Co	097023105	557.000	2/1/2015	184.83	75,421.00	135.41	102,950.00	5,773.00	27,530.00
Cerner Corp	156782104	2155.000	2/13/2017	64.75	114,110.00	52.95	139,536.00	0.00	25,426.00
Citigroup Inc	172967424	2847.000	10/26/2016	59.12	143,168.00	50.29	168,315.00	785.00	25,146.00
Conocophillips Com	20825C104	3255.000	6/22/2016	47.91	144,876.00	44.51	155,947.00	2,650.00	11,072.00
Costco	22160K105	408.000	9/18/2015	177.52	58,202.00	142.65	72,428.00	1,233.00	14,226.00
CVS Corp	126650100	1498.000	6/12/2012	82.44	119,679.00	79.89	123,495.00	2,998.00	3,816.00
DELTA	247361702	1194.000	2/17/2015	45.44	53,427.00	44.74	54,255.00	1,317.00	828.00
DOMINOS	25754A201	373.000	6/24/2014	181.39	28,694.00	76.93	67,658.00	1,093.00	38,965.00
F5 Networks	315616102	659.000	12/4/2012	129.13	65,760.00	98.44	85,097.00	0.00	19,337.00
Franklin Resources	354613101	2020.000	4/23/2014	43.11	104,934.00	51.94	87,082.00	1,798.00	-17,852.00
General Dynamics Corp	369550108	625.000	9/9/2016	193.79	100,690.00	161.10	121,119.00	728.00	20,429.00
GILEAD	375558103	1724.000	6/24/2014	68.55	160,870.00	93.91	118,180.00	4,366.00	-42,689.00
Grainger	384802104	226.000	9/18/2015	192.70	50,317.00	222.63	43,550.00	1,452.00	-6,766.00
Hasbro	418056107	1549.000	11/21/2016	99.11	133,050.00	85.89	153,521.00	739.00	20,471.00
HOME DEPOT	437076102	831.000	2/17/2015	156.10	93,549.00	112.57	129,719.00	2,975.00	36,170.00
Johnson & Johnson	478160104	1614.000	1/24/2014	123.47	156,767.00	97.59	199,281.00	6,089.00	42,514.00
Kroger	501044101	4899.000	2/9/2016	29.65	182,327.00	39.32	145,255.00	1,677.00	-37,072.00
McKesson Corp	58155Q103	815.000	6/22/2016	138.29	140,913.00	172.90	112,706.00	624.00	-28,207.00
Nike Inc Cl B	654106103	2581.000	1/24/2014	55.41	112,320.00	39.86	143,013.00	1,706.00	30,693.00
Oracle Corp	68389X105	1705.000	6/13/2012	44.96	59,589.00	34.28	76,657.00	1,412.00	17,068.00



Proctor and Gamble	742718109	1561.000	2/17/2015	87.33	130,880.00	83.84	136,322.00	4,213.00	5,442.00
Prosperity Bancshares	743606105	1790.000	6/8/2015	67.20	96,544.00	53.93	120,288.00	2,635.00	23,744.00
Starbucks	855244109	3311.000	12/5/2012	60.06	125,530.00	37.91	198,859.00	3,125.00	73,329.00
Texas Instruments	882508104	1200.000	9/18/2015	79.18	60,658.00	50.55	95,016.00	3,369.00	34,358.00
Union Pacific Corp	907818108	1073.000	12/5/2012	111.96	88,364.00	82.35	120,133.00	3,123.00	31,769.00
Universal Health Svcs B	913903100	809.000	2/17/2015	120.76	86,383.00	106.78	97,695.00	421.00	11,311.00
Verizon	92343V104	1230.000	2/9/2016	45.91	62,015.00	50.42	56,469.00	3,149.00	-5,545.00
Visa	92826C839	1340.000	2/9/2016	91.22	98,186.00	73.15	122,235.00	1,045.00	24,049.00
<b>Totals:</b>					<b>\$3,896,713.00</b>		<b>\$4,536,544.00</b>	<b>\$75,453.00</b>	<b>\$639,833.00</b>
				Cost		Market Value End of Year		Dividends / Income	Unrealized Gains / Losses
<b>Totals:</b>				<b>\$3,896,713.00</b>		<b>\$4,536,544.00</b>		<b>\$75,453.00</b>	<b>\$639,833.00</b>

# Schedule K - Part 1

## Investments in Mutual Funds - Acquired

Security Description	CUSIP Number	Shares	Trade Date	Unit Cost at Time of Purchase	Cost	Settle Date	Commissions / Fees
<b>10550 Mutual Funds</b>							
Goldman Sachs Dyn Emerg	38145L422	11436.238	8/2/2016	8.51	97,322.00	8/2/2016	0.00
Invesco Global Real Est	00142C326	485.759	3/30/2017	12.61	6,125.00	3/30/2017	0.00
iShares S&P 500 Index Fd	464287200	386.000	10/18/2016	213.51	82,419.00	10/18/2016	0.00
iShares S&P 500 Index Fd	464287200	386.000	10/27/2016	215.89	83,337.00	10/27/2016	0.00
iShares S&P 500 Index Fd	464287200	386.000	11/10/2016	213.26	82,322.00	11/10/2016	0.00
iShares S&P 500 Index Fd	464287200	1975.000	11/15/2016	215.54	425,711.00	11/15/2016	0.00
JP Morgan Md Cap Value	339128100	184.618	2/13/2017	37.64	6,949.00	2/13/2017	0.00
Lazard Emerg Mkts Eq Fd	52106N889	11416.178	2/13/2017	17.10	195,217.00	2/13/2017	0.00
Oppenheimer Develop	683974604	784.568	2/13/2017	34.22	26,848.00	2/13/2017	0.00
Oppenheimer Intl Gro Fd I	68380L605	439.584	7/13/2016	35.71	15,698.00	7/13/2016	0.00
Oppenheimer Intl Gro Fd I	68380L605	329.215	6/22/2016	35.98	11,845.00	6/22/2016	0.00
Sector SPDR Trust SBI	81369Y100	1781.000	2/13/2017	51.47	91,688.00	2/13/2017	0.00
Sector SPDR Trust Util	81369Y886	236.000	6/24/2016	50.61	11,945.00	6/24/2016	0.00
T Rowe Price Mid Cap	779556109	2083.308	2/13/2017	79.69	166,019.00	2/13/2017	0.00
Undisc Mgrs Behav Value	904504842	2543.352	2/13/2017	66.36	168,777.00	2/13/2017	0.00
Undisc Mgrs Behav Value	904504842	194.551	3/30/2017	65.22	12,689.00	3/30/2017	0.00
Vanguard 500 Index	922908710	777.698	3/30/2017	217.90	169,460.00	3/30/2017	0.00
Vanguard 500 Index	922908710	6600.971	2/13/2017	214.12	1,413,400.00	2/13/2017	0.00
<b>Totals:</b>					<b>\$3,067,771.00</b>		<b>\$0.00</b>
<b>Totals:</b>							<b>\$0.00</b>

## Schedule K - Part 2

Security Description	CUSIP Number	Shares	Trade Date	Unit Cost at Time of Sale	Commissions / Fees	Date Sold	Profit or Loss on Sale	Total Proceeds	Market Value Beginning of Year	Dividends / Income
10550 Mutual Funds										
American Beacon Lg Cap Va	02368A208	19154.006	4/30/2009	20.99	0.00	10/4/2016	97,129.00	499,345.00	478,467.00	0.00
Deutsche Global Infr	25156A858	2819.445	9/4/2013	13.78	0.00	2/13/2017	157.00	39,021.00	38,711.00	0.00
Fidelity Advisor New Insi	316071604	18526.339	4/30/2009	21.71	0.00	10/4/2016	117,935.00	520,220.00	490,022.00	0.00
Goldman Sachs Dyn Emerg	38145L422	11436.238	8/2/2016	8.51	0.00	9/27/2016	686.00	98,009.00	0.00	745.00
Goldman Sachs Emg Mkts D	38143H886	7677.459	9/17/2015	12.12	0.00	8/2/2016	6,065.00	99,116.00	95,661.00	1,872.00
Invesco Global Real Estat	00142C326	3751.816	4/29/2011	11.83	0.00	2/13/2017	3,183.00	47,573.00	48,624.00	0.00
iShares S&P 500 Index Fd	464287200	3133.000	10/18/2016	215.06	0.00	2/13/2017	47,978.00	721,767.00	0.00	4,086.00
MFS International Value I	55273E822	4658.866	12/18/2012	30.25	0.00	2/13/2017	35,727.00	176,664.00	171,120.00	0.00
Oppenheimer Intl Growth	68380L605	7337.511	8/1/2014	36.46	0.00	2/13/2017	-5,451.00	262,096.00	267,746.00	0.00
Sector SPDR Trust Ut ETF	81369Y886	544.000	6/10/2013	42.19	0.00	2/13/2017	3,865.00	26,819.00	26,340.00	0.00
T Rowe Price High Yd 57	741481105	14886.629	4/30/2016	7.24	0.00	2/13/2017	-7,579.00	100,187.00	95,126.00	5,209.00
Totals:					\$0.00		\$299,695.00	\$2,590,817.00	\$1,711,817.00	\$11,912.00
Totals:					\$0.00		\$299,695.00	\$2,590,817.00	\$1,711,817.00	\$11,912.00



# Schedule K - Part 3

## Investments in Mutual Funds Held at End of Year

Security Description	CUSIP Number	Shares	Trade Date	Market Price End of Year	Cost	Unit Cost at Time of Purchase	Market Value End of Year	Dividends / Income	Unrealized Gains / Losses
<b>10550 Mutual Funds</b>									
Deutsche Global Infr	25156A858	29718.371	9/4/2013	13.73	448,508.00	13.79	431,511.00	6,920.00	21,866.00
Invesco Global Real Estat	00142C326	33041.206	4/29/2011	12.96	376,009.00	11.38	421,606.00	18,960.00	30,296.00
JP Morgan Mid Cap Value F	339128100	15464.324	3/27/2012	35.50	481,108.00	28.83	587,335.00	39,136.00	99,278.00
Lazard Emerging Markets E	52106N889	21976.722	3/27/2012	15.05	414,041.00	18.84	394,262.00	2,494.00	1,221.00
MFS International Value I	55273E822	22306.746	12/18/2012	36.73	650,242.00	29.15	903,869.00	17,981.00	229,061.00
Oppenheimer Developing Ma	683974604	10994.851	6/25/2012	30.84	379,872.00	34.55	401,312.00	2,337.00	21,440.00
Oppenheimer Intl Growth	68380L605	23815.990	8/1/2014	36.49	901,436.00	37.85	930,014.00	16,475.00	61,614.00
Sector SPDR Trust SBI Mat	81369Y100	1781.000	2/13/2017	53.07	91,688.00	51.48	94,518.00	292.00	2,830.00
Sector SPDR Trust Ut ETF	81369Y886	2548.000	6/10/2013	48.42	103,525.00	40.63	131,732.00	4,881.00	24,221.00
T Rowe Price Mid Cap 64	779556109	7307.404	9/24/2014	73.29	481,020.00	65.83	606,734.00	13,583.00	88,614.00
Undiscovered Managers Beh	904504842	9867.316	8/26/2013	58.60	477,365.00	48.38	653,019.00	14,906.00	110,943.00
Vanguard 500 Index	922908710	7378.669	2/13/2017	220.29	1,582,860.00	214.52	1,625,447.00	6,634.00	42,587.00
<b>Totals:</b>					<b>\$6,387,674.00</b>		<b>\$7,181,359.00</b>	<b>\$144,599.00</b>	<b>\$733,971.00</b>
					<b>Cost</b>	<b>Market Value End of Year</b>		<b>Dividends / Income</b>	<b>Unrealized Gains / Losses</b>
<b>Totals:</b>					<b>\$6,387,674.00</b>	<b>\$7,181,359.00</b>		<b>\$144,599.00</b>	<b>\$733,971.00</b>

# Schedule P

## Active - Member currently receiving a salary

Name (Last, First, MI)	SSN	Status	Birth Date	Age	Gender
Biggs, Darren D		Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
9/10/2001	15 Yrs	\$108,211.44	\$92,505.00

Name (Last, First, MI)	SSN	Status	Birth Date	Age	Gender
Chavez-Jimenez, Jose		Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
3/5/2001	16 Yrs	\$112,396.74	\$92,505.00

Name (Last, First, MI)	SSN	Status	Birth Date	Age	Gender
Drake, Christopher M		Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
9/4/1995	21 Yrs	\$144,648.90	\$105,566.00

Name (Last, First, MI)	SSN	Status	Birth Date	Age	Gender
Eisenbeis, Scott R		Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
1/8/1990	27 Yrs	\$165,765.34	\$93,421.00



Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender
Gaddis, David A			Active			M
Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary			
7/13/1987	29 Yrs	\$176,781.75	\$93,421.00			

Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender
Handzik, John J			Active			M
Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary			
1/7/1993	24 Yrs	\$152,122.12	\$93,421.00			

Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender
Huntley, Blake R			Active			M
Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary			
1/5/2016	1 Yrs	\$8,498.06	\$67,021.00			

Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender
Kasper, Lauren			Active			F
Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary			
6/22/2007	9 Yrs	\$69,377.74	\$91,589.00			

Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender
Kobler, Timothy J			Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
10/27/1994	22 Yrs	\$145,007.84	\$93,421.00

Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender
Kolodziej, Theodore A			Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
1/11/1988	29 Yrs	\$173,072.68	\$93,421.00

Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender
LAVALLE, JOSEPH A			Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
6/22/2016	0 Yrs	\$5,277.14	\$63,510.00

Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender
Lopez, Jose			Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
9/25/2013	3 Yrs	\$23,819.82	\$74,040.00

Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender
Martino, James D			Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
9/24/2014	2 Yrs	\$16,949.43	\$70,530.00

Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender
Polfliet, Daniel L			Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
9/14/1992	24 Yrs	\$143,599.78	\$93,421.00

Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender
Robles, Christine J			Active			F

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
7/1/2014	2 Yrs	\$18,027.00	\$70,530.00

Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender
Rosal, Othello			Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
9/22/2015	1 Yrs	\$10,269.31	\$67,021.00

Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender
Schaller, Robert R			Active			M
Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary			
5/15/1995	21 Yrs	\$141,370.96	\$104,550.00			

Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender
Shelton, Mark T			Active			M
Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary			
7/13/1987	29 Yrs	\$218,165.19	\$131,216.00			

Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender
Strugala, Michelle L			Active			F
Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary			
9/24/2001	15 Yrs	\$109,109.66	\$104,531.00			

Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender
Svehla, Arthur P			Active			M
Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary			
7/7/1986	30 Yrs	\$186,390.27	\$105,566.00			



Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender
Trinor, Dylan M			Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
4/1/2013	4 Yrs	\$28,022.61	\$77,549.00

Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender
VANDERJACK, MATTHEW R			Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
6/6/2016	0 Yrs	\$5,567.62	\$63,510.00

Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender
Volek, Nicholas			Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
12/23/2008	8 Yrs	\$60,731.14	\$91,589.00



## Retirement - No alternate payee under QILDRO (from active service)

Name (Last, First , MI)		SSN		Status		Birth Date		Age		Gender	
Allobella, Mark J				Retirement						M	
Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit			
10/16/1986	29 Yrs	\$245,451.98	\$117,006.00	5/1/2016	5/2/2016	\$117,006.00	\$84,829.00	\$84,829.32			

Name (Last, First, MI)		SSN		Status		Birth Date	Age	Gender
Barnacle, John S				Retirement				M
Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
10/17/1983	28 Yrs	\$168,422.00	\$97,906.54	4/1/2012	4/2/2012	\$97,906.54	\$68,534.58	\$78,643.44

Name (Last, First, MI)		SSN		Status		Birth Date		Age		Gender	
Bozek, William D				Retirement						M	
Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit			
7/20/1988	23 Yrs	\$132,570.00	\$97,906.54	8/1/2011	8/2/2011	\$97,906.54	\$56,296.26	\$65,523.36			

Name (Last, First, MI)		SSN		Status		Birth Date	Age	Gender
Finlon, Stephen J				Retirement				M
Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
7/7/1986	25 Yrs	\$154,766.00	\$97,906.54	8/1/2011	8/2/2011	\$97,906.54	\$61,191.59	\$71,546.40

Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender
Foley, Francis P			Retirement			M

Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
3/9/1981	29 Yrs	\$160,466.00	\$106,419.00	5/31/2010	6/1/2010	\$106,419.00	\$77,153.78	\$93,107.16

Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender
Konstanty, Edward J			Retirement			M

Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
2/21/1980	30 Yrs	\$167,124.70	\$117,578.24	2/28/2010	3/1/2010	\$117,578.24	\$88,183.68	\$108,717.96

Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender
Kurinec, Michael J			Retirement			M

Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
5/9/1983	28 Yrs	\$157,976.00	\$97,906.54	8/1/2011	8/2/2011	\$97,906.54	\$68,534.58	\$81,834.00

Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender
Long, Mark			Retirement			M

Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
10/7/1985	30 Yrs	\$166,139.25	\$91,142.10	10/7/2015	10/8/2015	\$91,142.10	\$68,356.58	\$72,519.48



Name (Last, First, MI) SSN Status Birth Date Age Gender  
 Oggerino, Paul M Retirement M

Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
12/9/1983	29 Yrs	\$155,592.17	\$106,080.00	1/4/2013	1/5/2013	\$106,080.00	\$76,908.00	\$76,908.00

Name (Last, First, MI) SSN Status Birth Date Age Gender  
 Pec, Joseph A Retirement M

Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
9/1/1974	34 Yrs	\$140,497.00	\$96,015.20	11/28/2008	11/29/2008	\$96,015.20	\$72,011.40	\$93,958.32

Name (Last, First, MI) SSN Status Birth Date Age Gender  
 Pelliccioni, Andrew D Retirement M

Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Unpaid Service Days	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
1/7/1985	30 Yrs	\$163,133.55	\$88,702.00	16	2/8/2015	2/9/2015	\$88,702.26	\$66,526.70	\$70,578.12

Unpaid Breaks

Beginning Date	Return Date	Break Type
2/2/1990	2/3/1990	Service
5/8/2008	5/23/2008	Service

Name (Last, First, MI) SSN Status Birth Date Age Gender  
 Skiba, John P Retirement M

Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
1/7/1991	24 Yrs	\$143,217.74	\$91,142.10	8/13/2015	2/1/2016	\$91,142.10	\$54,685.26	\$54,685.32

## Disability - Non-duty disability

Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender		
Dusek, Joseph H			Disability			M		
Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary	Unpaid Disability Days	Benefit Date	Salary Used	Original Benefit	Current Benefit
12/29/1974	13 Yrs	\$0.00	\$0.00	10702	1/12/1988	\$37,465.00	\$18,732.50	\$35,028.84
Unpaid Breaks								
Beginning Date	Return Date	Break Type						
1/11/1988		Disability						

Name (Last, First, MI)		SSN	Status	Birth Date	Age	Gender		
McCarthy, James P			Disability			M		
Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary	Unpaid Disability Days	Benefit Date	Salary Used	Original Benefit	Current Benefit
3/9/1981	11 Yrs	\$21,847.18	\$0.00	9139	4/23/1992	\$38,896.00	\$19,448.00	\$33,450.60
Unpaid Breaks								
Beginning Date	Return Date	Break Type						
4/22/1992		Disability						

Surviving Spouse - Member died in retirement

Name (Last, First , MI)		SSN	Status	Birth Date	Age	Gender
			Surviving Spouse			F
Benefit Date	Salary Used	Original Benefit	Current Benefit			
1/21/2011		\$38,512.00	\$38,512.44			



Terminated - Terminated active service, left accumulated contributions in the fund

Name (Last, First, MI)		SSN		Status	Birth Date	Age	Gender
Rudnick, Joel				Terminated			M
Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary				
9/25/2013	0 Yrs	\$5,081.01	\$63,636.00				
Termination Date	Refund Date	Refund Amount	Return Date	Repaid Amount	Repaid Date		
8/20/2014							

Terminated - Terminated active service, withdrew accumulated contributions

Name (Last, First, MI)		SSN		Status	Birth Date	Age	Gender
Herrera, Daniel				Terminated			M
Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary				
9/22/2015	0 Yrs	\$4,267.92	\$0.00				
Termination Date	Refund Date	Refund Amount	Return Date	Repaid Amount	Repaid Date		
5/29/2016	2/17/2017	\$4,267.92					

## Deceased Participant - Dependent Survivors/Surviving Spouse

Name (Last, First, MI)		SSN		Status		Deceased Participant		Birth Date		Age		Gender		Deceased Date	
Kleven, Richard T												M		1/21/2011	
Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit							
5/1/1966	20 Yrs	\$0.00	\$0.00	5/2/1986	5/3/1986	\$37,392.00	\$18,696.00	\$0.00							

**ANNUAL STATEMENT**  
**WILLOWBROOK POLICE PENSION FUND**  
For Fiscal Year Ending: 4/30/2017

**Actuarial Interrogatory Statement**

\* = Required Entry

**\*A01. Does the municipality levy a property tax for the purpose of funding the pension fund per the amount suggested by an actuarial report?**

No

**A01a. If no, or for only a portion of the suggested amount, what are the other source monies turned over to the pension fund?**

General Fund sources

**\*A02. Was the most recent municipal tax levy based on the actuarial valuation report of the Illinois Department of Insurance, Public Pension Division?**

No

**A02a. If a consulting actuary was retained, indicate the name(s) and address(es) of the actuarial firm(s).**

Art Tepfer

Tepfer Consulting Group

145 Revere Drive

Northbrook, IL 60062

Phone: (847) 509-7740

**A02b. If a consulting actuary was retained, has the consulting actuary's valuation report been submitted to the Illinois Department of Insurance, Public Pension Division within 9 months after the end of the fund's fiscal year per 40 ILCS 5/1A-111?**

Yes

**A02b1. If no, explain why the actuarial valuation report has not been submitted to the Illinois Department of Insurance, Public Pension Division.**

n/a

**A02b2. What funding method was used?**

entry age normal

**A02b3. What interest rate assumption was used?**

7.25%

**A02b4. What salary progression assumption was used?**

4.00%

**A02b5. What mortality rate assumption table was used?**

RP-2000 combined healthy mortality table (male) w/ blue collar adjustment

**\*A03. Did the fund and/or the municipality hire a consulting actuary to determine its funding requirements as of the fiscal year end being reported in this annual statement?**

Yes

**ANNUAL STATEMENT**  
**WILLOWBROOK POLICE PENSION FUND**  
For Fiscal Year Ending: 4/30/2017

**Actuarial Interrogatory Statement**

= Required Entry

- A03a. If a consulting actuary was retained, indicate the name(s) and address(es) of the actuarial firm(s). (The fund is required to submit this actuary's valuation report within 9 months after the end of the fiscal year being reported.)**

Art Tepfer  
Tepfer Consulting Group  
145 Revere Drive  
Northbrook, IL 60062  
Phone: (847) 509-7740

- A03b. If a consulting actuary was retained, has the valuation been completed?**  
Yes

- A03b1. If yes, what funding method was used?**  
entry age normal

- A03b2. If yes, what interest rate assumption was used?**  
7.25%

- A03b3. If yes, what salary progression assumption was used?**  
4.00%

- A03b4. If yes, what mortality rate assumption table was used?**  
RP-2000 combined healthy male w/ blue collar adjustment



**ANNUAL STATEMENT**  
**WILLOWBROOK POLICE PENSION FUND**  
For Fiscal Year Ending: 4/30/2017

**Investment Interrogatory Statement**

= Required Entry

**\*I01. Are all pension trustees required to read Article 1-109 (duties of fiduciary) and Article 1-113.1 (investment authority)?**

Yes

**\*I02. Has the fund contracted for the services of an investment manager(s) / adviser(s) / consultant(s)?**

Yes

**I02a. If yes, submit information for all investment professionals with whom the fund has a contract.**

MB Financial  
6111 N River Rd.  
Rosemont, IL 60018  
Phone: (847) 653-2380

Sawyer Falduto Asset Management LLC  
589 S. York Street  
Elmhurst, IL 60126  
Phone: (630) 941-8560

**I02b. If yes, has the fund submitted copies of written contracts to the Illinois Department of Insurance, Public Pension Division for all investment professionals within 30 days of execution per 40 ILCS 5/1-113.5?**

Yes

**\*I03. Has the fund purchased any investments through brokers during the reporting fiscal year?**

No

**I03a. If yes, submit information for all brokers from whom investment products were purchased in the period covered by this statement.**

**I03b. If yes, list their annual fees in corresponding order.**

n/a

**I04. Submit information for all custodians where investments are held.**

MB Financial  
6111 N. River Road  
Rosemont, IL 60018  
Phone: (847) 653-2380

Charles Schwab  
P.O. Box 982600  
El Paso, TX 79998

**\*I05. What percentage of the fund's net present assets on this statement are held in separate accounts of life insurance companies, mutual funds, and managed stocks?**

57.45%

**ANNUAL STATEMENT**  
**WILLOWBROOK POLICE PENSION FUND**  
For Fiscal Year Ending: 4/30/2017

**Investment Interrogatory Statement**

\* = Required Entry

- \*I06. Are all investment transactions approved by the board and recorded in the minutes of the pension board meeting?**  
Yes
- \*I07. Has the fund provided to the Illinois Department of Insurance, Public Pension Division a copy of all valid servicer certifications per 40 ILCS 5/1-110.10 ?**  
Yes
- \*I08. What is the date of the most current written investment policy on file with the pension fund?**  
5/21/2015
- \*I08a. Has the most current written investment policy been filed with the Department of Insurance, Public Pension Division as required by 40 ILCS 5/1-113.6?**  
Yes
- \*I09. What was the actuarially assumed investment return during the most recently completed fiscal year?**  
7.25%
- \*I10. What was the actual investment return during the most recently completed fiscal year?**  
7.39%
- \*I10a. Submit information for the individual(s) who determined the actual investment return.**  
Art Tepfer  
Tepfer Consulting  
145 Revere Dr.  
Northbrook, IL 60062

**ANNUAL STATEMENT**  
**WILLOWBROOK POLICE PENSION FUND**  
For Fiscal Year Ending: 4/30/2017

**Management Interrogatory Statement**

= Required Entry

**\*M01. Does the fund have rules and regulations regulating its administration?**

Yes

**M01a. If yes, has the fund submitted a copy of the rules and regulations to the Illinois Department of Insurance, Public Pension Division?**

Yes

**M01b. If yes, what is the current date of the rules and regulations?**

1/19/2010

**\*M02. How many meetings did the board hold in the reported fiscal year?**

4

**\*M02a. List the dates that meetings were held.**

7/21/2016

10/19/2016

1/18/2017

3/15/2017

**M03. On what date were elections held among active members of the fund?**

4/30/2016

**M04. On what date were elections held among retired members of the fund?**

4/30/2016

**\*M05. On what date were elections held among board trustees for officers of the board?**

7/21/2016

**M06. On what date were appointments made by the mayor?**

7/21/2016

**\*M07. Do any trustees or the treasurer receive salary from the fund for services performed as a board member?**

No

**M07a. If yes, submit information for the board member(s) or treasurer receiving compensation.**

**M07b. If yes, list services for which the board member(s) or treasurer receives compensation.**

n/a

**\*M08. Was a certified annual audit of accounts conducted to verify the assets and liabilities of the fund as required by the state statutes?**

Yes



**ANNUAL STATEMENT**  
**WILLOWBROOK POLICE PENSION FUND**  
For Fiscal Year Ending: 4/30/2017

**Management Interrogatory Statement**

= Required Entry

**M08a. If yes, submit information for the independent CPA firm that conducted the annual audit of the pension fund.**

BKD LLP  
1901 S Meyers Rd  
Oakbrook Terrace, IL 60181  
Phone: (630) 282-9500

**M08b. If no certified annual audit was conducted, please explain.**

n/a

**M08c. What was the date of the last certified annual audit?**

4/30/2017

**M09. If line 1.3 on the annual statement, adjustment to the beginning balance, is greater than \$10.00, please explain.**

n/a

**\*M10. Is the municipal treasurer serving as custodian of the fund and a required signer for all assets of the fund?**

Yes

**M10a. If no, explain why the municipal treasurer is not serving as custodian of the fund and/or is not a required signer for all assets of the fund.**

n/a

**\*M11. Does the Pension Board retain an attorney?**

Yes

**M11a. If yes, submit information for each attorney.**

Charles Atwell  
Atwell & Atwell  
70 S Constitution Dr  
Suite 100  
Aurora, IL 60506  
Phone: (630) 892-4341

**\*M12. Were any board trustees newly elected or newly appointed during this or the preceding fiscal year? If no, skip to question M13. If yes, proceed to question M12a.**

No

**M12a. Have the newly elected or newly appointed trustees completed the initial 32 hours of required training per 40 ILCS 5/1-109.3(a)?**

**M12b. If no, please explain.**

**ANNUAL STATEMENT**  
**WILLOWBROOK POLICE PENSION FUND**  
For Fiscal Year Ending: 4/30/2017

**Management Interrogatory Statement**

= Required Entry

**\*M13. Have all of the pension fund trustees completed the 16 hours of required annual training per 40 ILCS 5/1-109.3?**

Yes

**M13a. If no, please explain.**

**\*M14. Were the topics of ethics, fiduciary duties and investments required per 40 ILCS 5/1-113.18 included in the 32 and 16 hours of training completed per questions M12a and M13, respectively?**

Yes

**M14a. If no, please explain.**

**\*M15. Does the municipality and the pension fund participate in the "pick up of contributions" option as provided in 40 ILCS 5/3-125.2 and 40 ILCS 5/4-118.2?**

Yes

**\*M16. Has the board submitted its report to the municipality in accordance with 40 ILCS 5/3-143 or 40 ILCS 5/4-134?**

Yes

**M16a. If no, please explain.**





EST. 1960

# Willowbrook

835 Midway Drive  
Willowbrook, IL 60527-5549

Phone: (630) 323-8215 Fax: (630) 323-0787 [www.willowbrookil.org](http://www.willowbrookil.org)

October 11, 2017

**Mayor**

Frank A. Trilla

**Village Clerk**

Leroy R. Hansen

**Village Trustees**

Sue Berglund

Umberto Davi

Terrence Kelly

Michael Mistele

Gayle Neal

Paul Oggerino

**Village  
Administrator**

Tim Halik

**Chief of Police**

Robert J. Pavelchik, Jr.

**Director of  
Finance**

Carrie Dittman

MEMO TO: Village of Willowbrook Police Pension Board

FROM: Carrie Dittman, Director of Finance *C.D.*

SUBJECT: ACTION: Reimbursement to Village's General Fund

As noted in the attached spreadsheet, due to recent retirements, the fund is paying out more in monthly benefit payments than is coming in through officer and Village contributions. As of September 30, 2017, ~~the~~ *\*the* Police Pension Fund owed the General Fund \$103,189.30 and only had about \$62,000 of available cash (a deficit of \$41,189.30). In addition, disbursements from October 9, ~~not~~ *yet* reflected in the reports bring the current deficit to \$46,315. This will grow monthly as noted in the spreadsheet to about \$90,000 through December 31, 2017. *VPB*

Thus, a reimbursement of funds from the police pension account at Charles Schwab to the Village's General Fund in the amount of \$90,000.00 is necessary to cover the existing and estimated shortfalls over the next 3 months. The amount due to the General Fund will be revisited at the January 2018 pension board meeting.

Please let me know if you have any questions.



Proud Member of the  
Illinois Route 66 Scenic Byway

The Willowbrook Police Department is currently accepting applications for the position of police officer. Applications are available at [recruitment.iosolutions.com](http://recruitment.iosolutions.com) until December 29, 2016. The application deadline is December 29, 2016 at 4:00 p.m. You must meet the following minimum requirements:

- \$25 non-refundable application fee;
- 21 years of age to under 35 years of age at time of application and at such time as the initial eligibility list is posted (unless otherwise exempt by statute);
- U.S. Citizenship;
- **One of the following:**
  - Bachelor's degree from an accredited college/university
  - OR**
  - An Associate's degree in Criminal Justice or Law Enforcement from an accredited college/university
  - OR**
  - The College requirement may be waived if one or more of the following applies: (1) the applicant has served for 24 months of honorable active duty in the United States Armed Forces and has not been discharged dishonorably or under circumstances other than honorable or (2) the applicant has served for 180 days of active duty in the United States Armed Forces in combat duty recognized by the Department of Defense and has not been discharged dishonorably or under circumstances other than honorable
- ✱ Illinois Peace Officer Wellness Evaluation Report (POWER) test card issued by a licensed agency issued within six (6) months prior to the written examination (valid if issued between 7.28.16 to 1.28.17)
  - POWER Cards accepted from these licensed agencies:
    - NIPSTA – Glenview, IL [www.nipsta.org](http://www.nipsta.org)
    - Joliet Junior College – Contact Janet Graham 815-280-2674
    - Triton College – River Grove, IL [www.edu/power](http://www.edu/power)
- Eyesight correctable to 20/20 in each eye, normal depth perception and no color blindness that would prevent an individual from performing the essential functions of the job;
- No felony convictions involving moral turpitude, as specified in 65 ILCS 5/10-2.1-6;
- Weight proportionate to height;
- No tattoos that are visible while wearing any form of the required uniform or apparel.

The annual starting salary for a Willowbrook police officer is currently \$63,510. Willowbrook anticipates hiring police officers over the course of the next two years.

All portions of the testing process are mandatory. Failure to attend and complete any portion of the process will result in elimination from employment consideration.

#### **Written Exam/Orientation Information:**

Saturday, January 28, 2017  
 Ashton Place  
 341 West 75<sup>th</sup> Street  
 Willowbrook, IL

You are required to arrive at the testing location **no later than 8:30 a.m.** with photo identification (valid driver's license or State ID) to sign-in. **NO LATE ADMITTANCE.** Doors will open for sign-in at 8:00 a.m.

*The Village of Willowbrook is an Equal Opportunity Employer*

## P.O.W.E.R. Testing

The Illinois Law Enforcement and Standards Board has established the Peace Officer Wellness Evaluation Report (P.O.W.E.R. Test). The test was created in recognition of the importance of physical fitness in the performance of essential law enforcement duties.

[Click here for general information on the POWER Test \(/fitness-center/Documents/POWER%20Test%20General%20Information.pdf\).](#)

Our testing service provides:

- Power Card
- Cost \$45.00
- Pay using credit card or PayPal account
- Individual or group testing.
- Flexible scheduling available Monday ~ Saturday.
- Conveniently located 30 miles southwest of Chicago at the intersection of I~80 and I~55.

Pick your P.O.W.E.R. Testing date.  
Click the **calendar** to view open sessions!



[\(/fitness-](#)

[center/Pages/power-calendar.aspx\)](#)

For any questions regarding our testing services contact Janet Graham at (815) 280-2674 or [jgraham@jjc.edu](mailto:jgraham@jjc.edu) (<mailto:jgraham@jjc.edu>)

**Campus Directions - 1215 Houbolt  
Road Joliet, ILL 60431**

**P.O.W.E.R. Testing Location (G Building)**



### How Will Physical Fitness Be Measured?


The **POWER** test consists of four basic tests. Each test is a scientifically valid test. It is recommended that five minutes of static stretching, using techniques approved by the Board, be completed prior to each test. A five minute rest is recommended between each test with a fifteen minute rest before the 1.5 mile run. The tests will be given in the following sequence with a rest period between each test.

1. **Sit and Reach Test** This is a measure of the flexibility of the lower back and upper leg area. It is an important area for performing police tasks involving range of motion and is also important in minimizing lower back problems. The test involves stretching out to touch the toes or beyond with extended arms from the sitting position. *The score is in the inches reached on a sit and reach box.*
2. **1 Minute Sit-Up Test** This is a measure of the muscular endurance of the abdominal muscles. It is an important area for performing police tasks that may involve the use of force and is also an important area for maintaining good posture and minimizing lower back problems. *The score is in the number of bent leg sit-ups performed in one minute.*
3. **1 Repetition Maximum Bench Press** This is a maximum weight pushed from the bench press position and measures the amount of force the upper body can generate. It is an important area for performing police tasks requiring upper body strength. *The score is a ratio of weight pushed divided by body weight.*
4. **1.5 Mile Run** This is a timed run to measure the heart and vascular system's capability to transport oxygen. It is an important area for performing police tasks involving stamina and endurance and to minimize the risk of cardiovascular problems. *The score is in minutes and seconds.*

- The actual performance requirement for each test is based upon norms for a national population sample.
- The applicant must pass every test.
- The required performance to pass each test is based upon age (decade) and sex. While the absolute performance is different for the eight categories, the relative level of effort is identical for each age and sex group. All recruits are being required to meet the same percentile range in terms of their respective age/sex group. The performance requirement is that level of physical performance that approximates the 40th percentile for each age and sex group.

**POWER CHART**

TEST	MALE				FEMALE			
	20-29	30-39	40-49	50-59	20-29	30-39	40-49	50-59
Sit & Reach	16.0	15.0	13.8	12.8	18.8	17.8	16.8	16.3
1 Minute Sit Up	37	34	28	23	31	24	19	13
Maximum Bench Press Ratio	.98	.87	.79	.70	.58	.52	.49	.43
1.5 Mile Run	13.46 16.21	14.31	15.24		16.21 18.44	16.52	17.53	

- The cost for the **POWER** test is \$45 (non-refundable) per candidate.
-  [Police Departments that have tested at Joliet Junior College.pdf \(/fitness-center/SiteAssets/Pages/power-testing/Police%20Departments%20that%20have%20tested%20at%20Joliet%20Junior%20College.pdf\)](#)