

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON APRIL 3, 2019, AT 9:00 A.M., AT THE WILLOWBROOK POLICE DEPARTMENT, 7760 S QUINCY STREET, WILLOWBROOK, DUPAGE COUNTY, ILLINOIS

1. CALL TO ORDER

The meeting was called to order at the hour of 9:02 a.m. by President Davi.

2. ROLL CALL

Those present at roll call were President Umberto Davi, Trustee Timothy Kobler, Trustee Joseph Pec, Trustee Scott Eisenbeis, and Trustee Carrie Dittman (via tele-conference). Also present: John Falduto and David Harrington of Sawyer & Falduto, and Recording Secretary Nancy Turville.

3. APPROVAL - MINUTES OF THE REGULAR MEETING - January 4, 2019

The Board reviewed the minutes from the January 4, 2019 meeting.

MOTION: Made by Trustee Pec, seconded by Trustee Eisenbeis to approve the minutes of the regular meeting of the Willowbrook Police Pension Fund Board of Trustees held on January 4, 2019.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

4. APPROVAL - APPLICATION OF OFFICER AARON PORTER - TIER 2

New Tier 2 Officer Aaron Porter started as a full-time patrol officer with the Village of Willowbrook on January 14, 2019. Trustee Dittman has received the marriage certificate and birth certificate from Officer Porter.

MOTION: Made by Trustee Pec, seconded by Trustee Eisenbeis to approve the application for membership for Officer Aaron Porter.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

5. APPROVAL -EXPENSES INCURRED JANUARY THROUGH MARCH 2019

Trustee Dittman reviewed the quarterly expense report for the period January through March 2019. Expenses include \$4,500.00 attorney fees for Atwell & Atwell, quarterly financial advisory fees were \$6,395.00, fiduciary insurance premium was \$3,112.00 and conference fees were \$140.00. The pension benefits for January, February and March totaled \$319,351.21, non-duty disability benefits totaled \$17,692.56, and duty disability benefits for totaled \$17,053.86 as detailed out by pensioner in the attached schedule.

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

MOTION: Made by Trustee Pec, seconded by Trustee Eisenbeis, to approve the expenses incurred January through March 2019.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

6. REPORT - POLICE PENSION BALANCES THROUGH MARCH 31, 2019

Trustee Dittman advised total assets as of March 31, 2019 were \$21,982,056.26. This is net of an interfund payable to the Village's General Fund of \$118,563.16. Revenues included Village contributions of \$770,574.29, police contributions of \$181,161.59, interest income of \$935,129.92 (as of February 28, 2019), unrealized loss on investments of \$81,941.44, a realized loss on sale of investments of \$95,473.98, and a \$20 donation.

The Board accepted the report as presented by Trustee Dittman.

7. APPROVAL - PROPOSED BUDGET FY 2019-20

Trustee Dittman reviewed the Proposed Budget for FY 2019-20 for the Police Pension Fund. The contribution amount from the Village is \$986,858 based on the actuary's recommendation and the police officer contributions are \$206,484 for a total contribution for the year of \$1,193,342. Estimated interest income is \$500,000 which brings the total revenue to \$1,693,342. Expenses for FY 2019-20 will be pension benefits of \$1,432,608, contractual services of \$42,488, and supplies and materials of \$11,891 for total expenses of \$1,486,987, as detailed by line item in the proposed budget document.

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

MOTION: Made by Trustee Pec, seconded by Trustee Eisenbeis, to approve the proposed budget for fiscal year 2019-20.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

8. APPROVAL -INVESTMENTS MADE JANUARY THRU MARCH 2019 - QUARTERLY INVESTMENT REPORT - SAWYER FALDUTO

Mr. Falduto reviewed the Investment Policy Guidelines. There were no changes needed and the equity target remained at 60%.

Mr. Falduto also reviewed the Cash Flow and Performance Review. Beginning market value was \$20,465,556 and after distributions and expenses of

\$96,395 that brought the ending market value to \$22,252,016. Investment returns for the 1st quarter of 2019 were \$1,882,855 over the three-month period. Total account return in the 1st quarter was 9.24% gross and 9.20% net. The benchmark is 8.86%. 1st quarter equity return was 13.88% compared to the blended benchmark of 13.50%. Fixed income return was 2.70% in the 1st quarter. Cash equivalent return year to date is 0.48%. Total Investment Gain since account inception of 8/22/2017 is \$1,911,688.

Mr. Harrington reviewed the Market Commentary and discussed the Equities Market, interest rates, and global trade concerns.

Mr. Falduto reviewed the Portfolio Statement and advised the portfolio allocations as of March 31, 2019 are Equities at 60.4%, Fixed Income at 39.2%, and Cash Equivalent at 0.3%.

Mr. Harrington reviewed the Equity Portfolio Snapshot and pointed out the US stock net percentage is at 89.72% and Non-US Stocks are at 9.31%. The stock analysis shows that the fund is broadly diversified between Cyclical, Sensitive, and Defensive categories and there is a tight correlation between the portfolio return and the benchmark return.

While reviewing the Fixed Income Portfolio, Mr. Harrington noted that the fixed income portfolio duration is at 4.99 years compared to the benchmark of 6.08 years.

Mr. Falduto proposed and reviewed an update to the Investment Guidelines to adjust the Fixed Income Allocation guidelines to a more realistic range which will better align the portfolio with investment opportunities and improve trading efficiency. Mr. Falduto also suggested Investment Policy review be included in every agenda.

MOTION: Made by Trustee Pec, seconded by Trustee Eisenbeis to approve Sawyer & Falduto's Quarterly report and Proposed Fixed Income Allocation update.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

9. VISITOR BUSINESS

None presented.

10. NEW BUSINESS

None presented.

11. OLD BUSINESS

A. ANNUAL AFFIDAVIT FOR PENSIONERS

Recording Secretary Nancy Turville advised that all of the affidavits have been returned with the exception of William Bozek. Trustee Dittman will draft a letter to inform Mr. Bozek that his pension check will need to be picked up in person if the affidavit is not returned.

12. COMMUNICATIONS

None presented.

13. ADJOURNMENT

MOTION: Made by Trustee Kobler, seconded by Trustee Eisenbeis to adjourn the Board of Trustees meeting of the Police Pension Fund at the hour of 9:37 a.m.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

PRESENTED, READ and APPROVED,

Date

President

Minutes transcribed by Nancy Turville.