

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON JULY 31, 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 9:00 a.m. by President Davi.

2. ROLL CALL

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

3. APPROVAL - MINUTES OF THE REGULAR MEETING - APRIL 3, 2019

The Board reviewed the minutes from the April 3, 2019 meeting.

MOTION: Made by Trustee Kobler, seconded by Trustee Pec to approve the minutes of the regular meeting of the Willowbrook Police Pension Fund Board of Trustees held on April 3, 2019.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

4. APPROVAL - RETIREMENT APPLICATION OF SERGEANT DAVID GADDIS

The Board reviewed the regular retirement application (Tier 1) from Sergeant David Gaddis. As of the pay period ending July 13, 2019, Sergeant Gaddis has contributed \$199,854.02 in the pension fund. As noted on the paperwork, Sergeant Gaddis' retirement date was July 13, 2019 and his retirement pension began on July 14, 2019. He has earned 31 years, 11 months, and 24 days of service credit granting him 75.0% of his current salary plus longevity of \$110,909.70. This calculates to an annual pension amount of \$83,182.28. The initial monthly pension will be \$6,931.86, except that the month of July 2019 will be prorated and will be \$4,024.95. The first increase will occur August 1, 2020.

MOTION: Made by Trustee Kobler, seconded by Trustee Pec to approve the regular retirement application for Sergeant David Gaddis.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

5. APPROVAL -EXPENSES INCURRED APRIL THROUGH JUNE 2019

The Board reviewed the quarterly expense report for the period April through June 2019 as prepared by Trustee Dittman. Expenses include \$200.00

attorney fees for Atwell & Atwell, quarterly financial advisory fees were \$6,954.00, and Department of Insurance Filing fee was \$4,316.18. The pension benefits for April, May and June totaled \$319,554.52, non-duty disability benefits totaled \$17,692.56, and duty disability benefits totaled \$18,022.83 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 Kobler, seconded by Trustee Pec, to approve the expenses incurred April through June 2019.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

6. REPORT - POLICE PENSION BALANCES THROUGH APRIL 30, 2019 (UNAUDITED)

The Board reviewed the trial balance report for the period ending April 30, 2019 as prepared by Trustee Dittman. Total assets as of April 30, 2019 were \$22,711,976.12. Revenues included Village contributions of \$871,083.98, police contributions of \$204,391.50, interest income of \$1,007,977.47, unrealized gain on investments of \$570,792.80, a realized loss on sale of investments of \$89,498.35, and a \$20 donation.

The Board accepted the report as provided by Trustee Dittman.

7. REPORT - POLICE PENSION BALANCES THROUGH JUNE 30, 2019

The Board reviewed the trial balance report for the period ending June 30, 2019 as prepared by Trustee Dittman. Total assets as of June 30, 2019 were \$22,919,365.74. Liabilities included \$200.00 of Accounts Payable. Revenues included Village contributions of \$153,449.24, police contributions of \$31,143.19, interest income of \$116,397.14, unrealized gain on investments of \$272,399.44, a realized loss on sale of investments of \$124,886.89, and a \$50 donation.

The Board accepted the report as provided by Trustee Dittman.

8. APPROVAL - INVESTMENT POLICY REVIEW AND UPDATES

Mr. Harrington discussed adopting allocation ranges in lieu of targets to allow better management of the fund and more accurate representation of current practices. Mr. Harrington explained that the addendum for the GASB 67 is updated each year and reflects expected returns for the year. There is a correction that was needed for the GASB 67 addendum for fiscal year ending April 30, 2018. The GASB 67 addendum for fiscal year ending April 30, 2019 indicates a Long-Term Weighted Average Expected Return of 4.9%.

After reviewing the needed updates, the following motion was made:

MOTION: Made by Trustee Kobler, seconded by Trustee Pec to approve Sawyer & Falduto's proposed updates to the Investment Policy.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

9. APPROVAL -INVESTMENTS MADE APRIL THROUGH JUNE 2019 - QUARTERLY INVESTMENT REPORT - SAWYER FALDUTO

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

Mr. Harrington also reviewed the Cash Flow and Performance Review. Beginning market value was \$20,252,016 and after distributions and expenses of \$6,954 that brought the ending market value to \$22,960,374. Investment returns for the 2nd quarter of 2019 were \$715,312 bringing the year-to-date investment return to \$2,598,167. Total account return year-to-date was 12.75% gross versus the benchmark at 12.79%. Year-to-date equity return was 17.72% compared to the blended benchmark of 17.85%. Fixed income return was 5.73% year-to-date. Cash equivalent return year to date is 0.91%. Total Investment Gain since account inception of 8/22/2017 is \$2,620,047.

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

Mr. Harrington reviewed the Portfolio Statement and advised the portfolio allocations as of June 30, 2019 are Equities at 60.0%, Fixed Income at 39.8%, and Cash Equivalent at 0.2%.

Mr. Harrington also reviewed a change to the portfolio structure. Bridgeway was replaced with TIAA-CREF Small-Cap Blend Index Inst. Fund which has an expense ratio of 0.06% and over ten years it has outperformed 70% of the funds in its category and 75% over 5 years. This fund is a consistent performer, low cost, well diversified, and low turnover.

While reviewing the Transaction Ledger Report, Mr. Harrington highlighted the performance in the bond market.

MOTION: Made by Trustee Eisenbeis, seconded by Trustee Pec to approve Sawyer & Falduto's Quarterly report.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

10. VISITOR BUSINESS

None presented.

11. NEW BUSINESS

None presented.

12. OLD BUSINESS

None presented.

13. COMMUNICATIONS

None presented.

14. ADJOURNMENT

MOTION: Made by Trustee Eisenbeis, seconded by Trustee Pec to adjourn the Board of Trustees meeting of the Police Pension Fund at the hour of 9:33 a.m.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

PRESENTED, READ and APPROVED,

Date

President

Minutes transcribed by Nancy Turville.