

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON APRIL 15, 2020, AT 3:00 PM, 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 3:15 p.m. by President Davi.

2. ROLL CALL

Those present at roll call via conference call due to the COVID-19 pandemic were President Umberto Davi, Trustee Kobler, Trustee Eisenbeis, Trustee Pec, and Trustee Carrie Dittman. Also present: John Falduto and David Harrington of Sawyer & Falduto, Recording Secretary Nancy Turville.

3. APPROVAL - MINUTES OF THE REGULAR MEETING - January 29, 2020

The Board reviewed the minutes from the January 29, 2020 meeting.

MOTION: Made by Trustee Dittman, seconded by Trustee Kobler to approve the minutes of the regular meeting of the Willowbrook Police Pension Fund Board of Trustees held on January 29, 2020.

MOTION DECLARED CARRIED

4. APPROVAL - REFUND OF CONTRIBUTIONS TO OFFICER TERESA ESQUEDA

Trustee Dittman noted that former Officer Teresa Esqueda separated from employment with the Village on January 13, 2020, and Officer Esqueda requested a refund of accumulated pension contributions payable directly to her, which was received February 12, 2020. Gross contributions are \$11,346.09 before taxes and there is no interest component to that. The refund was issued on February 28, 2020, the next Village payroll following the refund request. Taxes have been withheld through payroll.

MOTION: Made by Trustee Kobler, seconded by Trustee Eisenbeis to approve the refund of pension contributions made to Officer Teresa Esqueda in the amount of \$11,346.09.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

5. APPROVAL - EXPENSES INCURRED JANUARY THROUGH MARCH 2020

Trustee Dittman reviewed the quarterly expense report for the period January through March 2020. Expenses include \$7,550.00 in quarterly asset management fees, \$3,187.00 in fiduciary insurance fees, and \$750.00 in physical exams for the re-examination of Sergeant Drake. The retirement pension benefits for the quarter totaled \$327,986.55; surviving spouse

benefits totaled \$20,795.58, non-duty disability benefits totaled \$17,978.91; and duty-disability benefits totaled \$18,022.83, as detailed out by pensioner in the attached schedule. The \$11,346.09 separation refund to Officer Esqueda is also included.

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

MOTION: Made by Trustee Kobler, seconded by Trustee Eisenbeis, to approve the quarterly expense report for January through March 2020.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

6. REPORT - POLICE PENSION BALANCES THROUGH MARCH 31, 2020

Trustee Dittman advised total assets were \$21,287,165.34 as of March 31, 2020. There is \$167,568.67 due back to the General Fund netted in that total.

Revenues include a year-to-date Village contribution of \$916,467.46 which aligns with the annual budgeted amount of \$986,858.00, Police contributions of \$179,441.40, interest income of \$718,607.49, unrealized loss on investments of \$1,533,071.02 due to market fluctuations, a realized loss on investments of \$282,026.67 resulting from the sale of an investment, and a donation of \$179.31 resulting in a net year-to-date revenues of -\$402.03 versus the budgeted amount of \$1,693,342.00.

Total expenditures as of March 31, 2020 were \$1,424,408.75 versus our budgeted amount of \$1,486,987.00.

The Board accepted the report as presented by Trustee Dittman.

7. APPROVAL - PROPOSED BUDGET FY 2020-21

Trustee Dittman reviewed the Proposed Budget for FY 2020-21 for the Police Pension Fund. The contribution amount from the Village is \$1,074,713 based on the actuary's recommendation and the police officer contributions are \$216,880 for a total contribution for the year of \$1,291,593. Estimated interest income is \$500,000 which brings the total revenue to \$1,791,593. Expenses for FY 2019-20 will be pension benefits of \$1,559,902, contractual services of \$39,698, and supplies and materials of \$10,179 for total expenses of \$1,609,779, 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 Kobler, seconded by Trustee Eisenbeis, to approve the proposed budget for fiscal year 2020-21.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

8. APPROVAL - INVESTMENTS MADE JANUARY THROUGH MARCH 2020 - QUARTERLY INVESTMENT REPORT - SAWYER FALDUTO

John Falduto began by informing the Board of a new statutory requirement resulting from Public Act 101-0473 and has included suggested sustainability language be added to the Investment Policy to address it. Also suggested is an update to the Fixed Income Benchmarks which will provide a better benchmark to compare both performance and risk. The next meeting agenda will include approval of the updated Investment Policy. Mr. Falduto reviewed the Portfolio Performance Review and the portfolio allocation as of March 31, 2020 are on target with 56.5% Equities, 43.3% Fixed Income and 0.2% Cash Equivalent. Overall performance for quarter 1 resulted in a Market Value decrease of \$2,759,039, but 2nd quarter is off to a strong start. Total account return in the 1st quarter was -11.42% gross and -11.45% net. The benchmark is -12.25%. 1st quarter equity return was -21.57% compared to the blended benchmark of -22.17%. Fixed income return was 4.53% in the 1st quarter. Cash equivalent return in the 1st quarter is 0.22%. Total Investment Gain since account inception of 11/30/2017 is \$1,251,470. Total account return since account inception is at 0.69% compared to the benchmark of 1.10%. Equity return in the same period is at -3.09% compared to the blended equity benchmark of -2.21%. Since account inception the fixed income return is at 5.71% compared to the blended fixed benchmark of 5.20%. David Harrington discussed the economic overview and pointed out the effects the COVID-19 pandemic and Stay at Home Orders have had on markets across the world. The US Equity Market had a downward turn that erased approximately 3 years of positive equity in just 18 days. Mr. Harrington pointed out the liquidation of LSV Value Equity Fund and reinvested in Hartford Core Equity Fund in an attempt to attain a more balanced fund given the current market volatility. David Harrington also highlighted the 2 year rate on U.S. Government bonds is at 0.23% and the 10 year rate was at 0.67% demonstrating the significant decrease in the entire yield curve. Trustee Dittman asked about timing to refund the General Fund and Mr. Harrington advised there is \$214,000 in liquid assets currently so making that transaction now would not be an issue.

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

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

9. INFORMATION - ELECTION OF ACTIVE AND RETIREE MEMBERS OF THE POLICE PENSION FUND BOARD OF DIRECTORS

Recording Secretary Turville advised that ballots for two active member positions and one retiree position were sent to members via e-mail and mailed to those without access to e-mail and all were requested to return the ballots by April 13, 2020. There were 18 retirees, 12 ballots were returned for the one beneficiary member to serve on the board. The results were 11 votes for Joseph Pec and 1 vote for Art Svehla. Joseph Pec will retain his position as the beneficiary member. Of the 21 active members, 17 ballots were returned. The results were 14 votes for Sergeant Kobler, 10 votes for Officer Chavez-Jimenez, 5 votes for Officer Volek, 3 votes for Officer Erdmann, and 1 vote for Officer Silva. Sergeant Kobler will retain his position and Officer Chavez-Jimenez will be welcomed to the Board. President Davi thanked Sergeant Eisenbeis' for his contributions to the Board during his time as trustee. Officer positions will be appointed at the July meeting.

Trustee Pec and John Falduto left the meeting at 3:55 p.m.

10. INFORMATION - NOTICE OF MAYORAL APPOINTMENT- CAROLINE DITTMAN

President Davi advised that at the April 13, 2020 Village Board meeting, Mayor Trilla re-appointed Caroline Dittman to fill the position on the Police Pension Board.

11. VISITOR BUSINESS

None presented.

12. NEW BUSINESS

None presented.

13. OLD BUSINESS

A. Recording Secretary Turville advised that the annual affidavit for pensioners went out to all current retirees and beneficiaries. All forms were returned as directed and confirmation e-mails went out to all pensioners that provided e-mail addresses.

B. Trustee Dittman updated the Board on the Department of Insurance Audit. Numerous additional requests were received and fulfilled through the end of March and there has been no communication since.

14. COMMUNICATIONS

A. David Harrington advised the IDOI Compliance fees will be coming soon. Trustee Dittman advised it will included on the next agenda with other expenses and approved retroactively.

15. 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 4:00 p.m.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

PRESENTED, READ and APPROVED,

Date

President

Minutes transcribed by Nancy Turville.