

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON APRIL 21, 2021, AT 1:30 PM, AT THE WILLOWBROOK POLICE DEPARTMENT, 7760 S QUINCY STREET, WILLOWBROOK, DUPAGE COUNTY, ILLINOIS

DUE TO THE COVID 19 PANDEMIC THE BOARD WILL BE UTILIZING A CONFERENCE CALL FOR THIS MEETING

1. CALL TO ORDER

The meeting was called to order at the hour of 1:32 p.m. by President Davi.

2. ROLL CALL

Those present via conference call were President Umberto Davi, Trustee Pec, Trustee Kobler, Trustee Chavez-Jimenez and Trustee Dittman. Also present via conference call: Recording Secretary Turville, Jason Franken of Foster & Foster, and David Harrington of Sawyer Falduto.

3. APPROVAL - MINUTES OF THE REGULAR MEETING - January 13, 2021

The Board reviewed the minutes from the January 13, 2021 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 January 13, 2021.

MOTION DECLARED CARRIED

4. APPROVAL - MINUTES OF THE SPECIAL MEETING - February 22, 2021

The Board reviewed the minutes from the February 22, 2021 meeting.

MOTION: Made by Trustee Dittman, seconded by Trustee Chavez-Jimenez to approve the minutes of the special meeting of the Willowbrook Police Pension Fund Board of Trustees held on February 22, 2021.

MOTION DECLARED CARRIED

5. APPROVAL - (RETROACTIVE) REFUND OF CONTRIBUTIONS - JACQUELINE WIJAS

Trustee Dittman noted that former Officer-candidate Jaqueline Wijas separated from employment with the Village on January 24, 2020, and Ms. Wijas requested a refund of accumulated pension contributions payable directly to her, which was received March 17, 2021. Gross contributions are \$838.28 before taxes and there is no interest component to that. The Refund, less applicable taxes, was issued on March 26, 2021, the next Village payroll following the refund request.

MOTION: Made by Trustee Pec, seconded by Trustee Chavez-Jimenez to approve the retroactive refund of contributions to former officer-candidate Jacqueline Wijas in the amount of \$838.28.

MOTION DECLARED CARRIED

6. APPROVAL - EXPENSES INCURRED JANUARY THROUGH MARCH 2021

Trustee Dittman reviewed the quarterly expense report for the period January through March 2021. Expenses include \$8,587.00 in quarterly asset management fees and \$125.00 for Office Chavez-Jimenez IPPFA training. The retirement pension benefits for the quarter totaled \$340,989.63; surviving spouse benefits totaled \$24,154.10, non-duty disability benefits totaled \$18,265.26; and duty-disability benefits totaled \$18,022.83, as detailed out by pensioner in the attached schedule. The refund of contributions to Jacqueline Wijas of \$838.28 was also paid, as previously discussed.

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

MOTION: Made by Trustee Kobler, seconded by Trustee Pec, to approve the quarterly expense report for January through March 2021.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

7. REPORT - POLICE PENSION FUND BALANCES THROUGH MARCH 31, 2021

Trustee Dittman advised total assets were \$28,013,272.66 as of March 31, 2021. There is \$193,269.85 due back to the General Fund netted in that total.

Revenues include a year-to-date Village contribution of \$992,042.88, Police contributions of \$209,201.68, interest income of \$664,253.44, unrealized gain on investments of \$4,386,683.77, and realized gains on sales of investments of \$421,631.74 resulting in year-to-date revenues of \$6,673,813.51.

Total expenditures as of March 31, 2021 were \$1,474,925.82.

The Board accepted the report as presented by Trustee Dittman.

8. APPROVAL - PROPOSED BUDGET FY 2021-22

Trustee Dittman reviewed the Proposed Budget for FY 2021-22 for the Police Pension Fund. The contribution amount from the Village is \$1,190,994 based on the actuary's recommendation and the police officer contributions are \$257,599 for a total contribution for the year of \$1,448,593. Estimated

interest income is \$500,000 which brings the total revenue to \$1,948,593. Expenses for FY 2021-22 will be pension benefits of \$1,611,443, contractual services of \$49,083, and supplies and materials of \$11,220 for total expenses of \$1,671,746, 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 Pec, to approve the proposed budget for fiscal year 2021-22.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

9. APPROVAL - APPLICATION OF OFFICER PIOTR OPACIAN - TIER 2

New Tier 2 Officer Piotr Opacian started as a full-time patrol officer with the Village of Willowbrook on March 2, 2021. Officer Opacian, a married officer with one child, two living parents, and no previous Article 3 employment, has submitted the necessary birth certificates and marriage license to the Police Pension Board.

MOTION: Made by Trustee Pec, seconded by Trustee Kobler to approve the application for membership for Officer Opacian.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

Administrator Pabst joined the meeting via teleconference at 1:55 P.M.

10. APPROVAL - ACTUARIAL ASSUMPTIONS FOR APRIL 30, 2021 VALUATION

Trustee Dittman introduced Jason Franken of Foster & Foster to discuss the actuarial assumptions used for the April 30, 2020 valuation on page 15 of the valuation report. Mr. Franken discussed the interest rate assumption of 7.25%, which is high compared to other plans, but with the consolidation coming soon he advised leaving the assumption at 7.25% for now. The most up to date table is being used for Mortality Rates (PubS-2010) and Mr. Franken suggests to continue using that. The assumptions regarding Retirement Age, Disability Rate, Termination Rate, and Salary Increases are all consistent with the Illinois Department of Insurance study and no changes are advised. Trustee Dittman advised that this year will show significant increases due to the retroactive pay increases resulting from the union contract settlement.

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

MOTION: Made by Trustee Dittman, seconded by Trustee Pec to approve the actuarial assumptions that are currently in the April 30, 2020 report to continue to use them in the April 30, 2021 report.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

Jason Franken left the meeting at 2:15 P.M.

11. APPROVAL - INVESTMENTS MADE JANUARY THROUGH MARCH 2021 - QUARTERLY INVESTMENT REPORT - SAWYER FALDUTO

David Harrington reviewed the Investment Policy and Asset Allocation Guidelines and noted that we are targeting 60% equity and there are no changes needed to the portfolio allocation at this time. Overall performance for quarter 1 resulted in a Market Value increase of \$710,632. Total account return in the 1st quarter was 2.6% gross and 2.6% net. The benchmark is 3.0%. 1st quarter equity return was 6.0%. Fixed income return was (2.4%) in the 1st quarter compared to the benchmark that was also (3.3%). Cash equivalent return in the 1st quarter remained at 0.0%. Investment return for the fiscal year to date is 33.2%. Total investment return since account inception of 11/30/2017 is \$8,263,232. Gross account return since inception is 9.5% compared to the benchmark of 10.2%. Mr. Harrington discussed the Quarterly Market Commentary and highlighted the big jump in consumer confidence driven by the vaccination program and good job numbers. David Harrington spoke about how well diversified our Fund is. Mr. Harrington noted that interest rates have been trending higher in the 5-10 year space, while short term rates remain low.

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

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

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

Trustee Dittman and John Falduto noted there were no new changes or updates needed to the Investment Policy.

12. VISITOR BUSINESS

None presented.

13. NEW BUSINESS

A. CHRIS DRAKE ANNUAL MEDICAL EVALUATION

Trustee Dittman reminded the Board that the last time Sergeant Drake was evaluated was December 2019. With the help of INSPE, Trustee Dittman was able to get an evaluation scheduled for Sergeant Drake with Dr. Samo on April 28, 2021. Results will be sent directly to Trustee Dittman for presentation at the July Police Pension Board meeting.

14. OLD BUSINESS

A. ANNUAL AFFIDAVIT FOR PENSIONERS

Recording Secretary Turville advised the forms were received from all members.

15. COMMUNICATIONS

Trustee Kobler advised the Board that Sergeant Eisenbeis contacted some Board members inquiring if he were to get remarried, how soon after would his wife become eligible for benefits. Trustee Kobler contacted Board attorney Charles Atwell for clarification. Attorney Atwell advised that a new spouse of an active officer becomes eligible for survivor benefits at the time of marriage. If an officer remarries after retirement, their new spouse would not be eligible for survivor benefits.

Trustee Kobler asked if there were any additional communications needed for members that had already separated from the Village prior to the union contract being settled. Trustee Dittman advised that letters had been sent to the affected individuals indicating the amount of retroactive contributions and what their options are for obtaining a refund.

President Davi asked if there is an update on the Consolidation effort. David Harrington shared that there has not been anyone hired to manage the consolidated pool yet and he anticipates assets from the Fund will start next year, but a firm date has not been identified.

16. ADJOURNMENT

MOTION: Made by Trustee Kobler, seconded by Trustee Pec to adjourn the Board of Trustees meeting of the Police Pension Fund at the hour of 2:31 p.m.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

PRESENTED, READ, and APPROVED,

Date

President

Minutes transcribed by Nancy Turville.