

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON OCTOBER 13, 2021, AT 3:30 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 3:32 p.m. by President Davi.

2. ROLL CALL

Those present at roll call in person were President Umberto Davi, Trustee Pec and Recording Secretary Nancy Turville. Trustee Chavez-Jimenez and Trustee Dittman were present via teleconference. Trustee Kobler was absent. Also present in person was David Harrington of Sawyer Falduto and Jason Franken of Foster & Foster via teleconference.

3. VISITOR BUSINESS

None presented.

4. APPROVAL - MINUTES OF THE REGULAR MEETING - April 21, 2021

The Board reviewed the minutes from the July 7, 2021 meeting.

MOTION: Made by Trustee Pec, seconded by Trustee Dittman to approve the minutes of the regular meeting of the Willowbrook Police Pension Fund Board of Trustees held on July 7, 2021.

MOTION DECLARED CARRIED

5. APPROVAL - EXPENSES INCURRED JULY THROUGH SEPTEMBER 2021

Trustee Dittman reviewed the quarterly expense report for the period July through September 2021. Expenses include \$300.00 in legal fees, \$6,180.00 in actuary fees and \$9,195.00 in quarterly asset management fees. The retirement pension benefits for the quarter totaled \$341,672.16; surviving spouse benefits totaled \$21,388.26, non-duty disability benefits totaled \$21,388.26; and duty-disability benefits totaled \$18,022.83, as detailed out by pensioner in the attached schedule. There was also a separation refund for former Officer Rosal to the St. Charles Police Pension Fund in the amount of \$89,157.98.

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

MOTION: Made by Trustee Pec, seconded by Trustee Chavez-Jimenez, to approve the quarterly expense report for July through September 2021.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

6. REPORT - AUDITED FINANCIAL STATEMENTS - APRIL 30, 2021

Trustee Dittman reviewed the audited financial statements as of April 30, 2021.

On the Statement of Fiduciary Net Position, a total of \$28,864,773 in Assets are shown with \$1,018 in accounts payable giving a Net Position of \$28,863,7555.

The Statement of Changes in Fiduciary Net Position shows budgeted amounts versus actual. Village contributions of \$1,074,713 matches budget exactly and Police contributions actual contribution of \$228,013 versus the budgeted amount of \$216,880. Interest income actual is at \$681,428 versus the budget of \$500,000 and total investment income was \$6,367,950. Deductions include Administration expenses at \$22,124 and Benefits and refunds at \$1,566,394.

The Board accepted the report as presented by Trustee Dittman.

7. REPORT - POLICE PENSION BALANCES THROUGH SEPTEMBER 30, 2021

Trustee Dittman advised total assets were \$29,135,356.83 as of September 30, 2021. There is \$6,116.17 due back to the General Fund netted in that total.

Revenues include a year-to-date Village contribution of \$503,882.06, Police contributions of \$108,426.06, interest income of \$179,184.05, unrealized gain on investments of \$152,997.12, and realized losses on sales of investments of \$106,076.23 resulting in year-to-date revenues of \$1,050,565.52.

Total expenditures as of September 30, 2021, were \$778,964.25 resulting in an ending fund balance of \$29,135,356.83.

The Board accepted the report as presented by Trustee Dittman.

8. APPROVAL - ANNUAL DEPARTMENT OF INSURANCE REPORT - APRIL 30, 2021

Trustee Dittman reviewed the Department of Insurance report and discussed the continued increase in the number of interrogatory questions and uploaded documentation required. The report was submitted to the Department of Insurance on October 6, 2021. Trustee Dittman was thanked for her efforts by all Trustees.

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

MOTION: Made by Trustee Pec, seconded by Trustee Chavez-Jimenez, to approve the Annual Department of Insurance report as filed by Trustee Dittman.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

9. APPROVAL - INVESTMENT REPORT JULY THROUGH SEPTEMBER 2021 - SAWYER FALDUTO

A. QUARTERLY INVESTMENT PERFORMANCE

Mr. Harrington reviewed the Cash Flow and Performance Review and overall performance for quarter 3 resulted in a market value increase of \$2,027,746. Total account return year to date after the 3<sup>rd</sup> quarter was 7.5% gross and 7.4% net. The benchmark is 8.0%. Year to date equity return after the 3<sup>rd</sup> quarter was 13.3% compared to the benchmark of 14.5%. Fixed income return was 0.1% in the 3<sup>rd</sup> quarter compared with benchmark of 0.0%. Cash equivalent return in the 3<sup>rd</sup> quarter is 0.00%. Total investment return since account inception of 11/30/2017 is \$9,580,346. Total account return since account inception is 9.5% compared to the benchmark of 10.1%. Equity return since inception is 12.8% compared to the blended equity benchmark of 13.9%. Since account inception the fixed income return is at 4.0% compared to the blended fixed benchmark of 3.8%. David Harrington discussed the economic overview including the supply chain disruptions and worker shortages. Mr. Harrington also discussed the concerns of inflation, and the projected rate increases next year.

B. REVIEW/UPDATE INVESTMENT POLICY

David Harrington advised there are no changes needed at this time.

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

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

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

10. APPROVAL - ACTUARIAL VALUATION REPORT AS OF April 30, 2020

Trustee Dittman gave a brief overview of the report prepared by Foster & Foster. The actuary's recommended funding amount using the entry age normal method is \$1,208,511 or 51.2% of current payroll and targets 100% funding by 2040. An alternative method, which is the statutory minimum amount calculated under the projected unit credit actuarial cost method, is \$744,761 or 31.4% of current payroll, assuming 90% funding by 2040. The current Village contribution is \$1,190,994 based on 100% funding by 2040, assuming a 7.25% investment rate of return. The actual investment rate of return for fiscal year ending 4/30/2021 was 27.94%. Over the past year there has been an 3.7% increase in pension payments to \$1.57 million,

and the funded ratio has increased to 73.8%. As of April 30, 2021, the ratio of inactive to active members is 21:25.

Trustee Dittman introduced Jason Franken of Foster & Foster to discuss any questions the Board may have regarding the report.

President Davi abstained from the discussion and vote acting only as the Chair due to his role as Trustee on the Village Board.

After discussing the report and the differences between the two actuarial cost methods, the following motion was made:

MOTION: Motion to approve the Actuarial Valuation Report, was made by Trustee Pec, seconded by Trustee Chavez-Jimenez.

MOTION DECLARED CARRIED

11. APPROVAL - REQUIRED REPORTING TO MUNICIPALITY BY PENSION BOARD FOR FISCAL YEAR ENDING APRIL 30, 2020

President Davi abstained from this discussion and vote acting only as the Chair due to his role as Trustee on the Village Board.

Trustee Dittman presented the required annual reporting to the Village by the Pension Board for fiscal year ending April 30, 2021, as prepared by Foster & Foster.

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

MOTION: Made by Trustee Pec, seconded by Trustee Chavez-Jimenez to approve the report to the municipality.

MOTION DECLARED CARRIED

12. APPROVAL - REQUEST FOR ANNUAL VILLAGE CONTRIBUTION FOR FISCAL YEAR ENDING APRIL 30, 2022

President Davi abstained from this discussion and vote acting only as the Chair due to his role as Trustee on the Village Board.

Trustee Dittman reminded the Board the Annual Report to the Municipality report includes both the statutory minimum and the entry age normal amounts. The recommended contribution based off the Entry Age Normal actuarial cost method amounts to \$1,208,511.

MOTION: Made by Trustee Pec, seconded by Trustee Chavez-Jimenez to approve the requested contribution of \$1,208,511 from the Village of Willowbrook to the Willowbrook Police Pension Fund for the year ended April 30, 2023.

MOTION DECLARED CARRIED

13. NEW BUSINESS

Trustee Dittman advised the Board that she received a retirement application from Sergeant Tim Kobler indicating his last day will be November 1, 2021. The Board decided to have a special meeting on October 27, 2021, at 3:30 P.M. to review and approve the application.

14. OLD BUSINESS

Trustee Pec spoke about the recent IPPFA conference and indicated regarding the pension consolidation, the police are not as far along as the fire boards are currently.

15. COMMUNICATIONS

None presented.

16. ADJOURNMENT

MOTION: Made by Trustee Pec, seconded by Trustee Chavez-Jimenez to adjourn the Board of Trustees meeting of the Police Pension Fund at the hour of 4:21 p.m.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

PRESENTED, READ, and APPROVED,

Date

01.12.22

President

Minutes transcribed by Nancy Turville.