

**MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES  
FRANKLIN PARK POLICE PENSION FUND  
January 27, 2015**

A regular meeting of the Board of Trustees of the Franklin Park Police Pension Fund was held on Tuesday, January 27, 2015 at 5:00 p.m., at the Franklin Park Police Station in the Community Room located at 9451 W. Belmont Avenue, pursuant to notice, to conduct regular business.

**CALL TO ORDER BY PRESIDING OFFICER**

President Steve Witnik called the meeting to order at 5:00 p.m.

**ROLL CALL**

Upon roll call the following answered:

Present: President Steve Witnik, Secretary Robert Jensen, Vice President Richard Viken, Asst. Secretary Jim Winje, and Trustee Jason Waychoff

Absent: None

Also Present: Daniel Antioho of Antioho Investment Planning Group, LLC; Treasurer Frank Grieshamer; Becky Davis of Lauterbach & Amen, LLP (L&A); and Officer Jack Krecker

**PUBLIC COMMENT** – There was no public comment.

**APPROVAL OF PRIOR MEETING MINUTES**

The Board reviewed the prior meeting minutes presented in the Board meeting packet. A motion was made by Trustee Winje and seconded by Trustee Viken to approve the October 28, 2014 regular meeting minutes as written. Motion carried by unanimous voice vote.

The Board conducted a semi-annual review of all closed session minutes. The Board noted that a copy of the closed session transcript from the Darren Glover disability hearing will be requested for review at the next meeting.

**ACCOUNTANT'S REPORT**

The Board distributed and reviewed the monthly financial report. For the eight months ended 12/31/2014, net assets held in trust for pension benefits were \$22,693,690.17. A motion was made by Trustee Witnik and seconded by Trustee Viken to accept the financial report as presented. Motion carried by unanimous voice vote.

The Board reviewed the vendor checks report presented in the Board meeting packet. A motion was made by Trustee Witnik and seconded by Trustee Waychoff to approve the expenses paid in October, November and December 2014 totaling \$64,812.34 (see attached detail).

AYES: Trustees Witnik, Jensen, Viken, Winje and Waychoff

NAYS: None

ABSENT: None

Treasurer Grieshamer signed his approval of the vendor checks report.

**INFORMATIONAL ITEMS AND UNFINISHED BUSINESS**

- IRS notice update - L&A reported that the IRS replied on 10/31/2014, stating that a letter had been sent to the Fund in August of 2014 stating that there was no balance due, the discrepancy had been resolved, and that the Fund was in good standing with the IRS. This was noted in the 10/28/2014 minutes.
- Trustee Training Summary – all Trustees are up-to-date with training requirements.
- Update on IME for Fred Dede III – the Board stated that the medical exam report found that Fred Dede III is still disabled. A motion was made by Trustee Witnik and seconded by Trustee Jensen to continue disability benefits to Fred Dede III.

AYES: Trustees Witnik, Jensen, Viken, Winje and Waychoff

NAYS: None

ABSENT: None

- Statements of Economic Interest – the Village Clerk indicated that he will be filing the Pension Boards with the County this week. Trustees can expect to receive the statements via email in March, and must be completed and filed with the County by May 1<sup>st</sup>.
- New IRS mileage for 2015 – the Board noted that the new mileage rate for 2015 is \$0.575 per mile.

### NEW BUSINESS

The Board discussed the military service transfer request from Officer Brian Gillespie. A motion was made by Trustee Jensen and seconded by Trustee Winje to approve the transfer of 23 months of military service into creditable service under Public Act 096-1260 for Officer Brian S. Gillespie; his payment of \$51,983.11 has been received in full; his original date of hire was 05/08/1995, and is revised to 06/08/1993 under Public Act 096-1260 for pension purposes.

AYES: Trustees Witnik, Jensen, Viken, Winje and Waychoff  
NAYS: None  
ABSENT: None

The Board acknowledged the 12/08/2014 death of pensioner, Edward Kempf. It was determined that Karen Kempf is his surviving spouse. The death certificate for Edward Kempf has been received by the Fund.

The Board reviewed the surviving spouse benefit calculation for Karen S. Kempf. A motion was made by Trustee Witnik and seconded by Trustee Viken to approve the payment of surviving spouse benefits to Karen S. Kempf, effective 12/09/2014, in the amount of \$6,717.30 per month (\$80,607.60 annually).

AYES: Trustees Witnik, Jensen, Viken, Winje and Waychoff  
NAYS: None  
ABSENT: None

The Board reviewed the deferred retirement calculation for Thomas C. Henniger. A motion was made by Trustee Waychoff and seconded by Trustee Jensen to approve the retirement benefit calculation, prepared by L&A, for Thomas C. Henniger, as follows: his date of entry was 07/17/1991, his retirement date was 01/18/2013, the effective date of his pension will be 01/02/2017, at the age of 50 years old; he has 21 years of creditable service earned, and at 52.50% of his applicable salary of \$82,339.00, the amount of the originally granted monthly pension will be \$3,602.33, until his first increase on February 1, 2022.

AYES: Trustees Witnik, Jensen, Viken, Winje and Waychoff  
NAYS: None  
ABSENT: None

The Board reviewed the annual pension increases. A motion was made by Trustee Jensen and seconded by Trustee Waychoff to approve the statutory cost of living increases, effective January 1, 2015, as prepared by L&A.

AYES: Trustees Witnik, Jensen, Viken, Winje and Waychoff  
NAYS: None  
ABSENT: None

The Board discussed preparations to seek reappointments and conduct an election for the Trustees whose term will end 04/30/2015: Active member: Robert Jensen, and Appointed member: Jason Waychoff. Trustees Jensen and Waychoff indicated that they desired to continue on the Board. Trustee Witnik stated that he would contact the Mayor to request Trustee Waychoff's re-appointment. The Active member election will be conducted at the Police Department; L&A will assist if needed.

The Board agreed that there would be no changes for the following services: Audit – to be completed by Zabinski Consulting; Actuarial Valuation and DOI Annual Statement – to be completed by L&A.

The Board discussed the 10/13/2014 resignation of Officer Franco Bottalico; his date of hire was 06/21/2013. L&A was directed to mail him the contribution refund election form and special tax notice on 12/18/2014. Officer Bottalico confirmed receipt of the paperwork, but has not yet returned the completed election form. There will be no action until the Fund receives Officer Bottalico's completed election form.

The Board noted that Officer Thomas Klos had recently requested a military buy back calculation for 24 months of service. A follow up report will be discussed at the next meeting.

### **INVESTMENT REPORT**

Mr. Antioho distributed and reviewed the 2014 fourth quarter investment report with the Board. Mr. Antioho submitted documents for the Board's authorization for the following items: distributions for pension benefits and expenses in November, December and January; the Boyd Watterson management fee of \$5,443; and the death benefit annuity at Jackson National with regard to Ed Kempf. Mr. Antioho discussed the market commentary. As of 12/31/2014, the portfolio return was 2.58% for the quarter and 5.95% year-to-date. The comparison composite index reported 2.68% for the quarter, and 6.85% year-to-date. The ending market value was \$22,607,806.85. The annuity performance and expense ratios were discussed.

*Officer Kreckler joined the meeting at 5:47 p.m.*

The portfolio asset allocations were: cash 10.76%, US stocks 46.37%, non-US stocks 4.90%, bonds 37.73% and other/not classified 0.24%. The effective duration of the fixed income portfolio is 3.85 years. The portfolio rebalancing will be done prior to the 04/30/2015 fiscal year end. Mr. Antioho reported that the death benefit for the Jackson National Annuity (Ed Kempf) was \$557,806.47. The Board discussed the current cash flow, cash balances due to the death benefit payment, and the tax monies expected in the coming months.

- A motion was made by Trustee Witnik and seconded by Trustee Viken to authorize Mr. Antioho to invest \$305,000 from the cash on hand and invest it into a new REIT account, and to invest an additional \$305,000 from the cash on hand and invest it into the Vanguard Small Cap Index account.  
AYES: Trustees Witnik, Jensen, Viken, Winje and Waychoff  
NAYS: None  
ABSENT: None
- A motion was made by Trustee Viken and seconded by Trustee Waychoff to authorize Mr. Antioho to invest \$400,000 from the cash on hand with Boyd Watterson.  
AYES: Trustees Witnik, Jensen, Viken, Winje and Waychoff  
NAYS: None  
ABSENT: None

The Board agreed that there were no changes to the investment policy statement needed at this time. A motion was made by Trustee Viken and seconded by Trustee Witnik to accept the investment report as presented. Motion carried by unanimous voice vote.

The next regular Board meeting is scheduled for April 28, 2015, at 5:00 p.m.

**CLOSED SESSION** – There was no closed session.

### **ADJOURNMENT**

A motion was made by Trustee Viken and seconded by Trustee Winje to adjourn the meeting at 6:16 p.m. Motion carried unanimously by voice vote.

Respectfully submitted, \_\_\_\_\_  
Robert Jensen, Pension Board Secretary  
*Minutes prepared by Pension Services Administrator, Becky Davis*

\_\_\_\_\_  
Date approved by Board

# Franklin Park Police Pension Fund

## Vendor Checks Report

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Vendor Name	Chk. No.	Check Date	Amount	
LAUTERBACH & AMEN LLP	70043	10/06/14	1,620.00	<b>Electronic</b>
JAMES WINJE*	30046	10/08/14	572.89	
JASON WAYCHOFF*	30047	10/08/14	471.16	
RICHARD VIKEN *	30050	10/08/14	758.75	
ROBERT JENSEN*	30048	10/08/14	681.35	
STEPHEN M. WITNIK*	30049	10/08/14	1,579.12	
		Subtotal	<u>4,063.27</u>	
BOLINGBROOK POLICE PENSION FUND	30051	10/29/14	35,490.74	
VILLAGE OF FRANKLIN PK	29002	10/31/14	4,769.72	<b>Electronic</b>
LAUTERBACH & AMEN LLP	70045	11/03/14	1,620.00	<b>Electronic</b>
IPPPA	70044	11/04/14	775.00	<b>Electronic</b>
ZABINSKI CONSULTING SERVICES, INC.	30052	11/07/14	3,300.00	
VILLAGE OF FRANKLIN PK	29003	11/28/14	4,769.72	<b>Electronic</b>
BOYD WATTERSON ASSET MGMT	50068	11/30/14	5,394.00	<b>Electronic</b>
LPL FINANCIAL HOLDINGS, INC	50067	11/30/14	-1,759.83	
		Subtotal	<u>3,634.17</u>	
VILLAGE OF FRANKLIN PK	29004	12/31/14	4,769.72	<b>Electronic</b>
		TOTAL	<u>64,812.34</u>	