

**MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES
FRANKLIN PARK POLICE PENSION FUND
October 28, 2014**

A regular meeting of the Board of Trustees of the Franklin Park Police Pension Fund was held on Tuesday, October 28, 2014 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 5:01 p.m.

ROLL CALL

Upon roll call the following answered:

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

Absent: Trustee Waychoff

Also Present: Daniel Antioho of Antioho Investment Planning Group, LLC; James Ritchie and Becky Davis of Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT – There was no public present and no comment was made.

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 July 22, 2014 regular meeting minutes as written. Motion carried by unanimous voice vote.
- A motion was made by Trustee Viken and seconded by Trustee Winje to approve the May 21, 2014 special meeting minutes (Glover disability hearing) as written. Motion carried by unanimous voice vote.

ACCOUNTANT'S REPORT

Mr. Ritchie reviewed the 04/30/2014 Zabinski audit report with the Board. Bound copies have been mailed to the Fund for its review and recordkeeping. The Board agreed to accept the audit report as discussed. Motion carried by unanimous voice vote.

The Board reviewed and completed the DOI Annual Statement. A motion was made by Trustee Witnik and seconded by Trustee Jensen to accept the DOI Annual Statement and execute the Certification Form. Motion carried by unanimous voice vote. L&A will send the form to the DOI.

The Board distributed and reviewed the 04/30/2014 L&A Actuarial Valuation. A motion was made by Trustee Viken and seconded by Trustee Winje to accept the L&A Actuarial Valuation as presented and adopt the tax levy amount of \$2,035,492.

AYES: Trustees Witnik, Jensen, Viken and Winje

NAYS: None

ABSENT: Trustee Waychoff

L&A will file the actuarial report with the DOI and President Witnik agreed to submit the supporting documents and tax levy recommendation letter to the Village.

The Board distributed and reviewed the 04/30/2014 Municipal Compliance Report (MCR). A motion was made by Trustee Viken and seconded by Trustee Winje to authorize the President and Secretary to sign the MCR as presented. Motion carried by unanimous voice vote.

The Board distributed and reviewed the monthly financial report. For the five months ended 09/30/2014, net assets held in trust for pension benefits were \$22,563,956.41. 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.

PRESENTATION AND APPROVAL OF DISBURSEMENTS

The Board reviewed the disbursements summary and the vendor checks report presented in the Board meeting packet. A motion was made by Trustee Witnik and seconded by Trustee Viken to approve the expenses paid in July, August and September 2014 totaling \$32,585.51 (see attached detail).

AYES: Trustees Witnik, Jensen, Viken and Winje

NAYS: None

ABSENT: Trustee Waychoff

INFORMATIONAL ITEMS AND UNFINISHED BUSINESS

- IRS notice update - The last notice from the IRS was received on 10/24/13 and stated that the IRS had not completed their research to resolve the matter. L&A was asked to follow up with the IRS.
Post Meeting Note: L&A contacted the IRS on 10/31/2014: the IRS indicated 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. No further action is required.
- Trustee Training Summary – the Board will submit their training certificates from the IPPFA Midwest conference to Ms. Davis for recordkeeping.
- Review and update of membership files– annual active member letters were distributed and file updates are expected to follow as needed.
- Annual Affidavits of Continued Eligibility – 100% compliance; all affidavits were received, recorded and submitted to the Fund for recordkeeping.
- Update on IME for Fred Dede III – the Board discussed the annual medical examination for disabled member, Fred Dede III. L&A was directed to contact the Board Attorney to set up the annual medical examination. A follow up report will be provided at the next meeting.

NEW BUSINESS

The Board acknowledged the 07/25/2014 resignation of Officer Jenna Swendsen and her request for transfer of her creditable service to the Bolingbrook Police Pension Fund. Records indicated that Officer Swendsen's date of hire was 09/08/2011, she did not receive a refund of her contributions (\$16,078.16) from the Franklin Park Police Pension Fund, and she signed an Irrevocable Authorization and Agreement for the transfer. A motion was made by Trustee Witnik and seconded by Trustee Jensen to authorize L&A to issue a payment of \$35,490.74 to the Bolingbrook Police Pension Fund, which represents Officer Swendsen's contributions into the Fund plus 6% interest from the date of each contribution and a required match by the Franklin Park Police Pension Fund.

AYES: Trustees Witnik, Jensen, Viken and Winje

NAYS: None

ABSENT: Trustee Waychoff

The Board discussed the military service transfer request from Officer Brian Gillespie. L&A will process the cost calculations and the balance due based on the period of time he chooses to transfer. Follow up on Officer Gillespie's written decision to pursue the transfer will be reported at the next meeting.

Mr. Ritchie was excused and left the meeting at 5:25 p.m.

The Board noted that the Fund currently does not have Board rules, other than those provided by the Illinois Pension Code and the Article 3 statutes. The Board agreed that there is no need for any changes or updates to contractual agreements with custodians or advisors, at this time.

The Board reviewed the 2015 meeting dates. A motion was made by Trustee Witnik and seconded by Trustee Jensen to approve the following 2015 meeting dates: January 27th, April 28th, July 28th, and October 27th; all meetings will be held at 5:00 p.m. at the same location. Motion carried by unanimous voice vote.

INVESTMENT REPORT

Mr. Antioho distributed and reviewed the 2014 third quarter investment report with the Board. Mr. Antioho remarked that the market experienced a lot of volatility during the third quarter due to geo-political issues such as Ebola, ISIS and sanctions on Russia, and indicated that interest rates remain low and may do so for another year or more. As of 09/30/2014, the portfolio performance was -0.48% for the quarter, and 3.46% year-to-date. The ending market value was \$22,510,270.02. Mr. Antioho discussed the bond maturity distribution, cash flow and the reinvestment of the annuity contracts to provide a more diversified market investment, reduce risk and cost of fees.

- A motion was made by Trustee Witnik and seconded by Trustee Jensen to authorize Mr. Antioho to liquidate the Scudder Gateway annuity contract and re-invest the proceeds into the Wilshire 5000 Fund.
AYES: Trustees Witnik, Jensen, Viken and Winje
NAYS: None
ABSENT: Trustee Waychoff
- A motion was made by Trustee Witnik and seconded by Trustee Jensen to authorize Mr. Antioho to liquidate the MetLife Vintage 3 annuity contracts and re-invest the proceeds into the Wilshire 5000 Fund.
AYES: Trustees Witnik, Jensen, Viken and Winje
NAYS: None
ABSENT: Trustee Waychoff

Mr. Antioho discussed the annuity sub accounts, mutual fund information and investment options.

A motion was made by Trustee Viken and seconded by Trustee Witnik to authorize the following:

- Liquidate the JNL–T. Rowe Price Established Growth Fund and the JNL Mellon Capital Management S&P 500 Index Fund, and re-invest those proceeds into the JNL S&P 500 Index Fund
- Liquidate the SunLife Morgan Stanley UIF MidCap Growth Fund and the SunLife Invesco VanKampen American Value Fund, and re-invest those proceeds into the SunLife MFS International Value Fund
- Liquidate the ING Morgan Stanley Global Franchise Fund and the ING Russell large Cap Index Portfolio Fund, and re-invest the proceeds into the ING Russell Large Cap Growth Index Fund

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

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 Board agreed to further discuss the addition of a Real Estate manager, such as the Vanguard REIT, and an International manager at the next meeting.

The next regular Board meeting is scheduled for January 27, 2015, at 5:00 p.m.

CLOSED SESSION – The Board indicated that there was no need for a closed session.

ADJOURNMENT

A motion was made by Trustee Viken and seconded by Trustee Witnik to adjourn the meeting at 6:41 p.m. Motion carried unanimously by voice vote.

Respectfully submitted,

Robert Jensen, Pension Board Secretary

01/27/2015

Date approved by Board

Franklin Park Police Pension Fund

Vendor Checks Report

Vendor Name	Chk. No.	Check Date	Amount	
REIMER & KARLSON LLC	30042	07/02/14	525.00	
LAUTERBACH & AMEN LLP	70038	07/14/14	1,620.00	Electronic
NIU	30043	07/24/14	1,525.00	
REIMER & KARLSON LLC	30044	07/24/14	774.07	
		Subtotal	<u>2,299.07</u>	
MESIROW INSURANCE SERVICES, INC.	70039	07/28/14	3,738.00	Electronic
BOYD WATTERSON ASSET MGMT	50066	07/31/14	5,391.00	Electronic
VILLAGE OF FRANKLIN PK	28911	07/31/14	4,769.72	Electronic
		Subtotal	<u>10,160.72</u>	
LAUTERBACH & AMEN LLP	70040	08/11/14	1,620.00	Electronic
VILLAGE OF FRANKLIN PK	28956	08/29/14	4,769.72	Electronic
VLG OF FRANKLIN PARK*	30045	09/04/14	353.28	
LAUTERBACH & AMEN LLP	70041	09/08/14	240.00	Electronic
LAUTERBACH & AMEN LLP	70042	09/15/14	2,490.00	Electronic
VILLAGE OF FRANKLIN PK	29001	09/30/14	4,769.72	Electronic
		TOTAL	<u>32,585.51</u>	