

**MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES
FRANKLIN PARK POLICE PENSION FUND
OCTOBER 30, 2012**

A regular meeting of the Board of Trustees of the Franklin Park Police Pension Fund was held on Tuesday, October 30, 2012 at 5:00 p.m. in the conference room located at the Village of Franklin Park, 9500 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, Vice President Rich Viken, Secretary Jack Kreckler, Asst. Secretary Jim Winje and Trustee Aaron Jimenez

Absent: None

Also Present: Board Treasurer Frank Grieshamer, Daniel and David Antioho of LPL Financial, Todd Schroeder, James Ritchie and Becky Davis of Lauterbach & Amen, LLP (L&A)

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

APPROVAL OF PRIOR MEETING MINUTES

The Board reviewed the prior meeting minutes as presented in the board meeting packet. A motion was made by Trustee Viken and seconded by Trustee Kreckler to approve the July 17, 2012 regular minutes and the September 11 and October 23, 2012 special meeting minutes as written. Motion carried unanimously by voice vote.

ACCOUNTANT'S REPORT

The Board discussed the final audit report completed by Zabinski Consulting. Mr. Ritchie distributed copies of the report and reviewed it with the Board.

Mr. Schroeder distributed an actuarial valuation summary and discussed it with the Board. The Board discussed the funding policy meetings and the impact on the recommended contribution amounts. A motion was made by Trustee Kreckler and seconded by Trustee Winje to make the tax levy recommendation to the Village in the amount of \$1,893,903.

AYES: Trustees Witnik, Viken, Kreckler, Winje and Jimenez

NAYS: None

ABSENT: None

The Board discussed the Municipal Compliance Report (MCR) distributed at the meeting. A motion was made by Trustee Witnik and seconded by Trustee Viken to direct L&A to amend the MCR using the tax levy recommendation of \$1,893,903 and authorized the President and Secretary to sign the amended MCR and submit it to the Village along with the final 04/30/12 Actuarial Valuation from L&A, the most recent investment policy and the tax levy recommendation letter. Motion carried unanimously by voice vote.

The Board discussed the 04/30/2012 Illinois Department of Insurance (IDOI) Annual Statement, which is in process to be completed by L&A. The Board discussed the Certification Form procedures.

Mr. Ritchie reviewed the 09/30/12 financial report summary presented in the board meeting packet. For the five months ended 09/30/12, there was a net increase of \$116,517.04 and net assets held at the end of the period were \$19,800,125.54. A motion was made by Trustee Witnik and seconded by Trustee Viken to accept the 09/30/12 financial report. Motion carried unanimously by voice vote.

Mr. Ritchie left the meeting at 5:30 p.m.

PRESENTATION AND APPROVAL OF DISBURSEMENTS

The Board reviewed the disbursement summary and the detailed vendor check reports as presented in the board meeting packet. A motion was made by Trustee Viken and seconded by Trustee Winje to approve the July, August and September 2012 disbursements totaling \$32,525.20.

AYES: Trustees Witnik, Viken, Kreckler, Winje and Jimenez

NAYS: None

ABSENT: None

OLD BUSINESS

The Board reviewed the trustee training summary as presented in the board meeting packet. All Board members are up-to-date with their required training.

The Board reviewed the member records file summary presented in the board meeting packet. As file updates are received, Ms. Davis will provide an updated summary sheet so the project can be monitored.

Ms. Davis reported that all affidavits of continued eligibility have been completed and received from pensioners with 100% compliance.

The Board discussed the portability letter, sent from L&A to Mr. Dani Vega on 10/26/2012, explaining his options and the transfer of creditable service process from Northbrook to Franklin Park. An update regarding this matter will be discussed at the next meeting.

NEW BUSINESS

The Board acknowledged the resignation and contribution request from Robert Diviacchi. L&A responded to Mr. Diviacchi's refund request and mailed the forms and IRS paperwork to Mr. Diviacchi's home address on September 26, 2012; there has been no reply to date.

The Board agreed that there are no updates or changes needed to the custodian and/or advisor contracts.

The Board agreed upon the following 2013 board meeting dates: January 22nd, April 23rd, July 23rd and October 22nd. Board meetings will continue to be held at the same time and location.

INVESTMENT REPORT

Mr. Antioho distributed and reviewed the 2012 Third Quarter Review with the Board, and commented on the Guide to the Markets portion of the 09/30/2012 report. The portfolio was up 2.88% for the quarter, and up 7.07% year-to-date; underperforming the composite index (3.25% for the quarter and 7.85% year-to-date) due to the expenses related to the annuity accounts. As of 09/30/12 the ending balance was \$19,368,242.65.

Mr. Antioho noted that the Transamerica and Sun Life accounts are on watch; there are no recommendations to make any changes at this time. Asset allocations were discussed: equities 43.12%, fixed income 56.88%. The Board discussed the IDOI opinion letter stating that Funds over \$10 million are allowed a 65% equity maximum cap; if and when it is prudent to do so over a period of time.

The Board discussed the bond maturity schedule, noting the assets coming due in the next 30 to 90 days. Mr. Antioho offered his recommendations to the Board. A motion was made by Trustee Kreckler and seconded by Trustee Winje to authorize Mr. Antioho to move \$1.3 million to the Boyd Watterson/Schwab account, subject to review at the next meeting, after the Presidential election.

AYES: Trustees Witnik, Viken, Kreckler, Winje and Jimenez
NAYS: None
ABSENT: None

A motion was made by Trustee Witnik and seconded by Trustee Winje to accept the investment report as presented. Motion carried unanimously by voice vote.

The Board noted that there were no revisions to the investment policy statement and no changes to the consulting services agreement with LPL at this time.

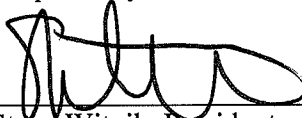
CLOSED SESSION – The Board had no need for closed session.

ADJOURNMENT

A motion was made by Trustee Viken and seconded by Trustee Witnik to adjourn the meeting at 6:27 p.m. Motion carried unanimously by voice vote.

The next regular Board meeting is scheduled for January 22, 2013, at 5:00 p.m.

Respectfully submitted,



Steve Witnik, President

Date approved by Board: 012213

Minutes prepared by Pension Services Administrator, Becky Davis