

**MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES
FRANKLIN PARK POLICE PENSION FUND
JANUARY 22, 2013**

A regular meeting of the Board of Trustees of the Franklin Park Police Pension Fund was held on Tuesday, January 22, 2013 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 5:08 p.m.

ROLL CALL

Upon roll call the following answered:

Present: President Steve Witnik, Secretary Jack Kreckler, Asst. Secretary Jim Winje

Absent: Vice President Rich Viken and Trustee Aaron Jimenez

Also Present: Board Treasurer Frank Grieshamer, Daniel and David Antioho of LPL Financial, 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 Kreckler and seconded by Trustee Winje to approve the October 30, 2012 regular minutes as written. Motion carried unanimously by voice vote.

The Board determined that there were no closed session minutes to review at this time.

ACCOUNTANT'S REPORT

The Board reviewed the 11/30/12 financial report summary presented in the board meeting packet. For the seven months ended 11/30/12, contributions received from the Village and Cook County were \$723,118.58 and contributions from employees were \$196,260.92. Net investment income for the period was \$359,784.57. There was \$1,343,684.00 paid in pension benefits, a contribution refund and administration costs. This resulted in a net decrease of \$64,519.93 and net assets held at the end of the period were \$19,476,788.83. A motion was made by Trustee Witnik and seconded by Trustee Kreckler to accept the 11/30/12 financial report. Motion carried unanimously by voice vote.

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 Kreckler and seconded by Trustee Witnik to approve the October, November and December 2012 disbursements totaling \$35,719.91 (detail attached).

AYES: Trustees Witnik, Kreckler and Winje

NAYS: None

ABSENT: Trustees Viken and Jimenez

INFORMATIONAL ITEMS AND UNFINISHED BUSINESS

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

The Board noted that any Freedom of Information Act (FOIA) requests will be forwarded from the Village to both the Pension Board President and Secretary.

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.

The Board stated a check from Northbrook Police was received in the amount of \$188,403.88 for their portion of Officer Dani Vega's transfer of creditable service request. The check from Northbrook has been deposited into the investment account by Mr. Antioho. At this time, Officer Vega has not made a firm decision on which option he has chosen, but is considering Option #2. Further discussion about this matter will follow at the next meeting. *Post Meeting Note: Officer Vega has elected to not pay the True Cost difference, he will receive a transfer of creditable service credit of 9 years, 5 months, 18 days. Further information regarding Officer Vega's updated start date will be provided at the next meeting.*

The Board noted that the IRS has increased the mileage rate from \$0.555 to \$0.565 (56 ½ cents)

NEW BUSINESS

The Board reviewed the 2013 annual pension benefit increases presented in the board meeting packet. A motion was made by Trustee Witnik and seconded by Trustee Winje to approve the 2013 annual pension benefit increase as presented.

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

The contribution refund request from Robert Diviacchi was reviewed by the Board. A motion was made by Trustee Witnik and seconded by Trustee Kreckler to approve the refund request by Robert Diviacchi of \$23,768.53 pre-tax contributions plus \$2,850.08 after-tax contributions, total contributions are \$26,618.61. Mr. Diviacchi's pre-tax contributions are subject to a 20% federal tax withholding and will be withheld from his distribution.

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

The Board was presented with L&A's updated engagement letter for the years ended April 2014, 2015 and 2016. The Board requested a review of the fees for the services provided. Further discussion will follow at the next meeting.

Professional service contracts for the following services were discussed:

- IDOI report – to be completed by L&A through April 30, 2013.
- Actuarial services – options to be discussed further at the next meeting.
- Annual Audit – to be completed by Zabinski Consulting.

The Board directed L&A to engage Zabinski Consulting for the 04/30/2012 annual audit.

Preparation of election procedures for active member Jack Kreckler were discussed by the Board. Trustee Kreckler will finish the unexpired term of prior Trustee Justin Camp, this year, so elections will be held and conducted at the Police Department.

Appointed member Aaron Jimenez's term is expiring this year. Since Trustee Jimenez is absent, further discussion about his re-appointment will follow at the next meeting.

Statements of Economic Interest were discussed by the Board. Trustee Witnik indicated that he completed filing the Board members online with the County, and that statements will be coming out in March. Statements are due to be completed by May 1st.

The Board noted the following additional items for discussion at the next meeting:

- Thomas C. Henniger – request to retire effective 01/18/2013, deferring his pension until 01/02/2017.
- Fred Dede – his annual medical exam is currently in process and being conducted by the Board Attorney.

INVESTMENT REPORT

Mr. Antioho distributed paperwork to update the Board members and include Jack Krecker as Secretary on the annuity accounts and mutual funds transfer accounts. The Board also signed the annual LPL consultant plan.

Mr. Antioho distributed and reviewed the *2012 Fourth Quarter & Year End Review* with the Board, highlighting the *Guide to the Markets* portion of the 12/31/2012 report. The portfolio was up 0.38% for the quarter, and up 7.06% year-to-date; slightly underperforming the composite index which was up 0.40% for the quarter and up 7.20% year-to-date. As of 12/31/12 the ending balance was \$19,005,733.16. The underperformance was attributed to the flat bond market and death benefit costs and fees associated with the annuities. Asset allocations were: equities 44.15%, fixed income 55.85%. Mr. Antioho stated that he is slowly moving assets to Boyd Waterson, and looking to rebalance the portfolio adding more to equities. The Transamerica Mutual Shares account is on watch and there will be plans to reallocate these funds. The bond maturity schedule was reviewed and reinvestment of the maturing funds was discussed. A motion was made by Trustee Witnik and seconded by Trustee Krecker to direct reinvestment of maturing funds as follows: \$250,000 to the Boyd Waterson account and \$150,000 over the next 3 months into Virtus Real Estate Opp Trust at approximately \$50,000 per month.

AYES: Trustees Witnik, Krecker and Winje

NAYS: None

ABSENT: Trustees Viken and Jimenez

Mr. Antioho noted for future discussion, the repositioning of the Alliance Ovation annuity funds into another investment.

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.

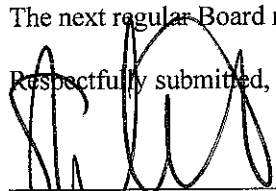
CLOSED SESSION – The Board had no need for closed session.

ADJOURNMENT

A motion was made by Trustee Witnik and seconded by Trustee Krecker to adjourn the meeting at 6:17 p.m. Motion carried unanimously by voice vote.

The next regular Board meeting is scheduled for April 23, 2013, at 5:00 p.m.

Respectfully submitted,



Steve Witnik, President

Date approved by Board: 042313

Minutes prepared by Pension Services Administrator, Becky Davis

Franklin Park Police Pension Fund Vendor Checks Report

Vendor Name	Chk. No.	Check Date	Amount	
AARON JIMENEZ *	30011	10/09/12	507.09	
Account No.	Description	Amount		
52-290-27	REIMB TRVL IPPFA CONF	0.00		
52-290-27	LODGING	399.29		
52-290-27	MEALS	20.05		
52-290-27	MILEAGE/TOLLS	87.75		
JIM WINJE *	30012	10/09/12	557.48	
Account No.	Description	Amount		
52-290-27	REIMB TRVL IPPFA CONF	0.00		
52-290-27	HOTEL	474.23		
52-290-27	MILEAGE	83.25		
	Subtotal		<u>1,064.57</u>	
LAUTERBACH & AMEN LLP	70011	10/15/12	3,165.00	Electronic
Account No.	Description	Amount		
52-170-03	INV#28313 08/12 ACCTG SVC	830.00		
52-170-03	INV#28836 FYE12 AUDIT O/S	1,625.00		
52-290-35	INV#28313 08/12 PSA	710.00		
STEVE WITNIK *	30013	10/15/12	942.14	
Account No.	Description	Amount		
52-290-27	REIMB TRAVEL IPPFA 10/12	0.00		
52-290-27	LODGING	725.53		
52-290-27	MEALS	216.61		
	Subtotal		<u>4,107.14</u>	
LAUTERBACH & AMEN LLP	70012	10/29/12	1,540.00	Electronic
Account No.	Description	Amount		
52-170-03	INV#29036 09/12 ACCTG SVC	830.00		
52-290-35	INV#29036 09/12 PSA	710.00		
	Subtotal		<u>1,540.00</u>	
BOYD WATTERSON ASSET MGMT	50096	10/31/12	3,503.00	
Account No.	Description	Amount		
52-190-01	ADVISOR FEE	3,503.00		
VILLAGE OF FRANKLIN PK	22965	10/31/12	6,845.06	Electronic
Account No.	Description	Amount		
20-220-00	MEDICAL INSURANCE 10/12	6,845.06		
	Subtotal		<u>10,348.06</u>	
RICHARD VIKEN *	30014	11/01/12	766.23	
Account No.	Description	Amount		
52-290-27	REIMB TRAVEL IPPFA 10/12	0.00		
52-290-27	LODGING & MEALS	662.44		
52-290-27	MILEAGE 187X.555	103.79		
ZABINSKI CONSULTING SERVICES, INC.	30015	11/01/12	3,300.00	
Account No.	Description	Amount		
52-170-02	INV#1434 FYE12 AUDIT	3,300.00		
	Subtotal		<u>4,066.23</u>	

Franklin Park Police Pension Fund

Vendor Checks Report

Vendor Name	Chk. No.	Check Date	Amount	
IPFA	70014	11/05/12	775.00	Electronic
Account No. 52-290-26		Description ASSOC DUES 2013	Amount 775.00	
LAUTERBACH & AMEN LLP	70013	11/05/12	525.00	Electronic
Account No. 52-170-03		Description INV#28691 FYE12 MCR	Amount 525.00	
		Subtotal	1,300.00	
LPL FINANCIAL	50097	11/30/12	25.00	
Account No. 52-190-04		Description SERVICE FEE	Amount 25.00	
LPL FINANCIAL	50098	11/30/12	-235.00	
Account No. 52-290-25		Description CONFERENCE FEE REBATE	Amount -235.00	
VILLAGE OF FRANKLIN PK	23011	11/30/12	6,742.48	Electronic
Account No. 20-220-00		Description MED INSURANCE 11/12	Amount 6,742.48	
		Subtotal	6,532.48	
STEVE WITNIK *	30016	12/21/12	18.95	
Account No. 52-290-28		Description REIMB POSTAGE	Amount 18.95	
		Subtotal	18.95	
VILLAGE OF FRANKLIN PK	23057	12/31/12	6,742.48	Electronic
Account No. 20-220-00		Description MED INSURANCE 12/12	Amount 6,742.48	
		Subtotal	6,742.48	
		TOTAL	35,719.91	