

**Western Springs Police
Pension Board Meeting Minutes
July 20, 2016**

1. Roll Call:

Present:

Mark Doyle, President
George Graves, Vice President
John Piest, Secretary
Grace Turi, Director of Finance
Dave Dayhoff, Beneficiary Board Member

Others Present:

Jim Horvath, Village Trustee
Mary Nye, The Bogdahn Group

Meeting called to order at 7:00 p.m.

Items of Discussion:

2. Citizen Comments

No comments from citizens.

3. The Bogdahn Group Portfolio Review

Mary Nye of The Bogdahn Group reviewed the performance of the markets for the Quarter ending June 30, 2016.

Ms. Nye began with her analysis of the Investment Performance Review. She stated that with all the volatility in the past quarter, surprisingly the returns were mostly positive, with the exception of international developed market returns. Also surprisingly, the riskier small caps were the best performers at 3.8%. Ms. Nye pointed out on Page 3 that there is a pattern of Value outperforming Index and Growth.

There were no questions from the Board regarding Markets. Ms. Nye then directed the Board to Pages 10 and 11 to explain new graphics and information regarding Bogdahn.

Ms. Nye then discussed the Fund performance for the Quarter Ending June 30, 2016. The Fund's market value as of the Quarter ending June 30, 2016 was \$13,465,802.

Ms. Nye advised that regarding Asset Allocation by Manager, the Board decided at the last meeting to remove the CS McKee fund, which is indicated on Page 17.

Regarding Asset Allocation Compliance, Ms. Nye advised that the Fund is within range in all categories. Ms. Nye then addressed Comparative Performance of the Total Fund and went through each fund's performance. She advised that in Domestic Equity, she would like to watch Holland and possibly eliminate them by the end of the year. She also wants to watch Acorn, but noted that recently when other clients had her look for alternatives to Acorn, there were not any better options. She will continue to analyze candidate options. She proposed parking some funds in an Index fund, and she favors this option for large cap, but not small cap. Fixed Income is doing very well. Ms. Nye asked the Board for any questions. There were no questions.

4. Approval of Minutes from Previous Meeting

George Graves motioned to approve the minutes of the previous meeting. John Piest seconded this motion, and all were in favor. The motion carried.

5. Quarterly Review of Financial Statements

Grace Turi presented the Financial Statements for the period ending June 30, 2016. She noted that the Fund will be receiving a large sum of funds from the property taxes. The Balance Sheet reconciles with the Bogdahn reports. Ms. Turi advised that there is enough cash on hand. Ms. Turi also advised that \$3,000 was received from Northern Trust litigation.

6. Results of RFPs for Investment Advisor

Grace Turi advised that she spoke with Mary Nye regarding finding vendor options for Investment Advisors. Ms. Turi selected several vendors and sent out RFPs. The only vendor that responded positively was Mary Nye of Bogdahn. The following is the list of vendors who were contacted with RFPs:

Mary Nye
The Bogdahn Group
225 West Wacker, Suite 400
Chicago, Illinois 60606
*Accepted the RFP

Melissa Gyuresik
Marquette Associates
180 North LaSalle
Chicago, Illinois 60601
*Advised they are unable to participate

Lovvery Asset Consulting
20 North Wacker Drive, Suite 3850

Chicago, Illinois 60606

NEPC

10 South Wacker Drive, Suite 1230

Chicago, Illinois 60606

*Advised they are not accepting new clients

Di Meo, Schneider & Associates LLC

500 W. Madison, Suite 1700

Chicago, Illinois 60661-4593

*Declined to compete

Gary Karshna

Capital Gains, Inc.

8060 W. Oakton Avenue

Niles, IL 60714

*Advised they do not provide investment consulting services

John Falduto

Sawyer, Falduto Asset Management

340 W. Butterfield Road, Suite 400

Elmhurst, IL 600126

Grace spoke with Mike Jurusik, Village Attorney, and was advised that doing the RFPs every five year is in compliance with the guidelines.

There was discussion regarding Bogdahn. The Board agreed that they have been satisfied with Bogdahn's services. Bogdahn has been charging \$20,000 per year for their fees. In their proposal, they offered a fixed rate of \$21,000 for five years with the option to cancel. Grace recommended that the Board review the proposal and discuss it at the next meeting for ratification pending questions or clarifications.

7. Review/Approval of Bills/Invoices

The following payments were presented for approval:

C.S.McKee - \$2,106.29 for prorated final Advisory Fee

The Bogdahn Group - \$5,000.00 for Quarterly Consulting Services for 2nd Quarter 2016

Holland Capital - \$3,855.76 for Quarterly Advisory Fee for 2nd Quarter 2016

Mesirow - \$4,513.00 for Quarterly Management Fee for 2nd Quarter 2016

Diane Christou - \$200 for Attendance at 2 meetings and transcription for minutes of 2 meetings - 8 hours

Mark Doyle motioned to approve all payments. John Piest seconded the motion, and all were in favor. The motion carried.

8. Refund of Pension Fund Contributions for Separated Officer

There was discussion regarding separated officer Andrew Weithe who requested via letter that his contributions of \$3,171.99 be refunded to him. Grace Turi confirmed that the amount is correct and advised that a check could be issued to him. George Graves motioned to refund Andrew Weithe his contribution amount. The motion was seconded, and all were in favor. The motion carried.

9. Acceptance of Three New Officers Pension Fund Applications

Three new officers have submitted Pension Fund Applications – Sara Magnuson, Megan K. McPherson (sp) and Sean Patrick O’Laughlin (sp). There was discussion regarding their standing. They have all passed their physicals, one has already started, and two are attending the Academy. Grace Turi advised that past practice has been that pension fund contributions would begin immediately, and should a candidate not pass the Academy, their funds would be refunded to them. George Graves motioned to accept all three new officers’ Pension Fund Applications. The motion was seconded, all were in favor, and the motion carried.

10. Transfer of Service Credits

Grace Turi advised that when Sara Magnuson was hired, she expressed interest in purchasing her service hours from her previous employer, Village of Streamwood. Ms. Turi advised that she calculated what Ms. Magnuson would need to pay and contacted the Board’s actuary to confirm the calculation. Ms. Magnuson was with Streamwood for two years, and it will be an expensive proposition. Ms. Turi will have the numbers and information within a week or two. Should Ms. Magnuson desire to buy in and proceed, a special meeting will be necessary to formalize the proposal.

11. Assistant Secretary Election Discussion

John Piest reported regarding Mark Battista’s eligibility for election to the Assistant Secretary position after Officer Postal left. He advised that according to the DOI, if he is not contributing or collecting from the Pension, he is not eligible for election; therefore, Mr. Battista is ineligible. Mr. Piest will put the election paperwork together and get the process started and hopefully get the position filled in the next couple of weeks.

12. Old Business

George Graves brought up the topic of training requirements of the DOI and where the members of the Board stand. The requirement is 16 hours per year. George Graves has met his required hours. All Board members will confirm their hours, which can include online courses. John Piest will put information together re requirements and options.

13. New Business

John Piest advised the Board that a new officer sustained an off-duty injury that the Board may need to address. Grace Turi will investigate the requirements for non-duty disability and report back to the Board.

Grace Turi reported that Officer Jim Ashmore has advised he intends to retire as of December 2016. This matter will be on the Agenda to discuss at the October Board meeting.

14. Next Meeting

The Board agreed that the next Board Meeting will be October 19, 2016 at 7:00 p.m.

15. Adjournment

George Graves motioned to adjourn the meeting. John Piest seconded the motion, and all were in favor. The motion carried, and the meeting was adjourned.

Respectfully submitted,

Diane V. Christou
Recorder of Minutes

Accepted by:

John Piest
Secretary of the Board

Date

Mark Doyle
Board President

Date