

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

**1. Roll Call:**

**Present:**

Mark Doyle, President  
George Graves, Vice President  
John Piest, Secretary  
Ryan Postal, Assistant Secretary  
Dave Dayhoff, Beneficiary Board Member

**Others Present:**

Jim Horvath, Village Trustee  
Berry Allen, Village Trustee  
Mary Nye, The Bogdahn Group

**Absent:**

Grace Turi, Director of Finance

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 December 31, 2015. Ms. Nye reported that U.S. equity and international markets were all positive in the 4<sup>th</sup> Quarter of 2015 which helped recover some of the losses experienced during the 3<sup>rd</sup> Quarter 2015, even though U.S. fixed income was slightly negative for the Quarter. Ms. Nye reported that growth outperformed value in the 4<sup>th</sup> Quarter.

Ms. Nye advised that the Police Pension Fund saw positive returns for the 4<sup>th</sup> Quarter 2014; however, the overall performance of the Fund was weak for the fiscal year 2015. The Fed raised the Federal Funds Rate by 25 basis points in December, which may bring the prospect of additional rate increases in 2016.

Ms. Nye reported that the Fund's Asset Allocation Compliance is within State statute and in policy limits.

Jim Horvath requested clarification of the Comparative Performance chart on Page 18. Ms. Nye explained that restrictions placed on pension funds limit the types of investments allowed. These restrictions include barring high-yield bonds, limiting corporate bonds and setting the percentage allowed in equity. These restrictions have a negative impact on the Fund.

Ms. Nye reported that Mesirow beat the Index, and Harbor and Holland are performing adequately. She recommends that Acorn be watched, as it is under-performing. Ms. Nye recommends that CS McKee be replaced. Mark Doyle requested a short list of alternative investment options from Ms. Nye to review for next meeting.

Ms. Nye presented a chart of the S&P 500 Index prepared by JP Morgan. She explained this chart shows that although there has been much volatility in the market, the last six years have been trending up. The Pension Fund portfolio is defensive, and as such will keep up with the market, but it will not outperform the market. This is a solid long-term focus for the Fund.

**4. Approval of Minutes from Previous Meeting**

A correction of the Minutes of the December 2, 2015, meeting is required under "10. Old Business". In the second paragraph, third line, the word "contact" shall be corrected to "contract". George Graves motioned to approve the change. Ryan Postal seconded this motion, and all were in favor. The motion carried.

**5. Quarterly Review of Financial Statements**

Mark Doyle asked for questions and comments for Grace Turi.

Grace Turi requires \$200,000 to cover expenses for the next three months. Ms. Nye recommends withdrawing this sum from Acorn Mutual Fund, as it is under-performing. John Piest motioned to withdraw funds from Acorn for cash needs next Quarter. Ryan Postal seconded this motion, and all were in favor. The motion carried.

**6. Review/Approval of Bills/Invoices**

The following payments were presented for approval:

Holland Capital - \$3,878.94 for Quarterly Advisory Fee for 4<sup>th</sup> Quarter 2015

C.S.McKee - \$3,483.62 for Quarterly Advisory Fee for 4<sup>th</sup> Quarter 2015

Mesirow - \$4,329.23 for Quarterly Management Fee for 4<sup>th</sup> Quarter 2015

The Bogdahn Group - \$5,000.00 for performance evaluation for 12/31/15 reports and consulting services from 1/16/16 through 3/31/16.

John Piest motioned to approve the four payments. Ryan Postal seconded the motion, and all were in favor. The motion carried.

**7. Notification of COLA Increases**

The Illinois Compiled Statutes dictate that the annual cost of living adjustment for the Pension Fund beneficiaries shall be set at 3%.

**8. Old Business**

There was discussion regarding the sergeant put on a 30-day suspension. Grace Turi will meet with an actuary to determine details. Additionally, the sergeant must meet fitness requirements prior to return to duty. It was agreed to wait for all information before making any decisions regarding any possible impacts on the Pension Fund.

**9. New Business**

Mary Nye will evaluate and present alternate investment options for the Board's consideration. She recommends reevaluating the Fund's performance next Quarter.

**10. Next Meeting**

The Board agreed that the next Board Meeting will be April 20, 2016 at 7:00 p.m.

**11. Adjournment**

Ryan Postal motioned to adjourn the meeting. George Graves seconded the motion, and all were in favor. The motion carried, and the meeting adjourned at 8:00 p.m.

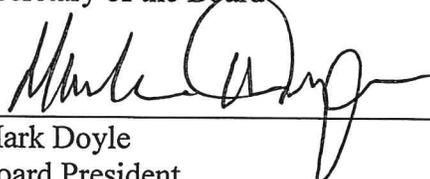
Respectfully submitted,

Diane V. Christou  
Recorder of Minutes

Accepted by:

  
\_\_\_\_\_  
John Piest  
Secretary of the Board

4/20/16  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Mark Doyle  
Board President

4-20-2016  
\_\_\_\_\_  
Date