

BEFORE THE DOWNERS GROVE
POLICE PENSION BOARD

Quarterly meeting of the Trustees of)
the Downers Grove Police Pension Board.)

July 23, 2018

9:00 a.m.

PROCEEDINGS HAD and testimony taken before the
DOWNERS GROVE POLICE PENSION BOARD, taken at the Downers
Grove Village Hall Ante Room, 801 Burlington Avenue, Downers
Grove, Illinois, before LINDA M. CIOSEK, C.S.R. No.
084-002892, a Notary Public qualified and commissioned for
the State of Illinois.

BOARD MEMBERS PRESENT:

MR. ANDY BLAYLOCK, President.
MR. DENNIS BURKE, Secretary.
MR. NORM SIDLER, Vice President.
MR. STEVE MILLER, Assistant Secretary.
MR. BILL NIENBURG, Trustee appeared telephonically.

ALSO PRESENT:

MS. CAROL HOGAN, Assistant Finance Director.
MR. DOUG OEST, Financial Advisor.
MR. ERIC ENDRIUKAITIS, MS. JESSICA FAIN, MS. COLLEEN
M. DILLON, and MS. ALLIE RYSELL, Lauterbach & Amen.

Quarterly Meeting
July 23, 2018

2

1 MR. BLAYLOCK: Let's call to order the Downers Grove
2 Police Pension Board meeting for July 23rd, 9:00 a.m.

3 Roll call of officers?

4 MR. BURKE: Burke here.

5 MR. MILLER: Steve Miller here.

6 MR. BLAYLOCK: Blaylock here.

7 MR. SIDLER: Sidler here.

8 MR. BLAYLOCK: Number 2 on here is a motion to permit
9 electronic attendance.

10 MR. BLAYLOCK: I make a motion that we allow
11 electronic attendance.

12 MR. SIDLER: Second.

13 MR. BLAYLOCK: Roll call?

14 MR. BURKE: Burke aye.

15 MR. MILLER: Miller aye.

16 MR. BLAYLOCK: Blaylock aye.

17 MR. SIDLER: Sidler aye.

18 MR. BURKE: Give me a moment so I can get him on the
19 phone.

20 Bill?

21 MR. NIENBURG: Hey.

22 MR. BURKE: Hey, how are you?

23 MR. NIENBURG: Good, how are you? We just went into
24 session, and Andy had -- yeah, we had to do the minutes.

Quarterly Meeting
July 23, 2018

3

1 MR. BLAYLOCK: Yes. Hi, Bill, are you ready?

2 MR. NIENBURG: Yes, sir.

3 MR. BLAYLOCK: All right. Number 3 is the approval
4 of the minutes from the April 16th, 2018 meeting.

5 MR. BURKE: I got to tell you, I never got them.

6 MR. BLAYLOCK: Okay.

7 MR. BURKE: So we got to take a pass.

8 MR. BLAYLOCK: All right, we'll pass on that one.

9 The next one is the election of officers.
10 We have to have an officer for secretary, president and vice
11 president.

12 MR. BURKE: And assistant secretary.

13 MR. BLAYLOCK: And assistant secretary?

14 MR. BURKE: Right.

15 MR. BLAYLOCK: There you go.

16 MR. SIDLER: I didn't see yard signs. Should I have
17 seen yard signs driving around?

18 MR. BLAYLOCK: No.

19 MR. BURKE: I make a motion. Do you want to be an
20 officer?

21 MR. SIDLER: I think the president is perfect right
22 there for you.

23 MR. BURKE: I make a motion Andy Blaylock be
24 president starting with this term.

Quarterly Meeting
July 23, 2018

4

1 MR. SIDLER: I'll second that motion.

2 MR. BLAYLOCK: Roll call?

3 MR. BURKE: Burke aye.

4 MR. MILLER: Miller aye.

5 MR. BLAYLOCK: I'll abstain.

6 MR. SIDLER: Sidler aye.

7 MR. NIENBURG: Nienburg aye.

8 MR. BLAYLOCK: Okay. We also need one for vice
9 president.

10 MR. BURKE: Either one of you guys want to be an
11 officer?

12 MR. SIDLER: If needed be, I'd be happy to do it.
13 The only thing is, Carol, will you sometimes need us board
14 members to sign? I know Judy does.

15 MS. HOGAN: Well, there's often like four signatures,
16 and if we just have two, that's okay, but I mean, yes,
17 things do need to be signed.

18 MR. BLAYLOCK: Normally it was Paul that was signing
19 almost everything. I rarely signed anything.

20 MR. MILLER: I could do it, it's fine.

21 MR. BURKE: You want to be vice president?

22 MR. MILLER: Yeah.

23 MR. BLAYLOCK: Do you want to be vice president?

24 MR. SIDLER: If there's an interest, have at it.

Quarterly Meeting
July 23, 2018

5

1 Perfect.

2 MR. NIENBURG: I'd like to nominate Norm Sidler for
3 vice president.

4 MR. SIDLER: Steve just said that he'd be happy to
5 make a go at it, and that's fine.

6 MR. BURKE: Do we have a second? I mean, we do have
7 a motion.

8 MR. NIENBURG: Yeah, we have a motion on the table.

9 MR. BLAYLOCK: Hold on.

10 MR. SIDLER: If you would want to do it --

11 MR. MILLER: It doesn't matter to me.

12 MR. BURKE: Okay, I second the motion.

13 MR. BLAYLOCK: Roll call then?

14 MR. BURKE: Burke aye.

15 MR. MILLER: Miller aye.

16 MR. BLAYLOCK: Blaylock aye.

17 MR. SIDLER: Abstain.

18 MR. NIENBURG: Nienburg aye.

19 MR. BLAYLOCK: Next one is secretary.

20 MR. MILLER: I nominate Dennis Burke for secretary.

21 MR. SIDLER: Second.

22 MR. BLAYLOCK: Roll call.

23 MR. BURKE: Abstain.

24 MR. MILLER: Miller aye.

Quarterly Meeting
July 23, 2018

6

1 MR. BLAYLOCK: Blaylock aye.

2 MR. SIDLER: Sidler aye.

3 MR. NIENBURG: Nienburg aye.

4 MR. BLAYLOCK: And then, finally, we need an
5 assistant secretary.

6 MR. SIDLER: Steve, congratulations. I would like to
7 nominate Steve for assistant secretary.

8 MR. BURKE: Second.

9 MR. BLAYLOCK: Roll call.

10 MR. BURKE: Burke aye.

11 MR. MILLER: Miller abstain.

12 MR. BLAYLOCK: Blaylock aye.

13 MR. SIDLER: Sidler aye.

14 MR. NIENBURG: Nienburg aye.

15 MR. BLAYLOCK: All right. So that's right?

16 MR. BURKE: Yes.

17 MR. BLAYLOCK: So we're good. Now we'll move on to
18 Doug Oest with the investment report.

19 MR. SIDLER: Bill, you should have just gotten an
20 email of the book.

21 MR. NIENBURG: I did, thank you.

22 MR. OEST: So the Market Environment's the first
23 section here. It's not on here, but our investment
24 symposium is September 28th, and you all are invited. I

Quarterly Meeting
July 23, 2018

7

1 think it's 8:30 to 2:00. The key note --

2 MR. SIDLER: Maui?

3 MR. OEST: Just as nice, Chicago in September. It is
4 Richard Thaler, who just won the Nobel for Economics, a good
5 behavioral finance guy. You'll hear him speak at lots of
6 different things. September 28th. It's the last Friday in
7 September. Again, if you're interested, let me know. You
8 all get invites.

9 MR. SIDLER: I can say it's -- I don't know, but did
10 you make last years? I think I've been to each one you guys
11 have done, and you do a great job with bringing people in.
12 If anybody can do it and fit it in their schedule, it's a
13 good educational day.

14 MR. OEST: It does count towards part of your
15 training hours if you need them.

16 So, Market Environment is up front, and
17 the first part here is from the U.S. economy. GDP is
18 expected to be close to 4 percent or so for the second
19 quarter, up from the first quarter. Unemployment is
20 hovering around 4 percent. And, this is from a Fed
21 standpoint, they consider us at full employment, and the
22 real way you can tell is the number of people quitting their
23 jobs is at a 17-year high, so people are feeling pretty good
24 about things. That's usually a pretty strong indicator of

1 that. Inflation is still hovering right around 2 percent,
2 even getting a little bit over when you look at core CPI.

3 So, all those things together, you look
4 at what the Fed is doing, they're most likely going to raise
5 rates again in September. The market's putting a little
6 over 50 percent chance they'll raise them in December. So,
7 the Fed's continuing on this rate height path. We put a
8 bullet point here on the trade war. There's a lot of things
9 that could disrupt this pacing that the Fed is at right now,
10 but the consensus is they're going to continue to raise
11 rates this year, they're going to raise rates a couple more
12 times next year, and we'll get to a certain point where
13 they're probably going to be unable to continue to raise
14 rates because, for better or worse, the long end of the
15 yield curve has basically stayed the same. We'll get to
16 that in a second, but the yield curve has flattened out
17 pretty substantially over the course of time.

18 While they've been raising rates, you've
19 seen negative returns on fixed income. As you guys know, we
20 have to have at least 35 percent fixed income. If you look
21 at year-to-date returns, they're negative pretty much across
22 the board. Really the only thing that's doing well in terms
23 of kind of raw numbers is below investment grade credit,
24 which you are not allowed to invest in. So, you know, the

1 silver lining is you have a little bit best interest rate
2 risk than the broad market, and then Boyd Watterson as a
3 manager is taking even less interest rate risk than the
4 broad market. So you're doing, on the margin, a little bit
5 better. But overall, it's been a tough go of it for fixed
6 income. The one silver lining of that, yields are higher.
7 So if you look at future prospects for fixed income, they're
8 a lot better than they were a year ago. You're getting a
9 little bit more bang for your buck. Page 4 and 5, this hits
10 the yield curve so you can really see what I'm talking about
11 on the top of the page here. The green line is where we
12 were a year ago, and the blue line is where we ended the
13 quarter. So you can see the shorter end where the Fed
14 controls rates is moving up, then the longer end really
15 isn't moving all that much.

16 The market, in terms of what they're
17 anticipating, and I'll put the caveat here that this is
18 almost always wrong, but on page 5 we show the forward
19 curve, and you can see the market's expecting the yield
20 curve basically to flatten completely out. If you talk to
21 some economists, who are also almost always wrong, they're
22 anticipating an inversion at some point. The reason why
23 everyone is so focused on that is basically nine out of the
24 last nine recessions you've seen an inverted yield curve

1 precede it by about anywhere between immediate to a year
2 out. So it's a fairly healthy indicator of a recession
3 coming. So we're not inverted yet, but the yield curve is
4 certainly flattening out quite a bit, which is causing some
5 people to be concerned.

6 The other thing to point out --

7 MR. SIDLER: Just to stop there, does it help us to
8 go through an inverted curve?

9 MR. OEST: What I mean by inverted is what the Fed
10 will end up -- they won't be the ones probably to invert it,
11 but if you picture this yield curve at the top here where
12 the Fed is the zero, you can't see it, but then all the way
13 out to 30, that's a 30-year bond, the overnight rate that
14 the Fed sets, let's say they did it up to 3 percent, and
15 then the 30-year and the 10-year drops down below that 3
16 percent. So you see short-term yields higher than long-term
17 yields. And that is, in essence, people are saying forward
18 looking their expectations for growth are much lower than
19 what the Fed is going to do.

20 The reason why the Fed is so aggressive
21 right now in terms of trying to get rates up and normalizing
22 the policy is that, in the event we do have a recession,
23 they want to have some ammunition to fight it. If you look
24 at the last three recessions, on average they've dropped

1 rates, when they needed to, about 5 percent. And you look
2 at where we're at right now, they don't have that much
3 ammunition. And so they feel like they're comfortable with
4 a mild shock to the market. They can certainly pause their
5 rate hike and cycle. They could give forward guidance,
6 different tools that they can use, but if something big
7 happens, they are going to try to get to a point where they
8 can actually stem the flow.

9 So, that's what going on in the fixed
10 income markets. I will say the other thing to point out
11 here is that trend that we saw last year, we've seen this
12 year where the lowest quality is still doing the best,
13 that's continued. So, again, if you think about our fixed
14 income, high-quality investment-grade bonds are
15 underperforming. So that risky type of environment is still
16 continuing in the face of this latter stage economic cycle.
17 It's still on the margins, but page 6 is the kind of area
18 that I'm talking about that's been doing pretty well.
19 They're still well below historical averages. So the high
20 yield leveraged loans, kind of below investment grade space,
21 spreads have started to widen out a little bit, but they're
22 still well below historical averages. People keep investing
23 in these areas, and the compensation for the risk is not
24 quite where it was a few years ago.

1 The equity markets, a nice little run for
2 the quarter, particularly in small caps. We're up over 8
3 percent in some cases. The one thing, again, I'll point out
4 here is that in the small cap space, despite that huge run,
5 most of the stocks that did well were stocks that had no
6 earnings. So, again, you think about what's doing well,
7 with fixed income, what's the riskiest areas in small caps,
8 it's non-earning stocks. Again, a little counterintuitive
9 as we get to this page in the cycle. We have a chart on
10 page 9 that highlights that. But in small caps in
11 particular, non-earning stocks have been performing
12 considerably better than any stocks on the higher earnings
13 area.

14 On page 9, valuations took a big hit when
15 we saw the pullback in late January and early February, but
16 you can see that they're still continuing to march upwards.
17 In terms of valuations, things are still relatively
18 expensive. And as the market's kind of rebounded as of
19 late, you see that we're continuing to become a little bit
20 more overvalued.

21 Non-U.S. Equities, on page 10. Two big
22 stories here, one is currency. So I've highlighted the
23 developed markets index and the emerging markets index. The
24 EAFE is the developed markets, and then the emerging markets

1 below that. And local is what basically you would get if
2 you didn't have to translate back to the U.S. dollar. So
3 it's a U.S. investor, we're based in U.S. dollars. The
4 dollar has strengthened quite a bit over the quarter. If
5 you were investing in just the local currencies, you would
6 have been up about 3 and-a-half percent for the quarter.
7 Translate back to the dollar, and all of a sudden you're
8 down over a percent. So that's the impact of the dollar
9 during the quarter. And you can see the dollar
10 strengthening against emerging market currency just as much.

11 Emerging markets, at an absolute basis,
12 had a really tough quarter. Just by and large, there's a
13 lot of geopolitical issues going on right now that have a
14 pretty substantial impact on people's perceptions of
15 emerging markets. Even countries that are considered
16 frontier that aren't in the emerging markets index still are
17 having some knockout effects to some of the more traditional
18 emerging markets. That being said, people still are
19 somewhat bullish about emerging markets from a valuation
20 standpoint, still feel fairly positive about that area.

21 The other main thing to point out is that
22 growth has continued to outperform during the year. That's
23 another trend that's been the same on the U.S. side where,
24 again, you think about what's doing well, non-earning

1 stocks, growth, tech, below investment grade credit, it's
2 kind of like a traditional bull market. Those areas of the
3 market are still doing very well.

4 Another reason for the pullback here,
5 non-U.S. equity markets, you see on the top of the page here
6 this is an economic surprise index. If your lines are above
7 the top here, it means that when news comes out, it's
8 surprising people to the positive. If it's below, it means
9 it's coming in below expectations. And last year there was
10 a lot of good positive news, things were coming in above
11 what people were expecting, basically the start of this year
12 you're starting to see things -- despite the fact that
13 everyone's in expansion territory, you're still seeing a lot
14 of growth. News is coming in a little below expectations.

15 And then real estate's on page 15 and 16.
16 And, here again, from a cycle standpoint, we're not at the
17 beginning of the real estate cycle, but historically real
18 estate cycles tend to be a little bit longer, and you're
19 still seeing really strong operating income growth. So if
20 you look on page 16, growth is still above average. This is
21 really where managers are driving performance right now is
22 just driving NOI growth. You're not seeing property
23 appreciation that much anymore, but when you look at
24 principal, they're still coming in right at around 4 percent

Quarterly Meeting
July 23, 2018

15

1 year-to-date. I think at the beginning of the year we were
2 talking in the 6 to 8 percent rate. You're looking at a
3 little bit towards the higher end there. But, this is
4 really what they're going to need to do to continue to drive
5 growth, because you aren't seeing appreciation in the
6 commercial real estate space like you did over the last few
7 years. So we're well past the 12, 13, 15 percent returns we
8 have been seeing, but again, 8 percent at the end of this
9 year might end up being a very strong return relative to the
10 other asset classes.

11 So, any questions on anything going on in
12 the markets?

13 (No response.)

14 MR. OEST: If you flip past the next tab and you go
15 to page 3. So right off the bat you'll see Ziegler is on
16 the page now, you'll see the Vanguard Mid-Cap Index. You
17 see in the 3-month net cash flow column, all of the dollar
18 changes that happened during the quarter. So the transition
19 was completed basically in line with what we were talking
20 about at the last meeting.

21 The one thing we did want to talk about
22 today was you got property tax money coming in, so you see
23 the checking account is at close to \$1.5 million. Between
24 fixed income and cash, you guys are at your target. We

Quarterly Meeting
July 23, 2018

16

1 would at least recommend sweeping that cash out of the MB
2 Financial account and getting it into the First American
3 Obligations Fund. That's yielding well north of 1
4 and-a-half percent now. That's funny, money market funds
5 are actually yielding a pretty decent yield now. So, you
6 know, from kind of a positioning standpoint, you're at your
7 targets when it comes to fixed income, just your little
8 excess cash. You'll be getting more cash in September, but
9 I think between now and then, you'll probably pull out about
10 a million dollars, I think right around 350,000 or so a
11 month, at least it looks like. So probably by the time we
12 meet again, we might have the same exact conversation
13 because new money came in, but in the months in between
14 you're going to basically be drawing out that cash.

15 So, from that end, we at least recommend
16 getting into the First American Fund just so you're getting
17 that yield on it. And then, you know, you'll draw it down
18 over the next three months.

19 MR. BLAYLOCK: And how much is that?

20 MR. OEST: As much as we can. So, I don't know if
21 there's like a minimum balance you want to keep in that
22 account.

23 MR. BLAYLOCK: We can draw down from that for bills
24 from the other one?

Quarterly Meeting
July 23, 2018

17

1 MR. OEST: We can always move cash in between the
2 two, it's just you're not -- the yield on that checking
3 account is nothing compared to First American Funds.

4 MR. SIDLER: What do we normally try to keep in
5 there, Carol, a couple hundred thousand just for
6 operational?

7 MS. HOGAN: About \$300,000.00 to meet payments.

8 MR. SIDLER: So we have 1-1 we could move.

9 I make a motion we move the 1-1 from MB
10 Financial over to First American to pick up some more yield.

11 MR. BURKE: I'll second that.

12 MR. BLAYLOCK: Roll call.

13 MR. BURKE: Burke aye.

14 MR. MILLER: Miller aye.

15 MR. BLAYLOCK: Blaylock aye.

16 MR. SIDLER: Sidler aye.

17 MR. NIENBURG: Nienburg aye.

18 MR. OEST: All right.

19 If you flip forward, go to page 7. So,
20 for the quarter, up 0.9 percent, and you know, the pluses
21 and minuses. The big minus was Southern Sun who we talked
22 about at the last meeting. They gave us a really good year
23 the prior year, and then gave us a pretty negative start to
24 this year, at least the four months that they had money. So

Quarterly Meeting
July 23, 2018

18

1 that was really the big detractor. If you look at the U.S.
2 Equity composite for the year, it's 0.8 versus 3, and that's
3 basically the entirety of Southern Sun which, again, has
4 been terminated. If you look at fixed income, Boyd
5 Watterson is slightly ahead, and year-to-date is just
6 basically matching a benchmark.

7 Again, being a little bit higher quality
8 than the benchmark has hurt. Triple B's have certainly
9 performed a little bit better. Again, to put this into
10 context, triple A's were actually down over 3 percent the
11 first half of the year, and triple C's were up over 3
12 percent. So, again, it's a tough environment for fixed
13 income, especially high-quality fixed income.

14 I just talked about U.S. Equity.
15 Non-U.S. Equity is indexed, so that is completely indexed.
16 Real estate you see up 4.1, 2.2 percent for the quarter.
17 And then, on the alternative side, last year was a great
18 year for PIMCO, and this year started out relatively benign.
19 They're slightly positive. We had talked about the two
20 between PIMCO and Principal, kind of the real asset
21 position. We're still favoring real estate relative to the
22 two, and that's turned out to be a good trade-off. Again,
23 Principal is up a little over 4 percent year-to-date.

24 So in terms of positives, some good

1 performance out of Principal and Boyd Watterson, at least to
2 start the year. Index has still been tough to beat, so
3 having the large gap index has still been very good. I'll
4 say the first few months of the year, having the growth
5 index in the portfolio helped out tremendously. Now, we've
6 exited out and gone pretty much straight core. You know,
7 growth is still maybe a little bit above value, but you're
8 starting to see some signs of that trend waning. So maybe
9 that time was a little bit early, but I think long term
10 they'll end up being a good call.

11 MR. SIDLER: Do you know where are we roughly now on
12 our yield?

13 MR. OEST: We are just at 3 percent.

14 MR. SIDLER: 3 percent?

15 MR. OEST: Yeah. If you looked at that number a year
16 ago, you probably would have been about 80 basis points
17 lower than that.

18 MR. SIDLER: Right.

19 MR. OEST: You know, we've been probably very
20 negative on fixed income just because of where our yields
21 were at, but I think as you continue to see this, while in
22 the short term it hurts seeing the negative number in fixed
23 income, your prospects for fixed income going forward are
24 getting better and better as yields go up. That's on page

1 16. Slightly lower in duration, so they're taking out a
2 little bit less interest rate risk. There's still
3 overweight credit and underweight treasuries. That's a
4 pretty common position for most fixed income managers, so
5 they're still trying to pick up a little extra yield and do
6 it with a little less interest rate risk.

7 MR. SIDLER: So as we go forward, what that means on
8 the yield is if we don't have any interest rate changes, we
9 can expect about a 3 percent return in that. So obviously
10 we've been more conservative being an intermediate or
11 shorter on the curve, but as rates come up, that starts to
12 get -- it's now for the first time in many, many years at
13 least an interesting number of -- north of 3 percent, or at
14 3 percent versus sub 2's for many, many years.

15 MR. OEST: Yeah. Any questions on any of the
16 managers?

17 MR. SIDLER: So Ziegler is up and running, and we'll
18 get a --

19 MR. OEST: I'll tell you their first month was a
20 tough month. Every small cap manager underperforms during
21 that first month. I mean, you guys met them when they came
22 in and talked about free cash flow, and non-earning stocks
23 don't play a large role in what they do. A lot of small cap
24 managers --

Quarterly Meeting
July 23, 2018

21

1 MR. BURKE: We won't fire them after one month.

2 MR. OEST: They're fully up and running.

3 MR. SIDLER: Okay.

4 MR. OEST: That's it, unless there is any other
5 questions on any of the managers.

6 MR. BURKE: The money we had to talk about was what
7 we did with the 1.1, and then we're good because, Carol, you
8 got enough there for the next few months?

9 MS. HOGAN: Well, I mean, it's about 300,000 a month,
10 so we would just have to transfer from U.S. Bank then as we
11 need it.

12 MR. OEST: That's, again, to the newly-appointed
13 president and vice president, whoever else, we just draft
14 letters, and it's a quick transfer to do that. But we think
15 it's better to do that and pick up the yield on it.

16 MR. BLAYLOCK: Okay. Moving on to number 6.

17 MR. BURKE: Let's see if we can schedule a date for
18 --

19 MR. SIDLER: Don't make Doug sit here longer than he
20 has to.

21 MR. BLAYLOCK: Do we want to try and do a meeting
22 right before a hearing, because I know we have to talk about
23 hearing dates. 24th is like the best date for me, September
24 24th for the hearing date.

Quarterly Meeting
July 23, 2018

22

1 MR. BURKE: Isn't that soon?

2 MR. BLAYLOCK: September 24th? That was the latest
3 date -- oh, for the Pension Board meeting?

4 MR. SIDLER: We won't have third quarter numbers by
5 September. We usually do like in October.

6 MR. BLAYLOCK: After the conference.

7 MR. BURKE: Maybe 22nd?

8 MR. SIDLER: The 22nd is good here.

9 MR. BLAYLOCK: It should probably work for me.

10 MR. BURKE: Bill, does the 22nd of October work for
11 you?

12 MR. NIENBURG: Yep, that's a pretty good schedule.

13 MR. BLAYLOCK: Thanks, Doug.

14 MR. OEST: Thanks everyone.

15 MR. BLAYLOCK: Now we'll move on to number 6,
16 Lauterbach & Amen tax levy.

17 MS. FAIN: I have a couple reports for you guys.
18 What we are doing is just basically looking at the key
19 highlights from each report, and then of course when you
20 guys read the rest --

21 MR. NIENBURG: Could you slide the mic down?

22 MR. SIDLER: Or could we ask you to come closer to
23 the mic?

24 MS. FAIN: Of course. So the first report I'm

Quarterly Meeting
July 23, 2018

23

1 passing around is not in your tax levy, it's related to your
2 audit, and it really has one useful page in it that helps
3 with the tax levy description. I'm going to have everyone
4 go ahead and flip to that page, which is page 24, and then
5 we're going to set it to the side.

6 MR. BLAYLOCK: Hey, Bill, if you don't have it, I'll
7 text you a picture of it.

8 MR. BURKE: It's what Judy sent out last week. It
9 was an email. I don't know if you have access to that.

10 MR. BLAYLOCK: I'm going to text you a picture if you
11 want to use that.

12 MR. NIENBURG: Okay, that's fine.

13 MR. ENDRIUKAITIS: Hey, Bill, I'm going to email it
14 to you real quick here.

15 MS. FAIN: Now I'm passing around the actual tax levy
16 report. We have the one on page 24 we're going to set aside
17 with the tax levy report, which was the second one we passed
18 around. And do you want to wait a couple minutes to see if
19 that email goes through?

20 MR. ENDRIUKAITIS: Bill, I just sent it over to you.

21 MR. NIENBURG: Okay, thanks. You can just start.
22 I've got the copy from Andy.

23 MS. FAIN: So in the tax levy report, we want to take
24 a look at page 3. This is going to have your bottom line

1 results, what your tax levy recommendation is for the
2 current year, what your funding percentage looks like, and
3 what your assets look like. That very top line item
4 contribution requirement, that's the recommended tax levy.
5 You'll see last year's recommended tax levy was around \$3.3
6 million, and this year we're coming in about 192,000 higher
7 at \$3.49 million. An important thing to remember is that
8 the majority of this increase is the normal expected
9 increase. Your tax levy is actually designed where every
10 single year it should increase about 3 to 4 percent, because
11 every year we're paying down more of this unfunded
12 liability. And, every year we're putting in some additional
13 dollars for active members because they're another year
14 older, earned another year service, and closer to
15 retirement.

16 Of this 192 increase, about 115,000 was
17 that normal expected 3 to 4 percent. And in just a second,
18 we'll get into where the additional increase came from, but
19 I wanted to point out two things in this report: The first
20 was you'll notice a comment underneath your tax levy section
21 that talks about a transition plan. If you'll recall, last
22 year we lowered our rate of return assumption from 7.25 to 7
23 percent, and we decided that we would ease that into our
24 budgets over five years. So while 3.49 is our full

1 recommended tax levy, the amount that we should anticipate
2 to receive is that 3.37 since we're easing it into our
3 budget.

4 The other thing I wanted to point out was
5 your funded percentage. You'll see that whether you're
6 looking at a straight market value basis, or an actuarial
7 basis, and that's when you're smoothing return, we had a
8 nice increase putting us at almost 57 percent funded. It's
9 really nice to see that increase come through on our funded
10 percentage.

11 The only other page we're going to look
12 at today in the tax levy is a couple of pages ahead. It's
13 page 8, which is a back side page, and this page is going to
14 explain why, if we had anticipated an increase of 3 to 4
15 percent, or around 115,000, at the end of the day we
16 actually had a tax levy higher than that.

17 On page 8 you want to focus on the
18 right-hand column. The top right-hand exhibit talks about
19 that normal expected increase we already went over of
20 115,000, and then the second half of this page details
21 anything that changed in the fund over the last fiscal year,
22 and the dollar-wise impact on your tax levy. The first was
23 salary increases. Overall pay increases this year came in a
24 little bit less than anticipated. Part of projecting pay is

Quarterly Meeting
July 23, 2018

26

1 also projecting promotions, so when it could be that occurs
2 is that maybe not as many promotions come through in a given
3 year, and that's why it looks like salary came in less, even
4 though everyone's getting the increase they should through
5 their collective bargaining agreement. You'll see the
6 impact of this is actually a decrease in your tax levy of
7 \$25,762.00.

8 The next time item that impacted your tax
9 levy was demographic changes, which is how your population
10 shifts. We provide full detail on all the population
11 changes, on the previous page, page 6, but the general
12 summary is that you did you have some changes that caused
13 increases. We hired six new members. Any time we hire
14 someone, we'll see an increase in our tax levy, which makes
15 sense. They're now part of our fund, and we need to start
16 contributing on their behalf, just like they're
17 contributing. And we also had an individual who retired and
18 is now collecting a benefit. But these increases were
19 offset by the fact that we did have three individuals who
20 terminated the fund. Even if they get some sort of deferred
21 retirement benefits or refund of contributions, that's still
22 a lot less money going out the door than it would be if they
23 were to work all the way to retirement and collect the full
24 benefit. Increases from our new hires, offset by our three

1 terminations, at end of the day we have a net increase of
2 55,747.

3 The third line item is asset return. As
4 you recall, we did lower our long-term rate of return
5 assumption last year from 7.25 to 7 percent. When we look
6 at a 12-month basis, you actually beat that rate of return
7 last year. When we take a look at the little bit longer
8 period, we are lagging that 7 percent return assumption.
9 Whenever we're lagging it over the longer period, what
10 you'll see is an increase in your tax levy to make up for
11 the fact that we didn't quite hit that return assumption.
12 And, really, it's years like 2015 that's bringing down your
13 average when it comes to that rate of return. The impact,
14 of course, being an increase of 26,296.

15 And the very last line item that can
16 impact your tax levy is contribution into your funds. It's
17 where we compare what you requested, and what you actually
18 received. Now, the \$3.3 million from last year's tax levy
19 you would have requested in December of 2017. There's no
20 way you actually received it before the end of 2017, and
21 instead, you're collecting those dollars right now.
22 Instead, what you received in the fund is related to what
23 you requested the year before that, and that's where this
24 little exhibit we set to the side is kind of nice.

Quarterly Meeting
July 23, 2018

28

1 It shows you on a real world basis what you requested and
2 what you actually received in the form of a tax levy.

3 You'll see what you requested the year
4 before, which is the number in that first column was -- I
5 apologize, the second one -- 2.91 million, and what was
6 actually received last year in relation to this was 2.938
7 million. So you actually received a little bit more than
8 what you requested, and in fact, if you look at your
9 historical average, you do consistently receive either what
10 you request, or a little bit additional.

11 I want to emphasize that because this is
12 what's happening in the real world, but how we do the tax
13 levy is we don't take into account this kind of time lag
14 that occurs. Instead, we're supposed to compare the 3.3
15 million from last year's tax levy that you requested in
16 December to what you actually received last year, even
17 though we know there's no way you received it before the end
18 of the year. So because on paper it looks like last year's
19 tax levy recommendation was 3.3, what you received was 2.9.
20 Because it looks like there's a shortfall on paper, you'll
21 have an increase in your tax levy to make up for the fact
22 that there was a shortfall and you didn't receive the full
23 amount in. So we know in the real world that's not the
24 case, it has to do with the timeline that occurs between

Quarterly Meeting
July 23, 2018

29

1 when you get these reports, you make the request, and the
2 dollars hit. But I did want to point that out because
3 there's no confusion or misconception when it comes to our
4 receiving and what we requested.

5 MR. BURKE: Were we going to consider that next
6 quarter percent in regard to the assumption? Weren't we
7 going to --

8 MR. SIDLER: An additional?

9 MR. BURKE: I mean, didn't we --

10 MR. SIDLER: We did.

11 MR. BURKE: We did it, but I mean we only went one
12 quarter last year.

13 MR. SIDLER: Right. If we're going to stay it,
14 that's fine, I just don't know if we're supposed to based on
15 what we said. Do we have to do another quarter this year?

16 MR. BLAYLOCK: I thought we were -- this was not
17 going to take place until the five years. It was over five
18 years.

19 MR. SIDLER: It was over the five years.

20 MR. BLAYLOCK: I don't think we would be considering
21 anything until after the five years was up.

22 MR. SIDLER: Right.

23 MR. BURKE: Okay.

24 MR. SIDLER: The way we said it was we would slowly

Quarterly Meeting
July 23, 2018

30

1 ease our way into it.

2 MR. BURKE: I just wasn't sure if we said we were
3 going to do it over five years.

4 MR. BLAYLOCK: Oh, yeah, that's set in stone.

5 MR. BURKE: Then it's fine.

6 MR. BLAYLOCK: I don't think we would even revisit it
7 until after that five-year period.

8 MR. BURKE: That's fine. I won't be here.

9 MR. BLAYLOCK: You'll be at home hopefully.

10 MR. SIDLER: The understanding in the meeting was to
11 put the plan in place, actuarially account for it over a
12 five-year period and ease into it, and at that point look
13 into where we've gone.

14 And I think for benefit of a historical
15 standpoint, Steve, going back, some of us that -- all of us
16 in the room, but some of us that are knuckleheads that keep
17 track of all that, in 2000 we were up at a 9 percent
18 actuarial term. And the actuaries can attest to a lot of
19 people will talk about the percentage funding of a plan, you
20 can increase your actuarial return and we can be 100 percent
21 funded if we want to go to 9 or 10 percent. Then it's
22 farce. It's not the reality of what we're going through.
23 So we've taken the approach to go to 100 percent fully
24 funded as aggressive, or the most conservative I would argue

Quarterly Meeting
July 23, 2018

31

1 as we can funding it, and we've come down from 2000, 9
2 percent down to 7 percent of where we're at. And you can
3 see in 2013 we were looking for about 1.9 million, and we're
4 already up at 2.9 million, so a million more over five
5 years. And I would add as we go forward, can we even look
6 at maybe like a rolling ten-year just to say see where those
7 numbers are as we can get an assessment that's not going to
8 be a percentage of the budget? We've probably gone from 8
9 or 9 percent of the budget up to about 30 percent roughly of
10 the budget, so I think that's just -- that will help us as
11 we look at the numbers, preparing what the village of --
12 where we're at, where we're going, and what we can expect.

13 MS. FAIN: Yeah, sure, ten years if possible.

14 MR. SIDLER: If we could. That just helps us to get
15 a good snapshot of where we're at and, you know, looking at
16 a ten-year basis.

17 MS. FAIN: We can definitely do that.

18 MR. MILLER: What is that five-year date on that last
19 quarter percent?

20 Mr. Blaylock: We started it last year.

21 MR. BURKE: So it would be 2022.

22 MR. BLAYLOCK: Then basically it only went down five
23 every year, even though any calculations that we do will be
24 based on the 7 percent. But for the funding to make -- we

1 didn't want to increase the village's contribution right
2 away, so just smooth it over the five years. But like if
3 somebody transfers in their fund or any of that stuff, it's
4 still calculated on the 7 percent.

5 MR. MILLER: Okay.

6 MR. SIDLER: And we can go back and let you
7 historically see, but it was roughly every quarter percent
8 move equated to roughly 300,000 in increase of levy request,
9 so we tried to just ease into that over this last increase,
10 knowing that's a significant number.

11 MR. MILLER: Okay.

12 MS. FAIN: Perfect. So, in short, you came in a
13 little bit higher than where we thought you were, and really
14 it was due to a couple of changes in our population, the
15 fact that 2015's kind of bringing down our market returns,
16 and then last but not least, just the timing between when
17 you request these dollars and when they actually hit your
18 fund for the tax levy purposes. So that's why at end of the
19 day the full amount is that 3.498 million. But, again, the
20 transition amount that we should anticipate to receive in is
21 this 3.37 million.

22 MR. BURKE: But as far as the tax levy is concerned,
23 it would be a recommendation, hopefully from this Board, it
24 would 3.421; right?

Quarterly Meeting
July 23, 2018

33

1 MR. SIDLER: 3.370.

2 MS. FAIN: Last year did you recommend the transition
3 amount, or the full amount for the tax levy?

4 MR. SIDLER: Transition.

5 MS. FAIN: Okay. So, yeah, it would be the 3.37.

6 MR. SIDLER: We want to --

7 MR. BURKE: Oh, no, no, no, I'm just wanting to make
8 sure I'm reading this right.

9 MR. BLAYLOCK: Right, because this is in the middle
10 of the quarter point transition is what that is.

11 MS. FAIN: Correct.

12 MR. BLAYLOCK: So if we were to say, oh, forget it,
13 don't even move the 3.421 --

14 MS. FAIN: -- you would actually go with the one at
15 the bottom.

16 MR. BLAYLOCK: So really --

17 MR. BURKE: So it's 3.370?

18 MR. BLAYLOCK: Yes.

19 MS. FAIN: Correct.

20 MR. SIDLER: If we wanted to go more aggressive, then
21 it's 3,498,323 if we want to go for the full.

22 MR. BLAYLOCK: That would completely defeat the
23 purpose of smoothing.

24 MR. BURKE: The smoothing wouldn't be working out.

Quarterly Meeting
July 23, 2018

34

1 MR. BLAYLOCK: So this is the number we want to make
2 the motion on, the 3.370?

3 MR. SIDLER: Correct.

4 MR. BURKE: I make a motion that we set the tax levy
5 at \$3,370,000 for 2019. Is that right, the right year?

6 MR. BLAYLOCK: For this year's for the tax levy.
7 2019 taxes.

8 MR. SIDLER: I second the motion.

9 MR. BLAYLOCK: Roll call.

10 MR. NIENBURG: Before we go to roll call, just a
11 quick question. This issue of the timing of the income on
12 the tax contribution, is that something -- is there a number
13 that we should put or should consider that doesn't take into
14 account that timing issue so that we're not passing along
15 prior taxes to the village because of a timing issue?

16 MS. FAIN: The amount that does not take into
17 consideration the timing would be the 3.498 less the 20,918,
18 as the 20,918 was the dollar impact of the timing issue. So
19 if you took --

20 MR. NIENBURG: The 20,918 is not in the 3337?

21 MS. FAIN: No it's in the full amount, the 3.498, so
22 we do break them out dollar-wise so that if you were
23 recommending this amount, you could net out that 20,000.

24 MR. SIDLER: So you're looking at 3477.

1 MR. NIENBURG: But the timing issue is not in the
2 337?

3 MR. BURKE: No.

4 MS. FAIN: Correct.

5 MR. NIENBURG: Can you explain that? Why would that
6 not -- I thought the 337, the only difference being that
7 3498 was the transition.

8 MS. FAIN: So the 3.370 is what we set from the very
9 get-go. It is based on our estimation of what the levy
10 would look like over the next five years when we met last
11 year. We don't --

12 MR. NIENBURG: It doesn't take into account any of
13 the puts and takes that we went through?

14 MS. FAIN: Correct. It's not updated every single
15 year. What we do monitor is that if for some reason what
16 your actual were to come in was very different than what we
17 had estimated it would be, at that point we would want to
18 recalculate it, but otherwise that same report we came out
19 with last year we kind of had to five-year work our way
20 into, we pull it directly from there versus recalculating it
21 every year. We would only recalculate it if it was
22 significantly different.

23 MR. NIENBURG: Okay, thank you.

24 MR. SIDLER: Sorry. Just to clarify again before we

Quarterly Meeting
July 23, 2018

36

1 go to a vote, so let's -- me meet at 3370 is the assumption
2 that we made to graduate ourselves to the quarter percent
3 increase.

4 MR. BURKE: Last year.

5 MR. SIDLER: Last year. And if we go to the 3498
6 increase, or the decrease -- increase in dollar amounts, but
7 decrease in actual, and so that's five-tenths of a
8 percentage over five years to get us that. And if we go to
9 the 3498, we're taking in the full reduction immediately?

10 MS. FAIN: Correct.

11 MR. NIENBURG: Plus all the puts and takes that we
12 went through last time with performance and things like
13 that.

14 MR. SIDLER: Got it. So does that discussion change
15 anyone's mindset of requesting a levy 3370, which at least
16 in my head, plays out what we put into place.

17 MR. BURKE: I think it's right.

18 MR. SIDLER: Okay.

19 So the motion has been made and the
20 motion has been seconded, I guess roll call.

21 MR. BURKE: Burke aye.

22 MR. MILLER: Miller aye.

23 MR. BLAYLOCK: Blaylock aye.

24 MR. SIDLER: Sidler aye.

Quarterly Meeting
July 23, 2018

37

1 MR. NIENBURG: Nienburg aye.

2 MS. FAIN: In your tax levy reports to the village,
3 you have to submit this document with it, which basically
4 pulls out the key data points from the tax levy report, so
5 we did bring that as well. It's called your MCR report.
6 Just when you send in that 3.37 million, you're supposed to
7 have this document with it as well.

8 MR. SIDLER: You're giving us a lot of homework.

9 MS. FAIN: There's nothing new in here.

10 MR. SIDLER: This is just the filing data?

11 MS. FAIN: Right. It pulls out a couple of key items
12 from your audit, a couple of key items from your tax levy
13 report, and then you're supposed to sign the back. And when
14 you make that request, you include that document as well.

15 MR. BURKE: How many -- does the entire Board have to
16 sign it?

17 MS. FAIN: I believe --

18 MR. ENDRIUKAITIS: No, just the president and
19 secretary.

20 MS. FAIN: There's a copy for everyone, but you only
21 need one signed.

22 MR. BLAYLOCK: So any one of these can be the
23 original?

24 MS. FAIN: Uh-huh.

Quarterly Meeting
July 23, 2018

38

1 MR. SIDLER: Safe request for going to the ten years
2 for the update on the next report?

3 MS. FAIN: Yep. What we'll do is -- I know we have
4 at least one more year that we can add -- so this report has
5 already been finalized and sent to your auditor, but next
6 year what we'll do is have it updated so that it is -- and
7 we'll try to go back as far as we can. I know that we've --

8 MR. SIDLER: You guys have not been here for that
9 entire period, but we can get you the data.

10 MS. FAIN: Yeah, but next year's will have that
11 ten-year schedule.

12 MR. SIDLER: Okay, thank you.

13 MR. BLAYLOCK: Anything else on the levy?

14 MR. SIDLER: Do we have a set budget, rough number
15 yet, Carol, or not yet, still in the makings for the entire
16 village budget?

17 MS. HOGAN: It's still in the makings.

18 MR. SIDLER: I'm going to guess 50-ish, high 40's?

19 MS. HOGAN: High 40's.

20 MR. BLAYLOCK: Well, then we'll transition into the
21 treasurer's report.

22 MR. BURKE: We have to give Eric -- don't you have to
23 report, or no?

24 MR. ENDRIUKAITIS: Well, I mean there's a lot on the

Quarterly Meeting
July 23, 2018

39

1 agenda. I'm pretty sure my report matches Carol's report,
2 so we don't have to go into full detail. My number does
3 match out to Doug's number as well, so I did the math.

4 MR. BLAYLOCK: It's not on here, so --

5 MR. BURKE: You sent us the updated sheet with the
6 status of the people, retirees and money paid?

7 MR. ENDRIUKAITIS: Yes.

8 MR. BURKE: We got that Friday.

9 MR. ENDRIUKAITIS: Yes.

10 MR. BURKE: Okay.

11 MR. BLAYLOCK: All right, treasurer's report then.
12 Why don't you go ahead then.

13 MS. HOGAN: Just to ask approval for the vendor
14 check, do you all have a copy of the vendor checklist?
15 Total payments of \$216,497.57. This is from April 1st
16 through June 30th.

17 MR. SIDLER: Mr. Secretary, are we up-to-date with
18 Rick Reimer, or where does everything stand with Officer
19 Eddy and all, is that done?

20 MR. BURKE: Eddy is done. We got the letter from
21 Reimer's office, a copy that they sent to Mike Eddy's
22 attorney. We had tried to serve several times, he refused
23 service, and as far as the Board was concerned, he said
24 we're through. And I have not heard a word, and it's been a

Quarterly Meeting
July 23, 2018

40

1 couple of months since then.

2 MR. SIDLER: So all the billing from Rick's office --

3 MR. BURKE: Rick's office with Eddy is done.

4 MR. BLAYLOCK: However, there is still some in here
5 now for Johnstone, 4459 for Johnstone.

6 MR. SIDLER: We're about to go into the hearing for
7 that.

8 MR. BLAYLOCK: Correct.

9 MR. SIDLER: These are all the contractual amounts
10 we've all signed off on. The 216,497, Carol, is what we're
11 looking for total payment approval?

12 MS. HOGAN: Yes.

13 MR. SIDLER: I'll make a motion for approval of the
14 payments of all the contractors legally agreed to already
15 for the April 1st through June 30th payment of 216,497.75.

16 MR. BLAYLOCK: Can I just ask a question? Village of
17 Downer's Grove Insurance, is --

18 MR. BURKE: I think it's people that are retired and
19 are in the fund; right?

20 MS. HOGAN: It's what's withheld from paychecks.

21 MR. BLAYLOCK: Okay.

22 MR. BURKE: To pay premiums.

23 MR. BLAYLOCK: I thought our fiduciary insurance.

24 MR. BURKE: No.

Quarterly Meeting
July 23, 2018

41

1 MR. BLAYLOCK: Then I'm good.

2 MR. MILLER: Second the motion.

3 MR. BLAYLOCK: Roll call.

4 MR. BURKE: Burke aye.

5 MR. MILLER: Miller aye.

6 MR. BLAYLOCK: Blaylock aye.

7 MR. SIDLER: Sidler aye.

8 MR. NIENBURG: Nienburg aye.

9 MR. ENDRIUKAITIS: Just FYI, you guys did get an
10 invoice from Reimer regarding Johnstone. We just paid this
11 amount. It was the amount of 2,463.76. That was the Reimer
12 fee.

13 MR. BLAYLOCK: That's just his fee for setting all
14 that stuff.

15 MR. SIDLER: That's the July.

16 MR. ENDRIUKAITIS: This one was taken April and May.

17 MR. SIDLER: But that just came.

18 MR. ENDRIUKAITIS: That just came in, so that won't
19 be on there, correct. We just paid that one.

20 MR. SIDLER: Thank you.

21 MR. BLAYLOCK: Okay. Any other questions
22 treasurer-related?

23 MS. HOGAN: I don't believe so. We are going to have
24 new forms for U.S. Bank just authorized signers, but I will

Quarterly Meeting
July 23, 2018

42

1 set them up now that we know who the president and secretary
2 are, and send that around for you to sign.

3 MR. BLAYLOCK: Okay, thank you.

4 New business: We have approve
5 expenditures for IPPFA conference for 2018. That's
6 something separate from bills we already paid here, so this
7 is something going forward.

8 MR. BURKE: We still have to register for the
9 conference.

10 MR. BLAYLOCK: We haven't paid that yet?

11 MR. BURKE: No. We're going to have to pay for the
12 rooms, so those are the expenditures we will incur and
13 anything that might be related to the conference.

14 MR. BLAYLOCK: We're basically just going to do --

15 MR. BURKE: I just want --

16 MR. BLAYLOCK: We don't have a specific number?

17 MR. BURKE: I don't know what the number is, but I'd
18 like it in the record that the Board is approving these
19 expenditures.

20 MR. BLAYLOCK: So somebody would probably want to
21 make that we are approving the expenditures for the
22 conference.

23 MR. BURKE: IPPFA conference in October.

24 MR. BLAYLOCK: Based on what we've done in the past.

Quarterly Meeting
July 23, 2018

43

1 MR. SIDLER: Do we have a rough, a couple thousand
2 dollars?

3 MR. BURKE: At least.

4 MR. BLAYLOCK: I think it's about 5 or \$6,000.00 in
5 total.

6 MR. BURKE: Somewhere in that area because you got
7 the rooms, you got the registration.

8 MR. BLAYLOCK: I think that's around --

9 MR. SIDLER: So just to put a rough number on it.

10 MR. BLAYLOCK: I don't even know if we have to put
11 the number in the thing, just say we're approving it.

12 MR. BURKE: Right.

13 MR. ENDRIUKAITIS: Yes.

14 MR. BLAYLOCK: I got three Lauterbach's shaking their
15 heads.

16 MR. BURKE: I'll make a motion we authorize
17 expenditures for the Board to attend for certification the
18 IPPFA conference in October.

19 MR. MILLER: Second the motion.

20 MR. BLAYLOCK: Roll call.

21 MR. BURKE: Burke eye.

22 MR. MILLER: Miller aye.

23 MR. BLAYLOCK: Blaylock aye.

24 MR. SIDLER: Sidler aye.

Quarterly Meeting
July 23, 2018

44

1 MR. NIENBURG: Nienburg aye.

2 MR. BLAYLOCK: All right. Next we have pension
3 applications for two retirees, David Bormann, a retiring
4 lieutenant. I believe his last day is April -- no, August
5 6th. And Russ Rau. His last day is --

6 MR. BURKE: July 31st.

7 MR. BLAYLOCK: He's an officer, and Dave Bormann is a
8 lieutenant. Do we have their sheets?

9 MR. BURKE: I just was sending Rau's to Eric. He
10 just turned in his notice, making his two-week notice just
11 in time.

12 MR. ENDRIUKAITIS: So we haven't run any calculations
13 for them yet.

14 MR. BURKE: Have you run Bormann at all?

15 MR. ENDRIUKAITIS: I don't think I ran anything on
16 Bormann yet.

17 MR. BLAYLOCK: So we can't go on anything if we don't
18 have their numbers. We can't do anything with that.

19 MR. SIDLER: Rick wanted us to have those sheets to
20 give a specific number to go in the file for what we said
21 was his recommendation.

22 MR. BURKE: Okay.

23 MR. BLAYLOCK: They're still going to get what
24 they're going to get, but we can't vote on it without those

Quarterly Meeting
July 23, 2018

45

1 specific numbers; right?

2 MR. BURKE: I'm just saying Article 3 says how much
3 it is. We can go ahead and pay that if we authorize it?

4 MR. ENDRIUKAITIS: Correct. You can retroactively
5 approve his benefit calculations, once you have the
6 calculations and it's signed and we can start paying the
7 members.

8 MR. BURKE: Because they both will get August checks
9 prorated; right? Oh, wait, Rau will get July.

10 MR. BLAYLOCK: He'll get full August, and then
11 Bormann will be prorated. He would get 25 days.

12 MR. BURKE: Yeah.

13 MR. SIDLER: Do you want to just do a quick
14 conference call? We could submit a notice -- since we're
15 not meeting until October, we could do retroactive.

16 MR. BLAYLOCK: The numbers are specific. The numbers
17 are the numbers, you guys are going to run those, so if we
18 do a motion that says pending the specific numbers that
19 Lauterbach does, retroactively approve their pension
20 payments, is that something how we would want to do it?

21 MR. ENDRIUKAITIS: Yeah, you can, and then you would
22 also have to sign the calculations. We can't start payment
23 until it's signed by a Board member.

24 MR. BLAYLOCK: By one?

Quarterly Meeting
July 23, 2018

46

1 MR. ENDRIUKAITIS: And certified by the village
2 treasurer.

3 MR. BURKE: It's usually Judy and I.

4 MR. BLAYLOCK: Perfect. That's fine, we'll have
5 those numbers and we would have those before we have to
6 start making payments to them?

7 MR. BURKE: Oh, absolutely. Bormann, did he send his
8 paperwork in?

9 MR. ENDRIUKAITIS: I remember sending it to him.

10 MR. BLAYLOCK: I'm sure he did. He gave me something
11 to sign on his application. I signed on his application the
12 other day.

13 MR. ENDRIUKAITIS: I haven't received it yet, but I
14 did send it to him on last Monday the 16th.

15 MR. BURKE: Okay.

16 MR. SIDLER: We've got to get the paperwork.

17 MR. BLAYLOCK: So then our motion should just reflect
18 that it's retroactive and the specific numbers will come
19 out.

20 MR. BURKE: The numbers will meet the State statute
21 on what it dictates?

22 MR. ENDRIUKAITIS: Right.

23 MR. BURKE: Do we have to do anything?

24 MR. BLAYLOCK: We have to make the motion now; right?

Quarterly Meeting
July 23, 2018

47

1 MR. ENDRIUKAITIS: (Indicating.)

2 MR. BLAYLOCK: No? We don't have to do anything yet?

3 MR. ENDRIUKAITIS: You can approve the pending
4 benefit calculation prepared by Lauterbach & Amen.

5 MR. BURKE: Did you get that?

6 THE COURT REPORTER: I did.

7 MR. BURKE: I'll make that motion.

8 MR. MILLER: I'll second the motion.

9 MR. BLAYLOCK: Roll call.

10 MR. BURKE: Burke aye.

11 MR. MILLER: Miller aye.

12 MR. BLAYLOCK: Blaylock aye.

13 MR. SIDLER: Sidler aye.

14 MR. NIENBURG: Nienburg aye.

15 MR. BLAYLOCK: All right. That was for both Bormann
16 and Rau. And then you have something on here for resigned.

17 MR. BURKE: Just that we had, since our last meeting,
18 Carissa Smith and Jennifer Rosario have resigned from the
19 department.

20 MR. BLAYLOCK: We've got no requests for --

21 MR. BURKE: I haven't gotten any requests.

22 MR. BLAYLOCK: All right. That was just
23 informational.

24 The next thing we have to do is schedule

Quarterly Meeting
July 23, 2018

48

1 a hearing for Brian Johnstone disability application. I
2 think we were forwarded some dates.

3 MR. BURKE: Rights, from Mimi.

4 MR. BLAYLOCK: Just looking at them myself, the 24th
5 was the -- September 24th was the best for me on midnights,
6 otherwise --

7 MR. BURKE: I could do September 24th.

8 Bill, could you do September 24th?

9 MR. NIENBURG: Yeah, I can. Mondays are good.

10 MR. SIDLER: September 24th works for me.

11 MR. MILLER: That's good.

12 MR. BURKE: I'll contact his office today to say that
13 we're going to set September 24th for the hearing. We do
14 have all three doctor letters back.

15 MR. BLAYLOCK: Are we looking at tentative 9:00?

16 MR. BURKE: They said 9:00 will do.

17 MR. BLAYLOCK: I know these guys have work to do, so
18 9:00.

19 MR. BURKE: Does 9:00 work for you guys?

20 MR. SIDLER: That's fine.

21 MR. NIENBURG: Yep, that works good.

22 MR. BURKE: So I will call Reimer and tell him we'll
23 set that hearing for 9/24 at 9:00.

24 MR. BLAYLOCK: You better call him today so they

Quarterly Meeting
July 23, 2018

49

1 don't schedule something else.

2 MR. BURKE: I'm going to call him as soon as I walk
3 back to the office.

4 MR. BLAYLOCK: All right, pension hearing for
5 Johnstone September 24th, 9:00 a.m.

6 Any public comment?

7 (No response.)

8 MR. BLAYLOCK: All right, moving on. You know,
9 weren't you guys going to talk, too? That wasn't on here.
10 Is this the old one or the new one?

11 MR. BURKE: That's the old one. I didn't update. I
12 couldn't update.

13 MR. BLAYLOCK: It was under -- well, then we'll put
14 it under new business then?

15 MR. BURKE: Yeah.

16 MR. BLAYLOCK: Lauterbach is here to speak on the
17 data retention, so we'll allow them to go ahead and go.

18 MS. DILLON: Good morning. My name is Colleen
19 Dillon, and this is Allie Rysell. Thank you all for having
20 us in this morning. We came out a couple weeks ago mid-June
21 to kind of look at the records and see what -- do a couple
22 of other things. We did not find a lot of the pension, the
23 police pension records in the filing room, tomato room, or
24 whatever it's called. I was wondering if there are other

Quarterly Meeting
July 23, 2018

50

1 files somewhere? Are they at the station? I mean, there
2 was a minimal amount of boxes in this room. But be that as
3 it may, the pension fund actually falls under the
4 application that the village had put it, and they put that
5 in -- I believe this is originally from 2003.

6 So what we are recommending, and we can go back in there if
7 Carol would be so kind to show us back there again, and
8 write down exactly. And these are what's in the pension
9 fund, to update this a little bit so that the boxes that are
10 there reflect -- the application will reflect any additional
11 things that are in there. And then that way, April can
12 resend this in and you'll wait for your certificate of
13 disposal. But I just want to let the Board know there
14 wasn't -- what would you say, like six boxes maybe, Allie?

15 MR. RYSELL: Uh-huh.

16 MR. BLAYLOCK: What would you expect to be in there?

17 MS. DILLON: Well, if you hadn't done it in a while,
18 a ton. A ton.

19 MS. RYSELL: Where are your meeting minutes located?

20 MR. BURKE: We keep them with the village clerk.

21 MS. DILLON: Okay.

22 MR. BLAYLOCK: And I think probably for at least the
23 last ten years, or it's been the whole time since you've
24 been on, that we had a court reporter.

1 MR. SIDLER: It started shortly thereafter.

2 MR. BLAYLOCK: For almost 16 years. For the past 15
3 years we've had a court reporter.

4 MS. DILLON: And then like your actuary reports for
5 the last how many years?

6 MR. BURKE: Finance has that.

7 MS. DILLON: Okay. A lot of these things you do have
8 to keep for X amount of years, or in the case of the
9 minutes, forever. So we were just concerned that we didn't
10 find them there.

11 MR. BLAYLOCK: Maybe they are just spread out, but
12 the minutes and actuarial, all the investment manager stuff,
13 that stuff you're looking for as well as all that stuff.
14 What about the investment manager market? I mean I know I
15 have all that stuff saved myself.

16 MR. SIDLER: If you have holes in some things, I got
17 a huge pile.

18 MS. DILLON: I guess what we're trying to say is if
19 you have some and you have some and there's some over here,
20 let's figure out -- you don't need to keep all those.

21 MR. BLAYLOCK: The only thing I keep is, just like I
22 asked Eric to send, is electronic in my email. Any of that
23 stuff you email pension-wise, I just hold on to them just so
24 I have them. I don't keep any physical files other than

Quarterly Meeting
July 23, 2018

52

1 what's handed out to me here, the extra stuff. And I would
2 assume that -- I don't think any of the other members do
3 that as well other than what we're handed out at the
4 meeting. Nobody keeps official records other than what they
5 had here at the village hall.

6 Are those the two main things, the tax
7 levies -- the previous tax levies, and then minutes?

8 MS. DILLON: Those are the things that you need to
9 keep, like I said, the minutes forever.

10 MR. BLAYLOCK: Which we have all of those.

11 MR. BURKE: Bill texted me saying the call dropped,
12 but we are almost done anyways.

13 MR. BLAYLOCK: We should call him back. Isn't it
14 just a redial?

15 MR. BURKE: He was going to be off at 10:00.

16 (Whereupon, Mr. Nienburg was
17 called.)

18 MR. NIENBURG: Hi. The call dropped.

19 MR. BURKE: Okay. We are almost done, but we wanted
20 to get back at you.

21 MS. DILLON: I will be brief. So what we will do is
22 make a list for April, let her know that the pension fund
23 files fall under the application for the village, and then
24 she can resubmit that, and then we'll be good to go. But we

1 also, while we're here, we did a pretty big scanning
2 project, and I'll let Allie talk about that.

3 MS. RYSELL: I know the Board discussed at the last
4 meeting, because I know the station doesn't have any of the
5 active members files, pensioner files, terminated members,
6 those are all at the village hall, so we actually scanned
7 all of those for you guys at the station. So this is a USB
8 with those. So we saved copies on our network, so we have
9 them. When I was organizing them, I did notice that there
10 were a lot of active members that were missing a significant
11 amount of documents; birth certificates, marriage
12 certificates, a couple applications weren't there. So what
13 I'm suggesting, what a lot of other funds do, is file
14 maintenance. So what I will do is I'll go through all of
15 your active member files, only actives, not pensioners or
16 terminated members, and I'll check off what documents are in
17 their file, and anything missing, I'll create these letters
18 that you could hand out to them and then just asking them to
19 send any missing documents.

20 MR. BLAYLOCK: We did that a few years ago; didn't
21 we?

22 MS. HOGAN: We did.

23 MR. BLAYLOCK: Did we get everybody to turn that
24 stuff in right now? Did things change?

Quarterly Meeting
July 23, 2018

54

1 MR. BURKE: Whatever you send us, can we email it to
2 them, and can they email it back to you?

3 MS. DILLON: Sure.

4 MR. BLAYLOCK: We'll make sure that we get
5 everything.

6 MS. DILLON: For a lot of funds we do this every year
7 because people's lives change every year; they get married,
8 they get divorced, they have more children, so we have
9 people on an annual basis that we do this. So then it's up
10 to the officer to say, "This is a snapshot in my file,
11 what's changed? I'm not married to Mary, anymore. It's
12 Betty now." Whatever. And that's always -- that's kind of
13 a good reminder every year, too. That's nothing that you
14 have to decide on now, but we will certainly do it at least
15 initially this year for you.

16 MS. RYSELL: So we just need to know where you want
17 the documents sent to. So if they have certificates, would
18 you prefer they deliver them to you at the station? Would
19 you prefer that they send them to us and we could send you
20 copies?

21 MR. BLAYLOCK: I think that it would be easier if
22 they can scan them in and send them to you guys.

23 MR. BURKE: And then you guys send them to me, I'm
24 the secretary.

Quarterly Meeting
July 23, 2018

55

1 MR. BLAYLOCK: And I'll put --

2 MR. BURKE: I will print them out and put them into
3 the files that we have in finance.

4 MR. BLAYLOCK: So after this meeting, you guys need
5 to see -- you need to go to those other two spots, to legal
6 and --

7 MS. DILLON: The tomato room.

8 MR. BLAYLOCK: No, no.

9 MR. BURKE: Village clerk.

10 MR. BLAYLOCK: Clerk and finance, so I'm sure Dennis
11 will help you with that.

12 MR. BURKE: I'm secretary of the Board, I guess I got
13 to. When do I have to wash cars this time? Okay.

14 MS. RYSELL: And then the last thing we wanted to
15 discuss, I know we now briefly went over the portals at the
16 last meeting. I know you guys wanted to discuss that
17 further at this meeting. I'll be brief since I did go over
18 it at the last meeting, but I'll give you guys a little
19 refresher.

20 MS. DILLON: And we're not all part of this ruse that
21 we have an actuary coming and Eric coming and passing out
22 tons of papers for you today, so we can show you what you
23 can do electronically.

24 MS. RYSELL: This is our Lauterbach & Amen Trustee

Quarterly Meeting
July 23, 2018

56

1 Report, and Hinsdale Police is a client of ours that we've
2 had for a very long time, so they allowed us to demo their
3 portal. So, what you can see is all their files they have
4 for their pension fund are organized on this portal.
5 So you'll see their actuary reports, other affidavits of
6 eligibility, agendas, audit reports, bank statements, Board
7 meeting packets, correspondence, financial statements, the
8 list goes on. Everything that the pension fund would want
9 access to and need access to, all these documents are on
10 here. So what we would do is we would set each Board
11 trustee up with a user name and a log-in, plug in your user
12 name, plug in your login, it's a secure portal, only you
13 guys have access to it. And then if you would like your
14 treasurer to have access as well, we can certainly add Carol
15 as a user as well. So you can just log in, and then you can
16 immediately view all your documents. So all the agendas
17 will be up there, all your financial statements that Eric
18 sends you, all of your actuary reports that Jess prepared,
19 along with your tax levy requests. All of that can be
20 accessed immediately, which is really, really nice. And
21 then you also have the option of sending documents as well.
22 So, let's just click on actuary reports,
23 and we'll just click on the first one, the 2013 IDI report.
24 So you'll see this little arrow in the corner, if you click

Quarterly Meeting
July 23, 2018

57

1 that, you will be able to email that, download it, print it,
2 so it's just really easy to access documents in a really
3 secure way. So, all your active members files, pensioner
4 files, terminated members, all those files that are scanned
5 and organized for you will be up there. So if any of your
6 members have any questions, what's in my file, without
7 having to direct them to come to the village, you can plug
8 in your passwords, pull it up and see what's missing, or see
9 what you have.

10 MS. DILLON: Allie may have mentioned this already,
11 once we give you the login and password, you can get it on
12 your phone, on your PC. You can get it on your laptop, you
13 can get it on an iPad, any electronic device. If somebody
14 says I know I gave you the birth certificate, you can say,
15 "Nope, it's not in here." You can access the actual files.

16 MS. RYSELL: Yep.

17 MR. BLAYLOCK: Is this an app then kind of?

18 MS. RYSELL: Yep.

19 MR. BLAYLOCK: An IOS?

20 MS. RYSELL: Yep. So we actually have a great
21 update, too, for this app. So we now have a correspondence
22 folder. So this correspondence folder, it's kind of like
23 dropbox where you can upload something and it will only stay
24 there for 15 days. So all the documents that are on here

1 you cannot upload yourself. Anything that you want
2 uploaded, just send it to me. But this correspondence
3 folder, which is new, is great because you can send uploads,
4 documents to your own. So if you have anything you want to
5 share with the Board, you can upload it yourself, and that
6 will last for 15 days. But it's very user-friendly, very
7 secure. And the packets that I gave you has a little bit
8 more information on the security that we take to insure that
9 all your data is protected.

10 And then our last page is our proposal
11 for costs. Typically we will charge \$150.00 to \$300.00 per
12 month. The setup fee would be included in the engagement
13 letter that we have for you. We bill \$50.00 an hour, so the
14 setup fee will just be a separate fee than what's listed on
15 that.

16 MR. BLAYLOCK: There was a maximum on that, right,
17 wasn't there?

18 MS. RYSELL: 5,000. So we're still at the very early
19 stages, probably a little over the thousand dollar mark
20 based on our hours that we spent in June, and then, of
21 course, organizing all that.

22 MR. BLAYLOCK: So this would be if we decided to do
23 this, this is including that setup fee along with this setup
24 fee?

Quarterly Meeting
July 23, 2018

59

1 MS. RYSELL: Right. The costs that you would be
2 voting on today would be the monthly dollar amount for us to
3 maintain this. So, you'll see it's not just we upload
4 everything once and you never see it again, we update on a
5 monthly basis. Anything you want added, just send it to me
6 and I can add it the portal and you can instantly view it.
7 So that's that monthly maintenance fee of any of your -- I
8 know you've had two members that resigned. So they're
9 active members who we have now moved to your terminated
10 folder. It's just that maintenance making sure everything
11 is organized.

12 What we are proposing is a monthly charge
13 of \$200.00 just based on the size of your fund. You have
14 about 70 active and 70 retirees. So with that mid-size
15 fund, that's what we're proposing today.

16 MR. SIDLER: We spoke of this last meeting, in the
17 April meeting. The decision that we have that -- I'm going
18 back and looking through the notes from that was we decided
19 we would do the first step, see how it goes, and then decide
20 if we wanted to do all of the log-in and information. But
21 as we discussed in the last meeting, it was let's get
22 everything first up and running, let's see how it goes
23 before taking an additional Lauterbach service on, although
24 it's a very solid service, without a doubt. We did bring it

Quarterly Meeting
July 23, 2018

60

1 up.

2 MR. BURKE: This is an excellent addition for our
3 ability to deal with our members, be it retirees or active,
4 that we can pull information up and get it for them. Or
5 will they have their own sign-in?

6 MS. RYSELL: No, only the Board of Trustees.

7 MR. BURKE: Again, it would be a great tool.

8 MR. NIENBURG: It also keeps us audit-ready; right?

9 MS. RYSELL: Yes.

10 MR. SIDLER: So the current agreement that we have
11 with you, help us just to make sure, we signed for
12 documentation of all the past records and retention of that.
13 That's currently going on, and in the process, that data
14 will always still live regardless of this service or not;
15 right? This is just mostly more just for ease of access in
16 going forward.

17 MS. RYSELL: Right.

18 MR. BLAYLOCK: Eric would be our portal; right?

19 MR. ENDRIUKAITIS: Sure.

20 MR. BLAYLOCK: So if we wanted this information, we
21 would have to pretty much contact Eric.

22 MS. RYSELL: Right. So today, we're going to be
23 wrapping up, is the document retention schedule for you
24 guys, that inventory list. Now that we know that all of

1 those files are with the village, Colleen and I are going to
2 go add those to the list and we will submit it to the
3 village, and then we'll go through the State and see what
4 the next step is, or what next step you guys would like in
5 terms of retaining material or going through the destruction
6 process.

7 I will say the State does take like quite
8 a bit of time because there are several other pending funds
9 and municipalities that are in this process right now, so it
10 could be several months until that's all wrapped up.

11 MS. DILLON: But obviously we're not billing you over
12 several months, it's just what we do.

13 MR. SIDLER: Understand.

14 MS. DILLON: And when we found that the pension fund
15 was under the village's umbrella, there was no more work for
16 us to do really. So I want you guys to know that once it
17 was there, okay, now that saves you a step paying us to do
18 this step. So, kind of cut down the cost.

19 MR. SIDLER: I completely understand, and I
20 appreciate that. And we're still in the very early stages
21 of just -- from everything that I heard from your report was
22 we went in, there's a lot of holes, and we need to fill all
23 that completion of the first step that's still undergoing,
24 and then the analysis of this step, whether we do it today,

1 or whether we do it after we complete the process of that is
2 what you're proposing?

3 MS. DILLON: Right, and then you'll be able to -- she
4 gave you the USB. You'll see how easy and everything that
5 is as far as all your members and how they're organized.

6 MR. BLAYLOCK: So until you guys all -- until you're
7 done with the whole setup on the first thing we've already
8 contracted with you for, we wouldn't start with this until
9 everything was done; is that right?

10 MS. DILLON: Well, the only thing that we've scanned
11 for you is your members. That's the only thing that we
12 have.

13 MR. BLAYLOCK: Right, so there's like nothing in
14 there. Almost like I don't know that there would be a need
15 for this just yet until you were done with everything.

16 MS. DILLON: Well, until you send us whatever you
17 have electronically, we upload it. Any information you get
18 from your investment representative, any of the actuarial
19 minutes, everything can be uploaded on there.

20 MR. BURKE: Can you scan in the documents in the
21 files in our payroll department?

22 MS. DILLON: Uh-huh.

23 MR. BURKE: So that has the application, it has the
24 birth certificate, marriage license.

Quarterly Meeting
July 23, 2018

63

1 MR. BLAYLOCK: I think it's a good thing to do.

2 MR. BURKE: A lot of that is all -- everyone that's
3 working here now active, and you should have their retirees.

4 MS. DILLON: Yep, and terminated.

5 MR. BURKE: So, for the most part, 90 percent of it
6 is already there?

7 MS. RYSELL: Right, and since we're your accountants,
8 we have all your financial statements, I mean for years that
9 we can upload, all your IPI annual statements. We already
10 have those, we upload those. We upload all your investment
11 reports. Doug can send me those via email and just --

12 MS. DILLON: We probably have copies of your audit.

13 MS. RYSELL: Yeah.

14 MS. DILLON: Send those up. Anything.

15 MS. RYSELL: A lot of stuff we do already have. The
16 minutes obviously we don't have, but because we do provide a
17 lot of different services for the fund, a lot of these
18 documents we do already have on file.

19 MR. MILLER: And we're going to be continuing adding
20 people and their documents moving forward on new hires as it
21 proceeds going forward.

22 MR. BURKE: We're going to be hiring four or five in
23 December. I would say we go ahead.

24 MR. MILLER: You're still going to be adding

Quarterly Meeting
July 23, 2018

64

1 documents.

2 MR. SIDLER: Just to make sure we understand, the
3 \$200.00, that's not a per member?

4 MS. RYSELL: No, it's a flat rate per month.

5 MR. SIDLER: \$2,400.00 a year?

6 MS. RYSELL: Uh-huh.

7 MR. SIDLER: That is a service that a fee that stands
8 for -- is it a one-year renewal?

9 MS. RYSELL: Yeah. We could do a year and see how
10 you feel. It's an engagement letter, it's not a contract.
11 So if at any time you feel like this isn't a value to the
12 fund --

13 MS. DILLON: -- you don't have to stay the full year.
14 You can say after a couple months, after the meeting in
15 October, coming year end, I don't really see the value in
16 this.

17 MR. SIDLER: But then the portal disappears and the
18 data is inaccessible?

19 MS. DILLON: Correct.

20 MR. SIDLER: So once it starts, it's very difficult
21 to back off of it realistically. Once you've set it all up
22 where we have access to it, if you cease paying for it, that
23 data disappears?

24 MS. DILLON: That data that we have uploaded, that is

Quarterly Meeting
July 23, 2018

65

1 correct.

2 MS. RYSELL: To go off on that, we have about 70
3 pension funds that do utilize the portals, and we haven't
4 had a single one decide to stop the portal service.

5 MR. BLAYLOCK: The data is always going to be there,
6 just our access to it would be gone.

7 MS. DILLON: Right, it's like we hit a switch.

8 MR. BURKE: The only thing is, you're on the night
9 shift --

10 MR. BLAYLOCK: I'm not against it.

11 MR. BURKE: You're out in the field. I think that if
12 they come to any of the three --

13 MR. MILLER: I like the access if somebody comes to
14 you with a question, being able to get them an answer
15 quickly.

16 MR. BURKE: And not discounting you or Bill, it's
17 just you're not here.

18 MR. BLAYLOCK: I do always have to email Eric to get
19 these questions answered, and it would make it easier. I'm
20 certainly not opposed to trying it.

21 MR. BURKE: What's it called?

22 MS. RYSELL: Lauterbach & Amen Trustee Portal. It's
23 the file cabinet. That's what we use for those.

24 MR. BURKE: I'm going to make a motion.

Quarterly Meeting
July 23, 2018

66

1 MR. NIENBURG: Somebody brought up what if we
2 terminate in the future. Is there a software agreement,
3 software service agreement that we should review? And does
4 it have a provision if we discontinue? Do we get a one-time
5 data dump of all the sort records, something like that?

6 MS. DILLON: We could do that. We could put it on a
7 USB, anything that we have up until that point if you
8 decide, and then we could give it to you.

9 MR. NIENBURG: I think that's a standard part of
10 software agreement.

11 MS. DILLON: Uh-huh. And what would you say about
12 Eric bringing iPads to the meetings?

13 MS. RYSELL: Yeah, I mean if you guys have Board
14 meeting packets, or do you have -- or you just have the
15 agenda and all of the materials?

16 MR. BURKE: We send the agenda, and then everything
17 is waiting here.

18 MS. RYSELL: Another great thing, you could compile
19 all your documents into one packet that you can review at
20 the meeting.

21 MR. BLAYLOCK: That would be nice to save some trees.

22 MS. RYSELL: Yeah. And it's great for FOIA requests,
23 too. You have five days to respond, you just plug in, send
24 it out.

Quarterly Meeting
July 23, 2018

67

1 MR. BURKE: What a pain in the butt that is, FOIAs.

2 MS. HOGAN: I have a question. You said you noticed
3 there were missing documentation for different people. Is
4 that something that you would kind of monitor as part of
5 this?

6 MS. RYSELL: Yeah. The letters are just a reminder.
7 Your members can send us anything throughout the year, but
8 we'll send the letters on a yearly and annual basis, just as
9 a reminder, but that's also put in that \$200.00 fee for the
10 portal maintenance. Some months we may have 15, 20 updates
11 per month. The next, a lot of changes could be going on in
12 the department. We could receive a lot of certificates or
13 updates to those files. So, it doesn't matter how much data
14 we're uploading per month, we're not billing hourly, it's
15 just a flat rate.

16 MR. BLAYLOCK: Okay.

17 MR. SIDLER: Is it fair to request then the proposal
18 that we've got is it's not a contract, so the idea of going
19 forward, obviously then we would like to see some
20 contractual -- if the decision is, and if you guys want to
21 go with that, I would request put a term on the \$200.00 a
22 month in writing, and then also if there is a cancellation,
23 that we would have the data dump of all the data paid for
24 from that point, because my concern would be once you start

1 it's very difficult to stop. But if you did decide to stop,
2 you were looking at expenses and saying, hey, you guys have
3 a ton of services that we're doing, which is great, but if
4 we decided we need to cut expenses and this is an area, I
5 would want to make sure that the Board is protected to get
6 the data that we paid for.

7 MS. RYSELL: Yeah. So I will include that in the
8 engagement letter with the \$200.00 per month agreement, and
9 then that provision to upload everything onto a USB if, in
10 fact, you do want to terminate the Trustee Portal Service at
11 any time.

12 MR. BURKE: Would you like that before a motion?

13 MR. SIDLER: I personally think it makes sense to see
14 all that in writing, to go through -- and this is just one
15 opinion -- everything completed of where we're at, let's
16 assess where we stand with the data that we've gone after
17 that there's been a lot of missing data, let's assess, okay,
18 we've got that, do we feel as though we need the online
19 portal? Does that make your lives a lot easier? And we've
20 got it actually in writing. If we're agreeing to sign off
21 on something contractually, I would much rather see us have
22 everything in writing for engagement.

23 MR. BURKE: The thing about the portal is that -- you
24 guys can agree or disagree with me -- I get people walking

Quarterly Meeting
July 23, 2018

69

1 into my office and ask what -- you know, I've been married
2 four times, is my current marriage certificate in there? I
3 had a child, is my child's birth certificate in there? The
4 other one is transfer of credible service time. And so, I
5 see the benefit, not just the recording of the data from
6 minutes and agendas and investment reports, but for the
7 actual members and the things they need to have so that
8 their surviving spouses and so on, we have the documents we
9 need. I mean we would get them after, but then of course
10 that's a hassle, too.

11 MR. BLAYLOCK: Would it make you comfortable to say
12 we can accept this fee pending seeing the contract and stuff
13 that's in there, so we don't have to come back? We can do
14 an email and just say pending the request from Norm that he
15 wants a contract, which I agree with, those are good things,
16 we tentatively say we want to do it so we don't have to do
17 this again?

18 MR. SIDLER: Yeah. Sounds like the feeling is you
19 will need it. I think it's a useful service.

20 MR. BLAYLOCK: Maybe not as much for you because you
21 might not have to access stuff, but for us when an officer
22 comes up and asks something, I get back to them. Eric is
23 very quick, but it would be a lot nicer if they could just
24 call us at home and I can go, "You're good to go." It would

Quarterly Meeting
July 23, 2018

70

1 make a big difference for me and the people in the fund, and
2 for \$50.00 a month --

3 MR. SIDLER: \$200.00 is negotiable?

4 MR. NIENBURG: Do we have the ability to do an email
5 vote, authorize an email vote? Like I'm on the same page as
6 you, Andy. What if we made a motion --

7 MR. BURKE: I think we have to do it in open session.

8 MR. BLAYLOCK: We have to do it now.

9 MR. BURKE: We either do it now or the next open
10 meeting because --

11 MR. SIDLER: Clearly it's going to be helpful, you're
12 interested in it. And if that's the case, then if you're
13 comfortable with everything we requested from a contractual
14 standpoint, it's not a problem for you to put it in writing
15 for us to sign as we enter in.

16 MS. DILLON: And we can have this to the Board in the
17 next couple of days, if not sooner.

18 MR. SIDLER: You can bring it to a vote understanding
19 they've said if they do what they say, which is not a
20 problem in what we've requested, we'll have a contract in
21 short order to go forwards with.

22 MR. BLAYLOCK: Right, and what is it, one member, or
23 do we all have to sign it?

24 MS. DILLON: Only one person has to sign it.

1 MR. BLAYLOCK: If somebody wants to make that motion
2 pending the request that we've made, that we would go
3 forward with it.

4 MS. RYSELL: And let's add a start date, too, for it
5 because I'll need some time to upload data, set all your
6 user names up, so I could probably have that all done by
7 effective September 1st. Would that be okay with you guys?

8 MR. SIDLER: Yeah. And do you think the completion
9 then of the first -- obviously it's tough to say with the
10 holes in the data, but is there --

11 MS. RYSELL: So today, with our visit after the
12 meeting to the village, we'll be completing our inventory
13 list, and then it will be up to the State.

14 MS. DILLON: We're basically done as far as that's
15 concerned. We're going to go and put the names of the files
16 that we're looking at, and I think it was somewhere else the
17 minutes --

18 MR. SIDLER: And then requesting the data for all the
19 holes we need to fill; correct?

20 MS. DILLON: No. If you don't have the files, you
21 don't have the files.

22 MR. MILLER: Are you just referring to the active
23 members, the documents?

24 MS. DILLON: Yeah, we're going to do that. We're

Quarterly Meeting
July 23, 2018

72

1 going to send a letter to each one.

2 MS. RYSELL: And then you guys, which will be really
3 helpful, I'll send you guys the spreadsheet. The
4 spreadsheet will have every member on there, and then it
5 will say exactly what's in their file. So if you're saying
6 Joe Smith has only one kid, you know he's had three kids in
7 the last seven years, I mean you can ask him, hunt him down,
8 send me birth certificates.

9 MR. BLAYLOCK: Okay.

10 MR. NIENBURG: I'm going to make a motion because I
11 got to go. So pending inclusion of a termination clause
12 that provides for return of all existing records, I'd like
13 to move -- and a subsequent review of the engagement letter
14 by the president Andy Blaylock, I'd like to move that we
15 approve the service from Lauterbach to set up a records
16 portal for the Pension Board, with a start date of September
17 1st.

18 MR. BURKE: I will second that.

19 MR. BLAYLOCK: Roll call.

20 MR. BURKE: Burke aye.

21 MR. MILLER: Miller aye.

22 MR. BLAYLOCK: Blaylock aye.

23 MR. SIDLER: Sidler aye.

24 MR. NIENBURG: Nienburg aye.

Quarterly Meeting
July 23, 2018

73

1 MR. BLAYLOCK: Okay.

2 MR. BURKE: Bill, thanks for attending.

3 MR. BLAYLOCK: Are we going to set another date for a
4 regular meeting?

5 MR. BURKE: We already did that.

6 MR. BLAYLOCK: Anybody has -- is there nothing else?

7 MR. BURKE: Bill, are you still there?

8 MR. NIENBURG: I'm still here.

9 MR. BLAYLOCK: Somebody make a motion to adjourn.

10 MR. SIDLER: Motion to adjourn.

11 MR. BURKE: Second.

12 MR. BLAYLOCK: Roll call.

13 MR. BURKE: Burke aye.

14 MR. MILLER: Miller aye.

15 MR. BLAYLOCK: Blaylock aye.

16 MR. SIDLER: Sidler aye.

17 MR. NIENBURG: Nienburg aye.

18 (Which were all the proceedings
19 had and testimony taken in the
20 above-entitled cause.)
21
22
23
24

Quarterly Meeting
July 23, 2018

1 STATE OF ILLINOIS)
) SS.
2 COUNTY OF DU PAGE)
3

4 I, LINDA M. CIOSEK, C.S.R. No. 084-002892, a
5 Notary Public duly qualified and commissioned for the State
6 of Illinois, County of DuPage, do hereby certify that I
7 reported in shorthand the proceedings had and testimony
8 taken at the DOWNERS GROVE POLICE PENSION BOARD meeting of
9 the above-entitled cause, and that the foregoing transcript
10 is a true, correct and complete report of the entire
11 testimony so taken at the time and place hereinabove set
12 forth.

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Linda M. Ciosek
CERTIFIED SHORTHAND REPORTER
Notary Public

My Commission expires:
July 3, 2022.

A				
A's 18:10	add 31:5 38:4 56:14 59:6 61:2 71:4	American 16:2 16:16 17:3,10	44:3 53:12	attest 30:18
a.m 1:5 2:2 49:5	added 59:5	ammunition 10:23 11:3	appreciate 61:20	attorney 39:22
ability 60:3 70:4	adding 63:19,24	amount 25:1 28:23 32:19,20	appreciation 14:23 15:5	audit 23:2 37:12 56:6 63:12
able 57:1 62:3 65:14	addition 60:2	33:3,3 34:16	approach 30:23	audit-ready 60:8
above-entitled 73:20 74:9	additional 24:12 24:18 28:10	34:21,23 41:11	approval 3:3 39:13 40:11,13	auditor 38:5
absolute 13:11	29:8 50:10	41:11 50:2	approve 42:4 45:5,19 47:3	August 44:4 45:8,10
absolutely 46:7	59:23	51:8 53:11	72:15	authorize 43:16 45:3 70:5
abstain 4:5 5:17 5:23 6:11	adjourn 73:9,10	59:2	approving 42:18 42:21 43:11	authorized 41:24
accept 69:12	Advisor 1:20	amounts 36:6 40:9	April 3:4 39:15	Avenue 1:8
access 23:9 56:9 56:9,13,14	affidavits 56:5	analysis 61:24	40:15 41:16	average 10:24 14:20 27:13 28:9
57:2,15 60:15	agenda 39:1 66:15,16	and-a-half 13:6 16:4	44:4 50:11	averages 11:19 11:22
64:22 65:6,13 69:21	agendas 56:6,16 69:6	Andy 1:13 2:24 3:23 23:22	52:22 59:17	aye 2:14,15,16 2:17 4:3,4,6,7 5:14,15,16,18 5:24 6:1,2,3,10 6:12,13,14 17:13,14,15,16 17:17 36:21,22 36:23,24 37:1 41:4,5,6,7,8 43:22,23,24 44:1 47:10,11 47:12,13,14 72:20,21,22,23 72:24 73:13,14 73:15,16,17
accessed 56:20	aggressive 10:20 30:24 33:20	70:6 72:14	area 11:17 12:13 13:20 43:6 68:4	
account 15:23 16:2,22 17:3	ago 9:8,12 11:24 19:16 49:20	annual 54:9 63:9 67:8	areas 11:23 12:7 14:2	
28:13 30:11	53:20	answer 65:14	argue 30:24	
34:14 35:12	agree 68:24 69:15	answered 65:19	arrow 56:24	
accountants 63:7	agreed 40:14	Ante 1:8	Article 45:2	
active 24:13 53:5,10,15	agreeing 68:20	anticipate 25:1 32:20	aside 23:16	
57:3 59:9,14	agreement 26:5 60:10 66:2,3	anticipated 25:14,24	asked 51:22	
60:3 63:3	66:10 68:8	anticipating 9:17,22	asking 53:18	
71:22	ahead 18:5 23:4 25:12 39:12	anybody 7:12 73:6	asks 69:22	
actives 53:15	45:3 49:17	anymore 14:23 54:11	assess 68:16,17	
actual 23:15 35:16 36:7	63:23	anyone's 36:15	assessment 31:7	
57:15 69:7	Allie 1:22 49:19 50:14 53:2	anyways 52:12	asset 15:10 18:20 27:3	
actuarial 25:6 30:18,20 51:12	57:10	apologize 28:5	assets 24:3	
62:18	allow 2:10 49:17	app 57:17,21	assistant 1:16,19 3:12,13 6:5,7	
actuarially 30:11	allowed 8:24 56:2	appeared 1:17	assume 52:2	
actuaries 30:18	alternative 18:17	application 46:11,11 48:1	assumption 24:22 27:5,8	
actuary 51:4 55:21 56:5,18	Amen 1:22 22:16 47:4	50:4,10 52:23	27:11 29:6 36:1	
56:22	55:24 65:22	62:23	attend 43:17	
		applications	attendance 2:9 2:11	
			attending 73:2	
				B
				B's 18:8
				back 13:2,7 25:13 30:15 32:6 37:13 38:7 48:14 49:3 50:6,7 52:13,20 54:2 59:18 64:21 69:13,22

Quarterly Meeting
July 23, 2018

balance 16:21	big 11:6 12:14	40:16,21,23	44:14,16 45:11	39:10,20 40:3
bang 9:9	12:21 17:21	41:1,3,6,6,13	46:7 47:15	40:18,22,24
bank 21:10	18:1 53:1 70:1	41:21 42:3,10	bottom 23:24	41:4,4 42:8,11
41:24 56:6	bill 1:17 2:20 3:1	42:14,16,20,24	33:15	42:15,17,23
bargaining 26:5	6:19 22:10	43:4,8,10,14	boxes 50:2,9,14	43:3,6,12,16
based 13:3 29:14	23:6,13,20	43:20,23,23	Boyd 9:2 18:4	43:21,21 44:6
31:24 35:9	48:8 52:11	44:2,7,17,23	19:1	44:9,14,22
42:24 58:20	58:13 65:16	45:10,16,24	break 34:22	45:2,8,12 46:3
59:13	73:2,7	46:4,10,17,24	Brian 48:1	46:7,15,20,23
basically 8:15	billing 40:2	47:2,9,12,12	brief 52:21	47:5,7,10,10
9:20,23 13:1	61:11 67:14	47:15,20,22	55:17	47:17,21 48:3
14:11 15:19	bills 16:23 42:6	48:4,15,17,24	briefly 55:15	48:7,12,16,19
16:14 18:3,6	birth 53:11	49:4,8,13,16	bring 37:5 59:24	48:22 49:2,11
22:18 31:22	57:14 62:24	50:16,22 51:2	70:18	49:15 50:20
37:3 42:14	69:3 72:8	51:11,21 52:10	bringing 7:11	51:6 52:11,15
71:14	bit 8:2 9:1,4,9	52:13 53:20,23	27:12 32:15	52:19 54:1,23
basis 13:11	10:4 11:21	54:4,21 55:1,4	66:12	55:2,9,12 60:2
19:16 25:6,7	12:19 13:4	55:8,10 57:17	broad 9:2,4	60:7 62:20,23
27:6 28:1	14:18 15:3	57:19 58:16,22	brought 66:1	63:2,5,22 65:8
31:16 54:9	18:7,9 19:7,9	60:18,20 62:6	buck 9:9	65:11,16,21,24
59:5 67:8	20:2 25:24	62:13 63:1	budget 25:3 31:8	66:16 67:1
bat 15:15	27:7 28:7,10	65:5,10,18	31:9,10 38:14	68:12,23 70:7
beat 19:2 27:6	32:13 50:9	66:21 67:16	38:16	70:9 72:18,20
beginning 14:17	58:7 61:8	69:11,20 70:8	budgets 24:24	72:20 73:2,5,7
15:1	Blaylock 1:13	70:22 71:1	bull 14:2	73:11,13,13
behalf 26:16	2:1,6,6,8,10,13	72:9,14,19,22	bullet 8:8	Burlington 1:8
behavioral 7:5	2:16,16 3:1,3,6	72:22 73:1,3,6	bullish 13:19	business 42:4
believe 37:17	3:8,13,15,18	73:9,12,15,15	Burke 1:14 2:4,4	49:14
41:23 44:4	3:23 4:2,5,8,18	blue 9:12	2:14,14,18,22	butt 67:1
50:5	4:23 5:9,13,16	board 1:1,3,7,12	3:5,7,12,14,19	
benchmark 18:6	5:16,19,22 6:1	2:2 4:13 8:22	3:23 4:3,3,10	C
18:8	6:1,4,9,12,12	22:3 32:23	4:21 5:6,12,14	C's 18:11
benefit 26:18,24	6:15,17 16:19	37:15 39:23	5:14,20,23 6:8	C.S.R 1:9 74:4
30:14 45:5	16:23 17:12,15	42:18 43:17	6:10,10,16	cabinet 65:23
47:4 69:5	17:15 21:16,21	45:23 50:13	17:11,13,13	calculated 32:4
benefits 26:21	22:2,6,9,13,15	53:3 55:12	21:1,6,17 22:1	calculation 47:4
benign 18:18	23:6,10 29:16	56:6,10 58:5	22:7,10 23:8	calculations
best 9:1 11:12	29:20 30:4,6,9	60:6 66:13	29:5,9,11,23	31:23 44:12
21:23 48:5	31:20,22 33:9	68:5 70:16	30:2,5,8 31:21	45:5,6,22
better 8:14 9:5,8	33:12,16,18,22	72:16 74:8	32:22 33:7,17	call 2:1,3,13 4:2
12:12 18:9	34:1,6,9 36:23	bond 10:13	33:24 34:4	5:13,22 6:9
19:24,24 21:15	36:23 37:22	bonds 11:14	35:3 36:4,17	17:12 19:10
48:24	38:13,20 39:4	book 6:20	36:21,21 37:15	34:9,10 36:20
Betty 54:12	39:11 40:4,8	Bormann 44:3,7	38:22 39:5,8	41:3 43:20

45:14 47:9	74:16	25:18 28:4	concerned 10:5	contributing
48:22,24 49:2	certify 74:6	come 20:11	32:22 39:23	26:16,17
52:11,13,18	chance 8:6	22:22 25:9	51:9 71:15	contribution
69:24 72:19	change 36:14	26:2 31:1	conference 22:6	24:4 27:16
73:12	53:24 54:7	35:16 46:18	42:5,9,13,22	32:1 34:12
called 37:5 49:24	changed 25:21	57:7 65:12	42:23 43:18	contributions
52:17 65:21	54:11	69:13	45:14	26:21
cancellation	changes 15:18	comes 14:7 16:7	confusion 29:3	controls 9:14
67:22	20:8 26:9,11	27:13 29:3	congratulations	conversation
cap 12:4 20:20	26:12 32:14	65:13 69:22	6:6	16:12
20:23	67:11	comfortable	consensus 8:10	copies 53:8
caps 12:2,7,10	charge 58:11	11:3 69:11	conservative	54:20 63:12
Carissa 47:18	59:12	70:13	20:10 30:24	copy 23:22
Carol 1:19 4:13	chart 12:9	coming 10:3	consider 7:21	37:20 39:14,21
17:5 21:7	check 39:14	14:9,10,14,24	29:5 34:13	core 8:2 19:6
38:15 40:10	53:16	15:22 24:6	considerably	corner 56:24
50:7 56:14	checking 15:23	55:21,21 64:15	12:12	correct 33:11,19
Carol's 39:1	17:2	comment 24:20	consideration	34:3 35:4,14
cars 55:13	checklist 39:14	49:6	34:17	36:10 40:8
case 28:24 51:8	checks 45:8	commercial 15:6	considered	41:19 45:4
70:12	Chicago 7:3	Commission	13:15	64:19 65:1
cases 12:3	child 69:3	74:18	considering	71:19 74:10
cash 15:17,24	child's 69:3	commissioned	29:20	correspondence
16:1,8,8,14	children 54:8	1:10 74:5	consistently 28:9	56:7 57:21,22
17:1 20:22	CIOSEK 1:9	common 20:4	contact 48:12	58:2
cause 73:20 74:9	74:4	compare 27:17	60:21	cost 61:18
caused 26:12	clarify 35:24	28:14	context 18:10	costs 58:11 59:1
causing 10:4	classes 15:10	compared 17:3	continue 8:10,13	count 7:14
caveat 9:17	clause 72:11	compensation	15:4 19:21	counterintuitive
cease 64:22	Clearly 70:11	11:23	continued 11:13	12:8
certain 8:12	clerk 50:20 55:9	compile 66:18	13:22	countries 13:15
certainly 10:4	55:10	complete 62:1	continuing 8:7	County 74:2,6
11:4 18:8	click 56:22,23,24	74:10	11:16 12:16,19	couple 8:11 17:5
54:14 56:14	client 56:1	completed 15:19	63:19	22:17 23:18
65:20	close 7:18 15:23	68:15	contract 64:10	25:12 32:14
certificate 50:12	closer 22:22	completely 9:20	67:18 69:12,15	37:11,12 40:1
57:14 62:24	24:14	18:15 33:22	70:20	43:1 49:20,21
69:2,3	collect 26:23	61:19	contracted 62:8	53:12 64:14
certificates	collecting 26:18	completing	contractors	70:17
53:11,12 54:17	27:21	71:12	40:14	course 8:17
67:12 72:8	collective 26:5	completion	contractual 40:9	22:19,24 27:14
certification	Colleen 1:21	61:23 71:8	67:20 70:13	58:21 69:9
43:17	49:18 61:1	composite 18:2	contractually	court 47:6 50:24
certified 46:1	column 15:17	concern 67:24	68:21	51:3

CPI 8:2	December 8:6	68:1	11:12,18 12:6	58:18 61:20
create 53:17	27:19 28:16	Dillon 1:22	13:24 14:3	earned 24:14
credible 69:4	63:23	49:18,19 50:17	22:18 68:3	earnings 12:6,12
credit 8:23 14:1	decent 16:5	50:21 51:4,7	dollar 13:2,4,7,8	ease 24:23 30:1
20:3	decide 54:14	51:18 52:8,21	13:9 15:17	30:12 32:9
currencies 13:5	59:19 65:4	54:3,6 55:7,20	34:18 36:6	60:15
currency 12:22	66:8 68:1	57:10 61:11,14	58:19 59:2	easier 54:21
13:10	decided 24:23	62:3,10,16,22	dollar-wise	65:19 68:19
current 24:2	58:22 59:18	63:4,12,14	25:22 34:22	easing 25:2
60:10 69:2	68:4	64:13,19,24	dollars 13:3	easy 57:2 62:4
currently 60:13	decision 59:17	65:7 66:6,11	16:10 24:13	economic 11:16
curve 8:15,16	67:20	70:16,24 71:14	27:21 29:2	14:6
9:10,19,20,24	decrease 26:6	71:20,24	32:17 43:2	Economics 7:4
10:3,8,11	36:6,7	direct 57:7	door 26:22	economists 9:21
20:11	defeat 33:22	directly 35:20	doubt 59:24	economy 7:17
cut 61:18 68:4	deferred 26:20	Director 1:19	Doug 1:20 6:18	Eddy 39:19,20
cycle 11:5,16	definitely 31:17	disability 48:1	21:19 22:13	40:3
12:9 14:16,17	deliver 54:18	disagree 68:24	63:11	Eddy's 39:21
cycles 14:18	demo 56:2	disappears	Doug's 39:3	educational 7:13
	demographic	64:17,23	Downer's 40:17	effective 71:7
	26:9	discontinue 66:4	Downers 1:1,3,7	effects 13:17
	Dennis 1:14 5:20	65:16	1:7,8 2:1 74:8	either 4:10 28:9
	55:10	discuss 55:15,16	download 57:1	70:9
	department	discussed 53:3	draft 21:13	election 3:9
	47:19 62:21	59:21	draw 16:17,23	electronic 2:9,11
	67:12	discussion 36:14	drawing 16:14	51:22 57:13
	description 23:3	disposal 50:13	drive 15:4	electronically
	designed 24:9	disrupt 8:9	driving 3:17	55:23 62:17
	despite 12:4	divorced 54:8	14:21,22	eligibility 56:6
	14:12	doctor 48:14	dropbox 57:23	email 6:20 23:9
	destruction 61:5	document 37:3,7	dropped 10:24	23:13,19 51:22
	detail 26:10 39:2	37:14 60:23	52:11,18	51:23 54:1,2
	details 25:20	documentation	drops 10:15	57:1 63:11
	detractor 18:1	60:12 67:3	DU 74:2	65:18 69:14
	developed 12:23	documents	due 32:14	70:4,5
	12:24	53:11,16,19	duly 74:5	emerging 12:23
	device 57:13	54:17 56:9,16	dump 66:5	12:24 13:10,11
	dictates 46:21	56:21 57:2,24	67:23	13:15,16,18,19
	difference 35:6	58:4 62:20	DuPage 74:6	emphasize 28:11
	70:1	63:18,20 64:1	duration 20:1	employment
	different 7:6	66:19 69:8		7:21
	11:6 35:16,22	71:23	E	ended 9:12
	63:17 67:3	doing 8:4,22 9:4	EAFE 12:24	ENDRIUKAI...
	difficult 64:20		early 12:15 19:9	1:21 23:13,20
data 37:4,10				
38:9 49:17				
58:9 60:13				
64:18,23,24				
65:5 66:5				
67:13,23,23				
68:6,16,17				
69:5 71:5,10				
71:18				
date 21:17,23,24				
22:3 31:18				
71:4 72:16				
73:3				
dates 21:23 48:2				
Dave 44:7				
David 44:3				
day 7:13 25:15				
27:1 32:19				
44:4,5 46:12				
days 45:11 57:24				
58:6 66:23				
70:17				
deal 60:3				

37:18 38:24	27:24	farce 30:22	30:5,8 46:4	forever 51:9
39:7,9 41:9,16	existing 72:12	favoring 18:21	48:20	52:9
41:18 43:13	exited 19:6	February 12:15	fire 21:1	forget 33:12
44:12,15 45:4	expansion 14:13	Fed 7:20 8:4,9	first 6:22 7:17	form 28:2
45:21 46:1,9	expect 20:9	9:13 10:9,12	7:19 16:2,16	forms 41:24
46:13,22 47:1	31:12 50:16	10:14,19,20	17:3,10 18:11	forth 74:12
47:3 60:19	expectations	Fed's 8:7	19:4 20:12,19	forward 9:18
engagement	10:18 14:9,14	fee 41:12,13	20:21 22:24	10:17 11:5
58:12 64:10	expected 7:18	58:12,14,14,23	24:19 25:22	17:19 19:23
68:8,22 72:13	24:8,17 25:19	58:24 59:7	28:4 56:23	20:7 31:5 42:7
enter 70:15	expecting 9:19	64:7 67:9	59:19,22 61:23	60:16 63:20,21
entire 37:15 38:9	14:11	69:12	62:7 71:9	67:19 71:3
38:15 74:10	expenditures	feel 11:3 13:20	fiscal 25:21	forwarded 48:2
entirety 18:3	42:5,12,19,21	64:10,11 68:18	fit 7:12	forwards 70:21
environment	43:17	feeling 7:23	five 24:24 29:17	found 61:14
7:16 11:15	expenses 68:2,4	69:18	29:17,19,21	four 4:15 17:24
18:12	expensive 12:18	fiduciary 40:23	30:3 31:4,22	63:22 69:2
Environment's	expires 74:18	field 65:11	32:2 35:10	free 20:22
6:22	explain 25:14	fight 10:23	36:8 63:22	Friday 7:6 39:8
equated 32:8	35:5	figure 51:20	66:23	front 7:16
Equities 12:21	extra 20:5 52:1	file 44:20 53:13	five-tenths 36:7	frontier 13:16
equity 12:1 14:5	eye 43:21	53:17 54:10	five-year 30:7,12	full 7:21 24:24
18:2,14,15	F	57:6 63:18	31:18 35:19	26:10,23 28:22
Eric 1:21 38:22	face 11:16	65:23 72:5	fixed 8:19,20 9:5	32:19 33:3,21
44:9 51:22	fact 14:12 26:19	files 50:1 51:24	9:7 11:9,13	34:21 36:9
55:21 56:17	27:11 28:8,21	52:23 53:5,5	12:7 15:24	39:2 45:10
60:18,21 65:18	32:15 68:10	53:15 55:3	16:7 18:4,12	64:13
66:12 69:22	FAIN 1:21 22:17	56:3 57:3,4,4	18:13 19:20,22	fully 21:2 30:23
especially 18:13	22:24 23:15,23	57:15 61:1	19:23 20:4	fund 16:3,16
essence 10:17	31:13,17 32:12	62:21 67:13	flat 64:4 67:15	25:21 26:15,20
estate 14:17,18	33:2,5,11,14	71:15,20,21	flatten 9:20	27:22 32:3,18
15:6 18:16,21	33:19 34:16,21	filing 37:10	flattened 8:16	40:19 50:3,9
estate's 14:15	35:4,8,14	49:23	flattening 10:4	52:22 56:4,8
estimated 35:17	36:10 37:2,9	fill 61:22 71:19	flip 15:14 17:19	59:13,15 61:14
estimation 35:9	37:11,17,20,24	finalized 38:5	23:4	63:17 64:12
event 10:22	38:3,10	finally 6:4	flow 11:8 15:17	70:1
everybody 53:23	fair 67:17	finance 1:19 7:5	20:22	funded 25:5,8,9
everyone's 14:13	fairly 10:2 13:20	51:6 55:3,10	focus 25:17	30:21,24
26:4	fall 52:23	financial 1:20	focused 9:23	funding 24:2
exact 16:12	falls 50:3	16:2 17:10	FOIA 66:22	30:19 31:1,24
exactly 50:8 72:5	far 32:22 38:7	56:7,17 63:8	FOIAs 67:1	funds 16:4 17:3
excellent 60:2	39:23 62:5	find 49:22 51:10	folder 57:22,22	27:16 53:13
excess 16:8	71:14	fine 4:20 5:5	58:3 59:10	54:6 61:8 65:3
exhibit 25:18		23:12 29:14	foregoing 74:9	funny 16:4

further 55:17	23:10,13,16,24	guess 36:20	helpful 70:11	home 30:9 69:24
future 9:7 66:2	25:11,13 26:22	38:18 51:18	72:3	homework 37:8
FYI 41:9	29:5,7,13,17	55:12	helps 23:2 31:14	hopefully 30:9
<hr/>	30:3,15,22	guidance 11:5	hereinabove	32:23
G	31:7,12 38:1	guy 7:5	74:11	hour 58:13
gap 19:3	38:18 41:23	guys 4:10 7:10	hey 2:21,22 23:6	hourly 67:14
GDP 7:17	42:7,11,14	8:19 15:24	23:13 68:2	hours 7:15 58:20
general 26:11	44:23,24 45:17	20:21 22:17,20	Hi 3:1 52:18	hovering 7:20
geopolitical	48:13 49:2,9	38:8 41:9	high 7:23 11:19	8:1
13:13	52:15 59:17	45:17 48:17,19	38:18,19	huge 12:4 51:17
get-go 35:9	60:13,16,22	49:9 53:7	high-quality	hundred 17:5
getting 8:2 9:8	61:1,5 63:19	54:22,23 55:4	11:14 18:13	hunt 72:7
16:2,8,16,16	63:21,22,24	55:16,18 56:13	higher 9:6 10:16	hurt 18:8
19:24 26:4	65:5,24 67:11	60:24 61:4,16	12:12 15:3	hurts 19:22
give 2:18 11:5	67:18 70:11	62:6 66:13	18:7 24:6	<hr/>
38:22 44:20	71:15,24 72:1	67:20 68:2,24	25:16 32:13	I
55:18 57:11	72:10 73:3	71:7 72:2,3	highlighted	idea 67:18
66:8	good 2:23 6:17	<hr/>	12:22	IDI 56:23
given 26:2	7:4,13,23	H	highlights 12:10	Illinois 1:9,11
giving 37:8	14:10 17:22	half 18:11 25:20	22:19	74:1,6
go 3:15 5:5 9:5	18:22,24 19:3	hall 1:8 52:5	hike 11:5	immediate 10:1
10:8 15:14	19:10 21:7	53:6	Hinsdale 56:1	immediately
17:19 19:24	22:8,12 31:15	hand 53:18	hire 26:13	36:9 56:16,20
20:7 23:4	41:1 48:9,11	handed 52:1,3	hired 26:13	impact 13:8,14
30:21,23 31:5	48:21 49:18	happened 15:18	hires 26:24	25:22 26:6
32:6 33:14,20	52:24 54:13	happening 28:12	63:20	27:13,16 34:18
33:21 34:10	63:1 69:15,24	happens 11:7	hiring 63:22	impacted 26:8
36:1,5,8 38:7	gotten 6:19	happy 4:12 5:4	historical 11:19	important 24:7
39:2,12 40:6	47:21	hassle 69:10	11:22 28:9	inaccessible
44:17,20 45:3	grade 8:23 11:20	He'll 45:10	30:14	64:18
49:17,17 50:6	14:1	head 36:16	historically	include 37:14
52:24 53:14	graduate 36:2	heads 43:15	14:17 32:7	68:7
55:5,17 61:2,3	great 7:11 18:17	healthy 10:2	hit 12:14 27:11	included 58:12
63:23 65:2	57:20 58:3	hear 7:5	29:2 32:17	including 58:23
67:21 68:14	60:7 66:18,22	heard 39:24	65:7	inclusion 72:11
69:24,24 70:21	68:3	61:21	hits 9:9	income 8:19,20
71:2,15 72:11	green 9:11	hearing 21:22,23	HOGAN 1:19	9:6,7 11:10,14
goes 23:19 56:8	Grove 1:1,3,7,8	21:24 40:6	4:15 17:7 21:9	12:7 14:19
59:19,22	1:9 2:1 40:17	48:1,13,23	38:17,19 39:13	15:24 16:7
going 8:4,10,11	74:8	49:4	40:12,20 41:23	18:4,13,13
8:13 10:19	growth 10:18	height 8:7	53:22 67:2	19:20,23,23
11:7,9 13:13	13:22 14:1,14	help 10:7 31:10	hold 5:9 51:23	20:4 34:11
15:4,11 16:14	14:19,20,22	55:11 60:11	holes 51:16	increase 24:8,9
19:23 23:3,5	15:5 19:4,7	helped 19:5	61:22 71:10,19	24:10,16,18

25:8,9,14,19 26:4,14 27:1 27:10,14 28:21 30:20 32:1,8,9 36:3,6,6 increases 25:23 25:23 26:13,18 26:24 incur 42:12 index 12:23,23 13:16 14:6 15:16 19:2,3,5 indexed 18:15 18:15 Indicating 47:1 indicator 7:24 10:2 individual 26:17 individuals 26:19 Inflation 8:1 information 58:8 59:20 60:4,20 62:17 informational 47:23 initially 54:15 instantly 59:6 insurance 40:17 40:23 insure 58:8 interest 4:24 9:1 9:3 20:2,6,8 interested 7:7 70:12 interesting 20:13 intermediate 20:10 inventory 60:24 71:12 inversion 9:22 invert 10:10 inverted 9:24	10:3,8,9 invest 8:24 investing 11:22 13:5 investment 6:18 6:23 8:23 11:20 14:1 51:12,14 62:18 63:10 69:6 investment-gr... 11:14 investor 13:3 invited 6:24 invites 7:8 invoice 41:10 IOS 57:19 iPad 57:13 iPads 66:12 IPI 63:9 IPPFA 42:5,23 43:18 issue 34:11,14 34:15,18 35:1 issues 13:13 item 24:3 26:8 27:3,15 items 37:11,12	June 39:16 40:15 58:20	lag 28:13 lagging 27:8,9 laptop 57:12 large 13:12 19:3 20:23 late 12:15,19 latest 22:2 Lauterbach 1:22 22:16 45:19 47:4 49:16 55:24 59:23 65:22 72:15 Lauterbach's 43:14 legal 55:5 legally 40:14 let's 2:1 10:14 21:17 36:1 51:20 56:22 59:21,22 68:15 68:17 71:4 letter 39:20 58:13 64:10 68:8 72:1,13 letters 21:14 48:14 53:17 67:6,8 leveraged 11:20 levies 52:7,7 levy 22:16 23:1,3 23:15,17,23 24:1,4,5,9,20 25:1,12,16,22 26:6,9,14 27:10,16,18 28:2,13,15,19 28:21 32:8,18 32:22 33:3 34:4,6 35:9 36:15 37:2,4 37:12 38:13 56:19 liability 24:12 license 62:24	lieutenant 44:4 44:8 LINDA 1:9 74:4 line 9:11,12 15:19 23:24 24:3 27:3,15 lines 14:6 lining 9:1,6 list 52:22 56:8 60:24 61:2 71:13 listed 58:14 little 8:2,5 9:1,4 9:9 11:21 12:1 12:8,19 14:14 14:18 15:3 16:7 18:7,9,23 19:7,9 20:2,5,6 25:24 27:7,24 28:7,10 32:13 50:9 55:18 56:24 58:7,19 live 60:14 lives 54:7 68:19 loans 11:20 local 13:1,5 located 50:19 log 56:15 log-in 56:11 59:20 login 56:12 57:11 long 8:14 19:9 56:2 long-term 10:16 27:4 longer 9:14 14:18 21:19 27:7,9 look 8:2,3,20 9:7 10:23 11:1 14:20,23 18:1 18:4 23:24 24:3 25:11	
	J	K			
	January 12:15 Jennifer 47:18 Jess 56:18 JESSICA 1:21 job 7:11 jobs 7:23 Joe 72:6 Johnstone 40:5 40:5 41:10 48:1 49:5 Judy 4:14 23:8 46:3 July 1:5 2:2 41:15 44:6 45:9 74:18	keep 11:22 16:21 17:4 30:16 50:20 51:8,20 51:21,24 52:9 keeps 52:4 60:8 key 7:1 22:18 37:4,11,12 kid 72:6 kids 72:6 kind 8:23 11:17 11:20 12:18 14:2 16:6 18:20 27:24 28:13 32:15 35:19 49:21 50:7 54:12 57:17,22 61:18 67:4 knockout 13:17 know 4:14 7:7,9 8:19,24 16:6 16:17,20 17:20 19:6,11,19 21:22 23:9 28:17,23 29:14 31:15 38:3,7 42:1,17 43:10 48:17 49:8 50:13 51:14 52:22 53:3,4 54:16 55:15,16 57:14 59:8 60:24 61:16 62:14 69:1 72:6 knowing 32:10 knuckleheads 30:16	L		

27:5,7 28:8 30:12 31:5,11 35:10 49:21 looked 19:15 looking 10:18 15:2 22:18 25:6 31:3,15 34:24 40:11 48:4,15 51:13 59:18 68:2 71:16 looks 16:11 24:2 26:3 28:18,20 lot 8:8 9:8 13:13 14:10,13 20:23 26:22 30:18 37:8 38:24 49:22 51:7 53:10,13 54:6 61:22 63:2,15 63:17,17 67:11 67:12 68:17,19 69:23 lots 7:5 lower 10:18 19:17 20:1 27:4 lowered 24:22 lowest 11:12	managers 14:21 20:4,16,24 21:5 march 12:16 margin 9:4 margins 11:17 mark 58:19 market 6:22 7:16 9:2,4,16 11:4 13:10 14:2,3 16:4 25:6 32:15 51:14 market's 8:5 9:19 12:18 markets 11:10 12:1,23,23,24 12:24 13:11,15 13:16,18,19 14:5 15:12 marriage 53:11 62:24 69:2 married 54:7,11 69:1 Mary 54:11 match 39:3 matches 39:1 matching 18:6 material 61:5 materials 66:15 math 39:3 matter 5:11 67:13 Maui 7:2 maximum 58:16 MB 16:1 17:9 MCR 37:5 mean 4:16 5:6 10:9 20:21 21:9 29:9,11 38:24 50:1 51:14 63:8 66:13 69:9 72:7	means 14:7,8 20:7 meet 16:12 17:7 36:1 46:20 meeting 1:3 2:2 3:4 15:20 17:22 21:21 22:3 30:10 45:15 47:17 50:19 52:4 53:4 55:4,16 55:17,18 56:7 59:16,17,21 64:14 66:14,20 70:10 71:12 73:4 74:8 meetings 66:12 member 45:23 53:15 64:3 70:22 72:4 members 1:12 4:14 24:13 26:13 45:7 52:2 53:5,5,10 53:16 57:3,4,6 59:8,9 60:3 62:5,11 67:7 69:7 71:23 mentioned 57:10 met 20:21 35:10 mic 22:21,23 Mid-Cap 15:16 mid-June 49:20 mid-size 59:14 middle 33:9 midnights 48:5 Mike 39:21 mild 11:4 Miller 1:16 2:5,5 2:15,15 4:4,4 4:20,22 5:11 5:15,15,20,24 5:24 6:11,11 17:14,14 31:18	32:5,11 36:22 36:22 41:2,5,5 43:19,22,22 47:8,11,11 48:11 63:19,24 65:13 71:22 72:21,21 73:14 73:14 million 15:23 16:10 24:6,7 27:18 28:5,7 28:15 31:3,4,4 32:19,21 37:6 Mimi 48:3 mindset 36:15 minimal 50:2 minimum 16:21 minus 17:21 minuses 17:21 minutes 2:24 3:4 23:18 50:19 51:9,12 52:7,9 62:19 63:16 69:6 71:17 misconception 29:3 missing 53:10,17 53:19 57:8 67:3 68:17 moment 2:18 Monday 46:14 Mondays 48:9 money 15:22 16:4,13 17:24 21:6 26:22 39:6 monitor 35:15 67:4 month 16:11 20:19,20,21 21:1,9 58:12 64:4 67:11,14 67:22 68:8 70:2	monthly 59:2,5 59:7,12 months 16:13,18 17:24 19:4 21:8 40:1 61:10,12 64:14 67:10 morning 49:18 49:20 motion 2:8,10 3:19,23 4:1 5:7 5:8,12 17:9 34:2,4,8 36:19 36:20 40:13 41:2 43:16,19 45:18 46:17,24 47:7,8 65:24 68:12 70:6 71:1 72:10 73:9,10 move 6:17 17:1 17:8,9 22:15 32:8 33:13 72:13,14 moved 59:9 moving 9:14,15 21:16 49:8 63:20 municipalities 61:9
<hr/> M <hr/> M 1:9,22 74:4 main 13:21 52:6 maintain 59:3 maintenance 53:14 59:7,10 67:10 majority 24:8 making 44:10 46:6 59:10 makings 38:15 38:17 manager 9:3 20:20 51:12,14				<hr/> N <hr/> name 49:18 56:11,12 names 71:6,15 need 4:8,13,17 6:4 7:15 15:4 21:11 26:15 37:21 51:20 52:8 54:16 55:4,5 56:9 61:22 62:14 68:4,18 69:7,9 69:19 71:5,19

needed 4:12 11:1	12:8,11 13:24 20:22	42:23 43:18 45:15 64:15	open 70:7,9	papers 55:22
negative 8:19,21 17:23 19:20,22	Non-U.S 12:21 14:5 18:15	Oest 1:20 6:18 6:22 7:3,14	operating 14:19	paperwork 46:8 46:16
negotiable 70:3	Nope 57:15	10:9 15:14	operational 17:6	part 7:14,17 25:24 26:15
net 15:17 27:1 34:23	Norm 1:15 5:2 69:14	16:20 17:1,18 19:13,15,19	opinion 68:15	55:20 63:5 66:9 67:4
network 53:8	normal 24:8,17 25:19	20:15,19 21:2 21:4,12 22:14	opposed 65:20	particular 12:11
never 3:5 59:4	normalizing 10:21	office 39:21 40:2 40:3 48:12	option 56:21	particularly 12:2
new 16:13 26:13 26:24 37:9	normally 4:18 17:4	49:3 69:1	order 2:1 70:21	pass 3:7,8
41:24 42:4	north 16:3 20:13	officer 3:10,20 4:11 39:18	organized 56:4 57:5 59:11	passed 23:17
49:10,14 58:3 63:20	Notary 1:10 74:5 74:17	44:7 54:10 69:21	62:5	passing 23:1,15 34:14 55:21
newly-appoint... 21:12	note 7:1	officers 2:3 3:9	organizing 53:9 58:21	password 57:11
news 14:7,10,14	notes 59:18	official 52:4	original 37:23	passwords 57:8
nice 7:3 12:1 25:8,9 27:24	notice 24:20 44:10,10 45:14	offset 26:19,24	originally 50:5	path 8:7
56:20 66:21	53:9	oh 22:3 30:4 33:7,12 45:9	outperform 13:22	Paul 4:18
nicer 69:23	noticed 67:2	46:7	overall 9:5 25:23	pause 11:4
Nienburg 1:17 2:21,23 3:2 4:7	number 2:8 3:3 7:22 19:15,22	okay 3:6 4:8,16 5:12 21:3,16	overnight 10:13	pay 25:23,24 40:22 42:11 45:3
4:7 5:2,8,18,18	20:13 21:16	23:12,21 29:23	overvalued 12:20	paychecks 40:20
6:3,3,14,14,21	22:15 28:4	32:5,11 33:5	overweight 20:3	paying 24:11 45:6 61:17 64:22
17:17,17 22:12	32:10 34:1,12	35:23 36:18	<hr/> P <hr/>	payment 40:11 40:15 45:22
22:21 23:12,21	38:14 39:2,3	38:12 39:10	pac 8:9	payments 17:7 39:15 40:14 45:20 46:6
34:10,20 35:1	42:16,17 43:9	40:21 41:21	packet 66:19	payroll 62:21
35:5,12,23	43:11 44:20	42:3 44:22	packets 56:7 58:7 66:14	PC 57:12
36:11 37:1,1	numbers 8:23 22:4 31:7,11	46:15 50:21	page 9:9,11,18 11:17 12:9,10	pending 45:18 47:3 61:8 69:12,14 71:2 72:11
41:8,8 44:1,1	44:18 45:1,16	51:7 52:19	12:14,21 14:5	pension 1:1,3,7 2:2 22:3 44:2 45:19 49:4,22 49:23 50:3,8 52:22 56:4,8 61:14 65:3 72:16 74:8
47:14,14 48:9	45:16,17,18	55:13 61:17	14:15,20 15:15	
48:21 52:16,18	46:5,18,20	67:16 68:17	15:16 17:19	
60:8 66:1,9	<hr/> O <hr/>	71:7 72:9 73:1	19:24 23:2,4,4	
70:4 72:10,24	Obligations 16:3	old 49:10,11	23:16,24 25:11	
72:24 73:8,17	obviously 20:9 61:11 63:16	older 24:14	25:13,13,13,17	
73:17	67:19 71:9	once 45:5 57:11 59:4 61:16	25:20 26:11,11	
night 65:8	occurs 26:1 28:14,24	64:20,21 67:24	58:10 70:5 74:2	
nine 9:23,24	October 22:5,10	one-time 66:4	pages 25:12	
Nobel 7:4		one-year 64:8	paid 39:6 41:10 41:19 42:6,10	
NOI 14:22		ones 10:10	67:23 68:6	
nominate 5:2,20 6:7		online 68:18	pain 67:1	
non-earning			paper 28:18,20	

pension-wise 51:23	period 27:8,9 30:7,12 38:9	64:17 65:4,22 67:10 68:10,19 68:23 72:16	31:8 42:20 50:22 58:19 63:12 71:6	50:4,4 55:1,2 66:6 67:9,21 70:14 71:15
pensioner 53:5 57:3	permit 2:8	portals 55:15 65:3	problem 70:14 70:20	puts 35:13 36:11
pensioners 53:15	person 70:24	portfolio 19:5	proceedings 1:6 73:18 74:7	putting 8:5 24:12 25:8
people 7:11,22 7:23 10:5,17 11:22 13:18 14:8,11 30:19 39:6 40:18 54:9 63:20 67:3 68:24 70:1	personally 68:13	position 18:21 20:4	proceeds 63:21	<hr/> Q <hr/>
people's 13:14 54:7	phone 2:19 57:12	positioning 16:6	process 60:13 61:6,9 62:1	qualified 1:10 74:5
percent 7:18,20 8:1,6,20 10:14 10:16 11:1 12:3 13:6,8 14:24 15:2,7,8 16:4 17:20 18:10,12,16,23 19:13,14 20:9 20:13,14 24:10 24:17,23 25:8 25:15 27:5,8 29:6 30:17,20 30:21,23 31:2 31:2,9,9,19,24 32:4,7 36:2 63:5	physical 51:24	positive 13:20 14:8,10 18:19	project 53:2	quality 11:12 18:7
percentage 24:2 25:5,10 30:19 31:8 36:8	pick 17:10 20:5 21:15	positives 18:24	projecting 25:24 26:1	quarter 7:19,19 9:13 12:2 13:4 13:6,9,12 15:18 17:20 18:16 22:4 29:6,12,15 31:19 32:7 33:10 36:2
perceptions 13:14	picture 10:11 23:7,10	possible 31:13	promotions 26:1 26:2	Quarterly 1:3
perfect 3:21 5:1 32:12 46:4	pile 51:17	precede 10:1	property 14:22 15:22	question 34:11 40:16 65:14 67:2
performance 14:21 19:1 36:12	PIMCO 18:18 18:20	prefer 54:18,19	proposal 58:10 67:17	questions 15:11 20:15 21:5 41:21 57:6 65:19
performed 18:9	place 29:17 30:11 36:16 74:11	premiums 40:22	proposing 59:12 59:15 62:2	quick 21:14 23:14 34:11 45:13 69:23
performing 12:11	plan 24:21 30:11 30:19	prepared 47:4 56:18	prorated 45:9,11	quickly 65:15
	play 20:23	preparing 31:11	prospects 9:7 19:23	quite 10:4 11:24 13:4 27:11 61:7
	plays 36:16	PRESENT 1:12 1:18	protected 58:9 68:5	quitting 7:22
	plug 56:11,12 57:7 66:23	president 1:13 1:15 3:10,11 3:21,24 4:9,21 4:23 5:3 21:13 21:13 37:18 42:1 72:14	provide 26:10 63:16	<hr/> R <hr/>
	Plus 36:11	pretty 7:23,24 8:17,21 11:18 13:14 16:5 17:23 19:6 20:4 22:12 39:1 53:1 60:21	provides 72:12	raise 8:4,6,10,11 8:13
	pluses 17:20	previous 26:11 52:7	provision 66:4 68:9	raising 8:18
	point 8:8,12 9:22 10:6 11:7 11:10 12:3 13:21 24:19 25:4 29:2 30:12 33:10 35:17 66:7 67:24	principal 14:24 18:20,23 19:1	public 1:10 49:6 74:5,17	ran 44:15
	points 19:16 37:4	print 55:2 57:1 57:1	pull 16:9 35:20 57:8 60:4	rarely 4:19
	police 1:1,3,7 2:2 49:23 56:1 74:8	prior 17:23 34:15	pullback 12:15 14:4	rate 8:7 9:1,3
	policy 10:22	probably 8:13 10:10 16:9,11 19:16,19 22:9	pulls 37:4,11	
	population 26:9 26:10 32:14		purpose 33:23	
	portal 56:3,4,12 59:6 60:18		purposes 32:18	
			put 8:7 9:17 18:9 30:11 34:13 36:16 43:9,10 49:13	

10:13 11:5 15:2 20:2,6,8 24:22 27:4,6 27:13 64:4 67:15 rates 8:5,11,11 8:14,18 9:14 10:21 11:1 20:11 Rau 44:5 45:9 47:16 Rau's 44:9 raw 8:23 read 22:20 reading 33:8 ready 3:1 real 7:22 14:15 14:17,17 15:6 18:16,20,21 23:14 28:1,12 28:23 realistically 64:21 reality 30:22 really 8:22 9:10 9:14 13:12 14:19,21 15:4 17:22 18:1 23:2 25:9 27:12 32:13 33:16 56:20,20 57:2,2 61:16 64:15 72:2 reason 9:22 10:20 14:4 35:15 rebounded 12:18 recalculate 35:18,21 recalculating 35:20 recall 24:21 27:4 receive 25:2 28:9	28:22 32:20 67:12 received 27:18 27:20,22 28:2 28:6,7,16,17 28:19 46:13 receiving 29:4 recession 10:2 10:22 recessions 9:24 10:24 recommend 16:1 16:15 33:2 recommendati... 24:1 28:19 32:23 44:21 recommended 24:4,5 25:1 recommending 34:23 50:6 record 42:18 recording 69:5 records 49:21,23 52:4 60:12 66:5 72:12,15 redial 52:14 reduction 36:9 referring 71:22 reflect 46:17 50:10,10 refresher 55:19 refund 26:21 refused 39:22 regard 29:6 regarding 41:10 regardless 60:14 register 42:8 registration 43:7 regular 73:4 Reimer 39:18 41:10,11 48:22 Reimer's 39:21 related 23:1 27:22 42:13	relation 28:6 relative 15:9 18:21 relatively 12:17 18:18 remember 24:7 46:9 reminder 54:13 67:6,9 renewal 64:8 report 6:18 22:19,24 23:16 23:17,23 24:19 35:18 37:4,5 37:13 38:2,4 38:21,23 39:1 39:1,11 56:1 56:23 61:21 74:10 reported 74:7 reporter 47:6 50:24 51:3 74:16 reports 22:17 29:1 37:2 51:4 56:5,6,18,22 63:11 69:6 representative 62:18 request 28:10 29:1 32:8,17 37:14 38:1 67:17,21 69:14 71:2 requested 27:17 27:19,23 28:1 28:3,8,15 29:4 70:13,20 requesting 36:15 71:18 requests 47:20 47:21 56:19 66:22 requirement	24:4 resend 50:12 resigned 47:16 47:18 59:8 respond 66:23 response 15:13 49:7 rest 22:20 resubmit 52:24 results 24:1 retaining 61:5 retention 49:17 60:12,23 retired 26:17 40:18 retirees 39:6 44:3 59:14 60:3 63:3 retirement 24:15 26:21,23 retiring 44:3 retroactive 45:15 46:18 retroactively 45:4,19 return 15:9 20:9 24:22 25:7 27:3,4,6,8,11 27:13 30:20 72:12 returns 8:19,21 15:7 32:15 review 66:3,19 72:13 revisit 30:6 Richard 7:4 Rick 39:18 44:19 Rick's 40:2,3 right 3:3,8,14,21 6:15,15 8:1,9 10:21 11:2 13:13 14:21,24 15:15 16:10 17:18 19:18	21:22 27:21 29:13,22 32:1 32:24 33:8,9 34:5,5 36:17 37:11 39:11 40:19 43:12 44:2 45:1,9 46:22,24 47:15 47:22 49:4,8 53:24 58:16 59:1 60:8,15 60:17,18,22 61:9 62:3,9,13 63:7 65:7 70:22 right-hand 25:18,18 Rights 48:3 risk 9:2,3 11:23 20:2,6 riskiest 12:7 risky 11:15 role 20:23 roll 2:3,13 4:2 5:13,22 6:9 17:12 34:9,10 36:20 41:3 43:20 47:9 72:19 73:12 rolling 31:6 room 1:8 30:16 49:23,23 50:2 55:7 rooms 42:12 43:7 Rosario 47:18 rough 38:14 43:1,9 roughly 19:11 31:9 32:7,8 run 12:1,4 44:12 44:14 45:17 running 20:17 21:2 59:22
--	--	---	---	---

ruse 55:20	seconded 36:20	sends 56:18	short-term	61:13,19 64:2
Russ 44:5	secretary 1:14	sense 26:15	10:16	64:5,7,17,20
Rysell 1:22	1:16 3:10,12	68:13	shorter 9:13	67:17 68:13
49:19 50:15,19	3:13 5:19,20	sent 23:8,20 38:5	20:11	69:18 70:3,11
53:3 54:16	6:5,7 37:19	39:5,21 54:17	shortfall 28:20	70:18 71:8,18
55:14,24 57:16	39:17 42:1	separate 42:6	28:22	72:23,23 73:10
57:18,20 58:18	54:24 55:12	58:14	shorthand 74:7	73:16,16
59:1 60:6,9,17	section 6:23	September 6:24	74:16	sign 4:14 37:13
60:22 63:7,13	24:20	7:3,6,7 8:5	shortly 51:1	37:16 42:2
63:15 64:4,6,9	secure 56:12	16:8 21:23	show 9:18 50:7	45:22 46:11
65:2,22 66:13	57:3 58:7	22:2,5 48:5,7,8	55:22	68:20 70:15,23
66:18,22 67:6	security 58:8	48:10,13 49:5	shows 28:1	70:24
68:7 71:4,11	see 3:16 9:10,13	71:7 72:16	side 13:23 18:17	sign-in 60:5
72:2	9:19 10:12,16	serve 39:22	23:5 25:13	signatures 4:15
	12:16,19 13:9	service 24:14	27:24	signed 4:17,19
S	14:5,12 15:15	39:23 59:23,24	Sidler 1:15 2:7,7	37:21 40:10
Safe 38:1	15:16,17,22	60:14 64:7	2:12,17,17	45:6,23 46:11
salary 25:23	18:16 19:8,21	65:4 66:3	3:16,21 4:1,6,6	60:11
26:3	21:17 23:18	68:10 69:4,19	4:12,24 5:2,4	signers 41:24
save 66:21	24:5 25:5,9	72:15	5:10,17,21 6:2	significant 32:10
saved 51:15 53:8	26:5,14 27:10	services 63:17	6:2,6,13,13,19	53:10
saves 61:17	28:3 31:3,6	68:3	7:2,9 10:7 17:4	significantly
saw 11:11 12:15	32:7 49:21	session 2:24 70:7	17:8,16,16	35:22
saying 10:17	55:5 56:3,5,24	set 23:5,16 27:24	19:11,14,18	signing 4:18
45:2 52:11	57:8,8 59:3,4	30:4 34:4 35:8	20:7,17 21:3	signs 3:16,17
68:2 72:5	59:19,22 61:3	38:14 42:1	21:19 22:4,8	19:8
says 45:2,18	62:4 64:9,15	48:13,23 56:10	22:22 29:8,10	silver 9:1,6
57:14	67:19 68:13,21	64:21 71:5	29:13,19,22,24	single 24:10
scan 54:22 62:20	69:5	72:15 73:3	30:10 31:14	35:14 65:4
scanned 53:6	seeing 14:13,19	74:11	32:6 33:1,4,6	sir 3:2
57:4 62:10	14:22 15:5,8	sets 10:14	33:20 34:3,8	sit 21:19
scanning 53:1	19:22 69:12	setting 41:13	34:24 35:24	six 26:13 50:14
schedule 7:12	seen 3:17 8:19	setup 58:12,14	36:5,14,18,24	size 59:13
21:17 22:12	9:24 11:11	58:23,23 62:7	36:24 37:8,10	slide 22:21
38:11 47:24	send 37:6 42:2	seven 72:7	38:1,8,12,14	slightly 18:5,19
49:1 60:23	46:7,14 51:22	shaking 43:14	38:18 39:17	20:1
second 2:12 4:1	53:19 54:1,19	share 58:5	40:2,6,9,13	slowly 29:24
5:6,12,21 6:8	54:19,22,23	sheet 39:5	41:7,7,15,17	small 12:2,4,7,10
7:18 8:16	58:2,3 59:5	sheets 44:8,19	41:20 43:1,9	20:20,23
17:11 23:17	62:16 63:11,14	shift 65:9	43:24,24 44:19	Smith 47:18
24:17 25:20	66:16,23 67:7	shifts 26:10	45:13 46:16	72:6
28:5 34:8 41:2	67:8 72:1,3,8	shock 11:4	47:13,13 48:10	smooth 32:2
43:19 47:8	sending 44:9	short 19:22	48:20 51:1,16	smoothing 25:7
72:18 73:11	46:9 56:21	32:12 70:21	59:16 60:10	33:23,24

29:20 30:6,14 31:10 36:17 40:18 43:4,8 44:15 48:2 50:22 52:2 54:21 63:1 65:11 66:9 68:13 69:19 70:7 71:8,16 third 22:4 27:3 thought 29:16 32:13 35:6 40:23 thousand 17:5 43:1 58:19 three 10:24 16:18 26:19,24 43:14 48:14 65:12 72:6 time 8:17 16:11 19:9 20:12 26:8,13 28:13 36:12 44:11 50:23 55:13 56:2 61:8 64:11 68:11 69:4 71:5 74:11 timeline 28:24 times 8:12 39:22 69:2 timing 32:16 34:11,14,15,17 34:18 35:1 today 15:22 25:12 48:12,24 55:22 59:2,15 60:22 61:24 71:11 tomato 49:23 55:7 ton 50:18,18 68:3 tons 55:22	tool 60:7 tools 11:6 top 9:11 10:11 14:5,7 24:3 25:18 total 39:15 40:11 43:5 tough 9:5 13:12 18:12 19:2 20:20 71:9 track 30:17 trade 8:8 trade-off 18:22 traditional 13:17 14:2 training 7:15 transcript 74:9 transfer 21:10 21:14 69:4 transfers 32:3 transition 15:18 24:21 32:20 33:2,4,10 35:7 38:20 translate 13:2,7 treasurer 46:2 56:14 treasurer's 38:21 39:11 treasurer-rela... 41:22 treasuries 20:3 trees 66:21 tremendously 19:5 trend 11:11 13:23 19:8 tried 32:9 39:22 triple 18:8,10,11 true 74:10 trustee 1:17 55:24 56:11 65:22 68:10 Trustees 1:3	60:6 try 11:7 17:4 21:21 38:7 trying 10:21 20:5 51:18 65:20 turn 53:23 turned 18:22 44:10 two 4:16 12:21 17:2 18:19,22 24:19 44:3 52:6 55:5 59:8 two-week 44:10 type 11:15 Typically 58:11	up-to-date 39:17 update 38:2 49:11,12 50:9 57:21 59:4 updated 35:14 38:6 39:5 updates 67:10 67:13 upload 57:23 58:1,5 59:3 62:17 63:9,10 63:10 68:9 71:5 uploaded 58:2 62:19 64:24 uploading 67:14 uploads 58:3 upwards 12:16 USB 53:7 62:4 66:7 68:9 use 11:6 23:11 65:23 useful 23:2 69:19 user 56:11,11,15 71:6 user-friendly 58:6 usually 7:24 22:5 46:3 utilize 65:3	21:13 view 56:16 59:6 village 1:8 31:11 34:15 37:2 38:16 40:16 46:1 50:4,20 52:5,23 53:6 55:9 57:7 61:1 61:3 71:12 village's 32:1 61:15 visit 71:11 vote 36:1 44:24 70:5,5,18 voting 59:2
U				W
U.S 7:17 13:2,3 13:3,23 18:1 18:14 21:10 41:24 Uh-huh 37:24 50:15 62:22 64:6 66:11 umbrella 61:15 unable 8:13 undergoing 61:23 underneath 24:20 underperform... 11:15 underperforms 20:20 understand 61:13,19 64:2 understanding 30:10 70:18 underweight 20:3 Unemployment 7:19 unfunded 24:11	wait 23:18 45:9 50:12 waiting 66:17 walk 49:2 walking 68:24 waning 19:8 want 3:19 4:10 4:21,23 5:10 10:23 15:21 16:21 21:21 23:11,18,23 25:17 28:11 29:2 30:21 32:1 33:6,21 34:1 35:17 42:15,20 45:13 45:20 50:13 54:16 56:8 58:1,4 59:5 61:16 67:20 68:5,10 69:16 wanted 24:19 25:4 33:20 44:19 52:19 55:14,16 59:20 60:20 wanting 33:7			
V				
		valuation 13:19 valuations 12:14 12:17 value 19:7 25:6 64:11,15 Vanguard 15:16 vendor 39:13,14 versus 18:2 20:14 35:20 vice 1:15 3:10 4:8,21,23 5:3		

Quarterly Meeting
July 23, 2018

wants 69:15 71:1	71:15,16,24,24	X 51:8	24:24 27:12	12 15:7
war 8:8	we've 11:11 19:5 19:19 20:10	<hr/> Y <hr/>	29:17,18,19,21	12-month 27:6
wash 55:13	30:13,23 31:1	yard 3:16,17	30:3 31:5,13	13 15:7
wasn't 30:2 49:9 50:14 58:17	31:8 38:7	yeah 2:24 4:22	32:2 35:10	15 14:15 15:7 51:2 57:24 58:6 67:10
Watterson 9:2 18:5 19:1	40:10 42:24	5:8 19:15	36:8 38:1	150.00 58:11
way 7:22 10:12 26:23 27:20	46:16 47:20	20:15 30:4	50:23 51:2,3,5	16 14:15,20 20:1 51:2
28:17 29:24	51:3 56:1 62:7	31:13 33:5	51:8 53:20	16th 3:4 46:14
30:1 35:19	62:10 67:18	38:10 45:12,21	63:8 72:7	17-year 7:23
50:11 57:3	68:16,18,19	48:9 49:15	Yep 22:12 38:3	192 24:16
we'll 3:8 6:17 8:12,15 20:17	70:20 71:2	63:13 64:9	48:21 57:16,18	192,000 24:6
22:15 24:18	week 23:8	66:13,22 67:6	57:20 63:4	1st 39:15 40:15 71:7 72:17
26:14 38:3,6,7	weeks 49:20	68:7 69:18	yield 8:15,16	<hr/> 2 <hr/>
38:20 46:4	went 2:23 25:19 29:11 31:22	71:8,24	9:10,19,24	2 2:8 8:1
48:22 49:13,17	35:13 36:12	year 8:11,12 9:8	10:3,11 11:20	2's 20:14
52:24 54:4	55:15 61:22	9:12 10:1	16:5,17 17:2	2,400.00 64:5
56:23 61:3	weren't 29:6	11:11,12 13:22	17:10 19:12	2,463.76 41:11
67:8 70:20	49:9 53:12	14:9,11 15:1,9	20:5,8 21:15	2.2 18:16
71:12	widen 11:21	17:22,23,24	yielding 16:3,5	2.9 28:19 31:4
we're 6:17 10:3 11:2 12:2,19	withheld 40:20	18:2,11,17,18	yields 9:6 10:16	2.91 28:5
13:3 14:16	won 7:4	18:18 19:2,4	10:17 19:20,24	2.938 28:6
15:7 18:21	wondering 49:24	19:15 24:2,6	<hr/> Z <hr/>	2:00 7:1
21:7 23:5,16	word 39:24	24:10,11,12,13	zero 10:12	20 67:10
24:6,11,12	work 22:9,10 26:23 35:19	24:14,22 25:21	Ziegler 15:15	20,000 34:23
25:2,11 27:9	48:17,19 61:15	25:23 26:3	20:17	20,918 34:17,18 34:20
28:14 29:13,14	working 33:24 63:3	27:5,7,23 28:3	<hr/> 0 <hr/>	200.00 59:13 64:3 67:9,21 68:8 70:3
30:22 31:2,3	works 48:10,21	28:6,16,18	0.8 18:2	2000 30:17 31:1
31:12,12,15	world 28:1,12,23	29:12,15 31:20	0.9 17:20	2003 50:5
34:14 36:9	worse 8:14	31:23 33:2	084-002892 1:10	2013 31:3 56:23
39:24 40:6,10	wouldn't 33:24 62:8	34:5 35:11,15	74:4	2015 27:12
42:11,14 43:11	wrapped 61:10	35:19,21 36:4	<hr/> 1 <hr/>	2015's 32:15
45:14 48:13	wrapping 60:23	36:5 38:4,6	1 16:3	2017 27:19,20
51:18 52:3	write 50:8	54:6,7,13,15	1-1 17:8,9	2018 1:5 3:4 42:5
53:1 55:20	writing 67:22	64:5,9,13,15	1.1 21:7	2019 34:5,7
58:18 59:15	68:14,20,22	67:7	1.5 15:23	2022 31:21 74:18
60:22 61:11,20	70:14	year's 24:5 27:18 28:15,18	1.9 31:3	
63:7,19,22	wrong 9:18,21	34:6 38:10	10 12:21 30:21	
67:14,14 68:3	<hr/> X <hr/>	year-to-date 8:21 15:1 18:5	10-year 10:15	
68:15,20 71:14		18:23	10:00 52:15	
		yearly 67:8	100 30:20,23	
		years 7:10 11:24 15:7 20:12,14	115,000 24:16 25:15,20	

Quarterly Meeting
July 23, 2018

216,497 40:10	31st 44:6	80 19:16		
216,497.57 39:15	3337 34:20	801 1:8		
216,497.75 40:15	337 35:2,6			
22nd 22:7,8,10	3370 36:1,15	<u>9</u>		
23 1:5	3477 34:24	9 12:10,14 30:17		
23rd 2:2	3498 35:7 36:5,9	30:21 31:1,9		
24 23:4,16	35 8:20	9/24 48:23		
24th 21:23,24	350,000 16:10	9:00 1:5 2:2		
22:2 48:4,5,7,8	<u>4</u>	48:15,16,18,19		
48:10,13 49:5	4 7:18,20 9:9	48:23 49:5		
25 45:11	14:24 18:23	90 63:5		
25,762.00 26:7	24:10,17 25:14			
26,296 27:14	4.1 18:16			
28th 6:24 7:6	40's 38:18,19			
<u>3</u>	4459 40:5			
3 3:3 10:14,15	<u>5</u>			
13:6 15:15	5 9:9,18 11:1			
18:2,10,11	43:4			
19:13,14 20:9	5,000 58:18			
20:13,14 23:24	50 8:6			
24:10,17 25:14	50-ish 38:18			
45:2 74:18	50.00 58:13 70:2			
3-month 15:17	55,747 27:2			
3,370,000 34:5	57 25:8			
3,498,323 33:21	<u>6</u>			
3.3 24:5 27:18	6 11:17 15:2			
28:14,19	21:16 22:15			
3.37 25:2 32:21	26:11			
33:5 37:6	6,000.00 43:4			
3.370 33:1,17	6th 44:5			
34:2 35:8	<u>7</u>			
3.421 32:24	7 17:19 24:22			
33:13	27:5,8 31:2,24			
3.49 24:7,24	32:4			
3.498 32:19	7.25 24:22 27:5			
34:17,21	70 59:14,14 65:2			
30 10:13 31:9	<u>8</u>			
30-year 10:13,15	8 12:2 15:2,8			
300,000 21:9	25:13,17 31:8			
32:8	8:30 7:1			
300,000.00 17:7				
300.00 58:11				
30th 39:16 40:15				