

Meeting Minutes
July 26, 2016

1 BOARD MEMBERS PRESENT:

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3 MR. DENNIS BURKE, Secretary

4 MR. PAUL LICHAMER, Trustee

5 MR. WILLIAM NIEMBURG, Trustee

6 MR. NORM SIDLER, Trustee, via telephone

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9 ALSO PRESENT:

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MS. JUDY BUTTNY, Acting Finance Director

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MS. JESSICA FAIN, Lauterbach & Amen, LLP

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MR. DOUGLAS OEST, Marquette Associates

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1 MR. LICHAMER: Good morning, Norm.

2 MR. SIDLER: Good morning.

3 MR. LICHAMER: All right. Go ahead and call to
4 order the Downers Grove Police Pension board meeting
5 for July 26, 2016. Roll call.

6 MR. BURKE: Burke aye -- here.

7 MR. LICHAMER: Lichamer here.

8 MR. NIEMBURG: Niemburg here.

9 MR. LICHAMER: We make a motion to permit
10 electronic attendance.

11 MR. BURKE: I second.

12 MR. LICHAMER: Roll call.

13 MR. BURKE: Burke aye.

14 MR. LICHAMER: Lichamer aye.

15 MR. NIEMBURG: Niemburg aye.

16 MR. LICHAMER: Okay. Norm, you can say I'm here.

17 MR. SIDLER: Now I'm on electrically. Thank you.

18 MR. LICHAMER: Yes. Can we go ahead and have a
19 motion to accept the minutes of April 18, 2016.

20 MR. BURKE: Mr. President, I make a motion that we
21 accept the minutes of April 18, 2016.

22 MR. NIEMBURG: Second.

23 MR. LICHAMER: Roll call.

24 MR. BURKE: Burke aye.

Meeting Minutes
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1 MR. LICHAMER: Lichamer aye.

2 MR. NIEMBURG: Niemburg aye.

3 MR. SIDLER: Sidler aye.

4 MR. LICHAMER: We had an email a couple days ago
5 Lauterbach would like to go first in our pension
6 meeting because she has another meeting to get to, so
7 go ahead and go and get you started.

8 MS. FAIN: So my name is Jessica. I work in the
9 actuary department at Lauterbach & Amen. I'm going to
10 be doing a couple of roles today. I'm going to be
11 doing a couple of items for Eric, as well as Todd.

12 So the first item we're going to look at and
13 the board would vote on would be your tax levy report.
14 It's going to be the document that has the utilizing
15 data as of beneath the title. I know Todd came out
16 here before and went through the draft versions of
17 these. I'd like to take about three minutes just to
18 kind of refresh your memory as to what happened in your
19 funds.

20 We're only going to take a look at two
21 different pages today, unless there is some additional
22 questions; and the first page that we're going to be
23 looking at today is going to be page three of the tax
24 levy report. Taking a look at the very top of this

1 report, you'll see that last year's recommended
2 contribution was around 2.66 million and this year
3 we're coming in about 250,000 higher at around
4 2.9 million, and I want to go through real quickly
5 where this \$250,000 increase came from.

6 Now, part of this increase is expected. Each
7 year we anticipate your contribution to go up about 4
8 to 5 percent; and if it's your first time ever hearing
9 that, your question is probably why do you
10 automatically assume that my contribution is going to
11 increase; and the reason for that is actually very
12 simple. Last year when the board requested that
13 2.66 million, you were actually requesting two
14 different payment pieces. One of those was going
15 towards your unfunded liability and the second payment
16 piece is something called the normal cost. It's what
17 you put in each year on behalf of your active
18 population as they earn another year of service. So
19 from one year to the next, we anticipate that piece of
20 that payment that's going towards our unfunded
21 liability to increase a few percentage as we're paying
22 a little bit more down, but we also anticipate that
23 second payment piece, the normal cost what we put in
24 for our active population to increase a few percentages

1 as their getting pay increases, so that's that
2 anticipated 3 to 5 percent.

3 Now, for your fund that translates to about
4 125,000, which means if nothing changed from last year
5 to this year, except 12 months went by, we would have
6 anticipated about \$125,000 increase, but we just
7 discussed how this year we actually came in around
8 \$250,000 higher. So in other words, something must
9 have changed from last year to this year that caused an
10 additional increase and that's probably the most
11 interesting thing we're going to look at on the
12 year-to-year basis. That information is detailed a
13 couple of pages ahead. It's going to be a back-side
14 page and it's page eight of your tax levy report.

15 There is actually a lot of different moving
16 parts that contributed to that additional increase of
17 around 125,000, some of them cost increases, some of
18 them cost decreases, but the net impact was that 125
19 increase. We're going to really quickly look at each
20 of those items.

21 The first was pay increases. This year pay
22 increases came in a little less than anticipated, which
23 means we're now projecting your population to have just
24 a little bit smaller pay at retirement, so a little bit

1 smaller benefits that your fund is obligated to pay out
2 at retirement. Because of that, you don't have to put
3 in as much funds today to be able to handle those
4 benefit payments. You'll see that this resulted in a
5 decreasing or contribution of about \$63,000.

6 The second item is your demographic changes
7 and that's how your population changed from one year to
8 the next. You had a couple of items that resulted in
9 increases and a couple of changes that resulted in
10 decreases. The net impact you'll see being about a
11 \$67,000 increase.

12 So what changed exactly? You did have some
13 new hires that we added to our fund. New hires will
14 result in an increase and this makes sense because we
15 need to start contributing on behalf of these
16 individuals and preparing for them to exist at
17 retirement. You also had some members who retired who
18 are now collecting a benefit. Now, these increases
19 were offset a little bit by the fact that you did have
20 four terminations. Now, even if we refund their
21 contributions, even if they were able to get a vested
22 benefit, we're still going to see a decrease because
23 both of those payouts are much less than had they
24 existed all the way to retirement and collected a full

1 benefit. In addition, you did have a retiree who
2 passed away with a surviving spouse. This also results
3 in a decrease because the benefit that a surviving
4 spouse receives is a little bit less than the retiree
5 because they don't get the COLA increases each year.
6 So these were the decreases that kind of helped to
7 offset some of those increases that we saw, mainly from
8 those new hires. Once again, as a reminder, the net
9 impact of how your population behaved was that increase
10 of around 67,000.

11 The third item was assumption changes. We
12 did take a look at and update your tables regarding
13 retirement rates, disability rates, termination rates,
14 and mortality rates. We didn't see a whole lot of
15 difference in disability or termination or retirement
16 than previously, but we did see a little bit of an
17 improvement in mortality rates. As individuals, that's
18 really nice because we want to live a little longer,
19 but it is just a little bit more costly on our fund. A
20 couple of additional years that we're now anticipated
21 to pay the retiree a benefit and a couple additional
22 years that we're anticipated to pay the surviving
23 spouse a benefit. You'll see this resulted in an
24 increase of about 40,000, and you'll notice that this

1 40,000 is relatively small. It's less than a 2 percent
2 increase in your contribution, so updating your
3 assumptions really had a pretty small impact on your
4 overall contribution.

5 The next item was asset return. We have an
6 assumption that over the long term of the lifetime of
7 the fund you're going to get a little bit over a 7
8 percent return on investment, 7.25 percent, so we know
9 markets are going to be volatile from one year to the
10 next. We anticipate about half the time we're going to
11 beat that return assumption and have a little bit of a
12 gain and about half the time we're going to fall short
13 of it and have a little bit of a loss smoothing out to
14 that 7.25 in the long term.

15 Anytime we have a tough year in the markets,
16 we'll make up for that shortfall by requesting
17 additional funds, and the same is true when we have a
18 good year in the market. If we ever earn more than
19 that 7.25, we're going to give our taxpayers and we're
20 going to give our fund a break. We're not going to ask
21 for quite as much money.

22 If you paid attention to the markets at all,
23 I'm sure you'll take a look in the folders as well, it
24 was definitely a tough year in the market this past

1 year. I'm not too surprised that we didn't quite hit
2 that actuary return assumption, so we'll ask for some
3 additional funds to make up for that shortfall. This
4 resulted in an increase of about 55,000.

5 MS. NIEMBURG: And what's the time frame that
6 you're considering when you evaluate asset return?

7 MS. FAIN: We do it based on your fiscal year, so
8 it's January 1st to 31st, so for a lot of funds, it
9 really depends on when your year ends how you kind of
10 look on those returns basis.

11 So the very last items was contributions, and
12 that's simply comparing what your actuary recommended
13 versus what was received. Recall that last year's
14 recommended contribution was around 2.66 and what was
15 received in the fund was around 2.27. Now, if you were
16 just to look at this report on the surface, you might
17 say looks like we had a little bit of a shortfall.
18 However, that's mainly an issue with the time lag that
19 exists with the tax levy process. For example, we're
20 coming up with this number now. You're probably not
21 actually going to see these funds hit until the
22 following year, maybe even a little trickling in till
23 the next year, so it's a lot more fair to compare when
24 you're trying to determine am I receiving what I'm

1 asking for to take into account about that one-year
2 lag. If we were to take a look at our 2013 number,
3 what was recommended was around 2.26, so when you take
4 that into consideration, 2.26 recommended, what we
5 received was 2.27, you actually received a little bit
6 more than what you asked for. In fact, your five-year
7 average is receiving about 101 percent of what each
8 year your actuary recommends, so consistently, the fund
9 receives a little bit more.

10 Now, unfortunately, the tax levy report
11 doesn't let us take into account the reality for the
12 tax levy profits. We have to compare it year to year,
13 so we have to compare last years 2.66 to what was
14 received, but I always like to point out so that our
15 report never misleads or misconstrues a situation that
16 what this report says and what actually happens in the
17 reality of the tax levy process can be different. So
18 because we can't take into account the time lag that
19 exists, it does appear on the surface we have a little
20 bit of a shortfall. Just like with asset returns,
21 we'll ask for some additional funds to make up for that
22 in the amount of about 25,000, so you can see that
23 250,000 increase, it's actually a lot of different
24 moving pieces. We have an anticipated increase of 125,

1 another little increase from how our population
2 behaves, another increase from updating our assumption,
3 another increase from the tough year in the markets,
4 another little increase from the time lag that exists
5 with the tax levy process, and all those increases were
6 offset a little by the fact that our pay came in a
7 little less than anticipated, so that right there is
8 your \$250,000 increases. A lot of different moving
9 parts.

10 I always like to go through each of those
11 individually so that you understand when we come in
12 with a higher or lower number, it's a lot of different
13 calculations behind it. We're not simply asking for
14 more because we want more.

15 MR. NIEMBURG: Can you go through the assumption
16 changes again what specifically and where the
17 assumptions have changed?

18 MS. FAIN: Of course.

19 MR. NIEMBURG: You might have said it, but I think
20 I was ruminating on highers and priors and new priors.

21 MS. FAIN: So the towards the back of the report
22 we detail exactly what we use this year, and the key --

23 MR. LICHAMER: What page is that on?

24 MS. FAIN: I apologize. It's going to be page 28

1 is where we disclose all of our assumptions; and what
2 changed from your last report to the current report is
3 we did update your retirement rates, your termination
4 rates, your disability rates, and your mortality rates.
5 We did update those through 2016. Your last set of
6 tables was last updated through the year 2000, so we
7 are capturing those new trends.

8 MR. NIEMBURG: One more time what was updated?

9 MS. FAIN: The tables regarding retirement,
10 disability, termination, and mortality.

11 (Mr. Sidler called back
12 in.)

13 MR. NIEMBURG: Do you want us to go back at all?

14 MR. SIDLER: Nope. I got your question on go back
15 to the assumptions and that's where I left off.

16 MR. NIEMBURG: Actually, hit those again.
17 Retirement, disability --

18 MS. FAIN: Sure. Termination and mortality, so
19 it's all the different tables that we use to make
20 assumptions on your population. Now, we didn't really
21 see too much difference in retirement rates. We didn't
22 see too much difference in disability or termination
23 rates. In general, this is a profession that has
24 pretty low turnover rates to begin with, but the big

1 key change was mortality rates, people living just a
2 little bit longer, just a couple additional years
3 people are now projected to live, and that can really
4 add up and accumulate when you have an entire
5 population that also has a chance of having a surviving
6 spouse. Every member having a couple additional years
7 of pension benefits and their spouse a couple
8 additional years, that right there was your key driving
9 force is mortality rates, and those were the only
10 assumptions that were changed from the previous year.

11 So that gets us back to square one, which is
12 current recommended contribution at the top of page
13 three is \$2,915,699.

14 Any questions on how different changes can
15 impact your contributions? I know it's a lot of
16 different moving parts and a lot of different ways the
17 scales can be tipped depending on how things behave
18 from one year to the next.

19 MR. SIDLER: Just a quick question on verification
20 what actuarial mortality table that you guys are using?

21 MS. FAIN: Of course. So this is actually a great
22 question because it's probably the thing that we are
23 most proud of. There is a very large organization
24 called the SOA and they release studies on mortality

1 about every 10 to 15 years. They released one in 1972,
2 they released one in 2000, and they most recently
3 released one in 2014.

4 Back in 2012 we decided that we really didn't
5 like the fact that we were constrained and had to wait
6 10 to 15 years to review our assumptions because a lot
7 can change in 10 to 15 years. So what we decided to do
8 was to take the procedure that they use for their large
9 nationwide study and mimic just for the state of
10 Illinois. So we downloaded all the data for police and
11 fire pension funds and conducted our own study on
12 mortality back in 2012.

13 Now, in 2012 we were left with a question, do
14 we use this large population study that's about 12
15 years old or do we use our updated local study? Both
16 of them have positives and negatives. This large
17 population study has a ton of data points. However,
18 it's outdated. This local study is specific to
19 firefighters and police officers in the state of
20 Illinois, but it is a much smaller data set. Now,
21 mathematically, the rule of thumb is when you have two
22 different tables that have positives and negatives, the
23 best option to do is to use a blend of the two, so back
24 in 2012 when we first conducted our study, that's

1 exactly what we did.

2 If you had been a -- one of our clients back
3 in 2012 and you were to look at your report, you would
4 see a table that's labeled the Lauterbach & Amen 2012
5 Mortality Study or Retirement Study, et cetera. Now,
6 as soon as we came out with this study, of course, it
7 went through a very long process of every auditor
8 wanting to vet it. The department of insurance wanting
9 to analyze and scrutinize it to make sure that we did
10 everything properly because after all it's these tables
11 that determine your entire tax levy amount and it has
12 every years passed with flying colors. No auditor from
13 the department of insurance has ever had an issue with
14 it.

15 Now, we like to update this study about every
16 three to five years, so when this next large population
17 study was released in 2014, we asked ourselves, well,
18 great. Now we have a large population study. Do we
19 even need to repeat this process because the whole
20 reason we even did it to begin with was the fact that
21 this one was outdated. So we took a look at this large
22 population study last year and analyzed what they did,
23 and we noticed a couple of things they did different
24 from 2000 that caused us some concerns.

1 So back in 2000 when they did their study,
2 they did it for the whole entire United States and they
3 included both private and public funds. When they
4 repeated their study in 2014, they initially started
5 out with private and public funds and then they
6 realized that people who are in the public sector,
7 people such as yourself who are exposed to different
8 risks, it looks like that your mortality rates are
9 different, looks like you're not quite living as long
10 as someone who has an office job, which definitely
11 makes sense when we think about it.

12 So what did they do? They threw out all your
13 data. So when they released this new study last year,
14 it actually did not include anyone who is in your
15 profession or exposed to your risks, so we decided that
16 while once again it's really nice that we have this
17 updated study, lots of data points, there is still
18 these inherent flaws. In particular, the fact that it
19 doesn't include anyone in your profession even
20 contributing to the results, so we decided last year --

21 MR. NIEMBURG: Just for clarification. Just
22 police or also fire --

23 MS. FAIN: There are no public funds in this
24 study, yes. So last year when we were reviewing this,

1 we decided, you know what, we definitely need to repeat
2 and update our study for the state of Illinois to
3 include police and fire, so we did the exact same
4 process we did in 2012. So what we noticed is our
5 study did show improvements in mortality. It just
6 didn't show quite as large improvements as this
7 nationwide study did, which makes sense, because we're
8 taking a look at people who are exposed to lots of
9 different risks, both while active and different things
10 that carry on into retirement that can impact how long
11 you live; and so, once again, because there are
12 positives with this large study and positive with our
13 study, we repeat the exact same process that's been
14 approved by the department of insurance and auditors to
15 use a combination of both. That's why when you're
16 looking in this report, you're going to see it says the
17 Lauterbach & Amen 2016 study.

18 Now, the reason why I say we're really proud
19 of this is because if you paid attention to the news at
20 all, there has been a couple of articles out there
21 about this large population study from 2014 because
22 this is the first year actuaries are implementing it,
23 and we are the only actuary group who does an
24 additional private study at no charge to our clients

1 simply because we want to make sure that we're using
2 the best tables possible.

3 Now, because these other funds have no option
4 but to use this large population study that shows these
5 really large increases, what's happening is when they
6 implement them they're seeing increases in their
7 contribution about 20 to 30 percent, which is really
8 tough to budget; and because they saw these large
9 increases come through, they started analyzing and
10 scrutinizing this study, something that we did last
11 year, already handled, already dealt with, and now
12 they're starting to come out in the public the
13 shortcomings of this study. They're in kind of a tough
14 situation, do you use the old 2000 study that did have
15 people who are in your profession, but it is outdated,
16 or do you use the new one knowing that there is a good
17 chance that maybe it's overstating how long people are
18 going to live because it doesn't include anyone who's
19 exposed to your risks?

20 So there's a lot of different articles out
21 there, I think, closer to when people are finalizing
22 their tax levy. For a lot of conferences and
23 conventions this year, I think it's going to be a hot
24 topic because people are kind of stuck. They don't

1 know what to do. It does not apply to you. We already
2 reviewed it, handled it last year, got our process
3 vetted by the department of insurance by auditors. The
4 way you can think of it as we took this large study and
5 we adjusted it to reflect what's actually happening in
6 the state of Illinois, and I say we're most proud of it
7 because we currently are the only actuary to a year in
8 advance have prepared for this risk; and so when you
9 hear anything in the news, it does not apply to you.
10 You don't have to worry about it. No concerns
11 whatsoever and our process has been vetted and approved
12 since 2012.

13 Despite knowing that no one has had an issue
14 for four years with this, we still are writing a
15 wonderful novel. It's about 70 pages at this point
16 that details every single thing that went into our
17 study. We'll be providing copies of that in the fall.
18 Right now it's under the grammar check. It will make a
19 wonderful Christmas gift. Comes out right before then.
20 Just to make sure that everyone has full disclosure,
21 100 percent comfortable. It's there to protect us and
22 both your funds should anyone, whether it's one of your
23 members, a member of your community, anyone from the
24 public might ask, you can give them this really

1 thrilling document that details full disclosure behind
2 that.

3 MR. LICHAMER: Great.

4 MR. SIDLER: That's a very detailed explanation,
5 and I had no idea there was that much behind what
6 Lauterbach & Amen did, so thank you for explaining
7 that. It's very helpful.

8 MS. FAIN: No problem. We do a lot behind the
9 scenes, and we usually never mention it because most
10 people are super interested in what their actuaries are
11 doing. It's not as thrilling, but this is a year that
12 we can really pat ourselves on the back and be proud.

13 MR. NIEMBURG: I'm impressed.

14 MR. LICHAMER: I was impressed too. Where were we
15 at last year?

16 MR. BURKE: \$2,664,000- --

17 MR. NIEMBURG: It was about a quarter million
18 again last year.

19 MR. BURKE: About a quarter million, Judy, from
20 last year?

21 MS. BUTTNY: Yes. 2.27.

22 MR. LICHAMER: Were we consistently about 250,000
23 every --

24 MS. BUTTNY: Last year was about 300, right.

1 MR. BURKE: Yeah, so this is a little less. I
2 think last year the actuary table used was 130 years
3 old, which really skewed it. This is more in line
4 with --

5 MR. NIEMBURG: Last year was a correction. This
6 is more state to state.

7 MR. BURKE: I think it's better work on the part
8 of Lauterbach. So is it our time to accept?

9 MS. FAIN: Yes. So you would want to accept tax
10 levy report as --

11 MR. NIEMBURG: By accepting the report are we
12 approving the levy?

13 MR. BURKE: Yes, we are.

14 MR. LICHAMER: Norm, this is where you usually
15 have something to say.

16 MR. SIDLER: Well, Mr. President, I will take a
17 very quick second and make my disclaimer statement and
18 let you guys note that I do -- my meeting was called
19 earlier, so after -- I wanted to stay on for this vote
20 to give support of it, and then I will have to knock
21 off of the call, but if there is anything that you guys
22 need me that obviously comes up, I'll split the vote,
23 but with the number I don't anticipate giving me a call,
24 but just to say we have a fiscal responsibility for

1 what we ask the taxpayers. I can't tell you how proud
2 I am of all of our police, what you guys are going
3 through in the current day, and we want to make sure
4 you get everything that you deserve. Understanding, as
5 I look at the mathematics, our compound when the older
6 retirees live longer it is by far our biggest cost,
7 which is going to get us upside down within the next 10
8 to 12 years; and we're going to have a problem that we
9 have to look at from a state standpoint. We as a board
10 can make suggestions, but just wanted to say I support
11 the levy. I appreciate what all you guys are doing and
12 understand that we have a math issue that we're going
13 to have to get our arms around as a group on both sides,
14 and in the next 10 to 15 years, try to make resolution
15 on the compounding factor, and I'll leave it at that,
16 Mr. Chairman. Thank you for allowing me to speak.

17 MR. BURKE: Okay. Norm, I'm going to go ahead and
18 make a motion. Do you have enough time to vote?

19 MR. SIDLER: I do.

20 MR. BURKE: I make a motion that we accept the
21 levy report from Lauterbach and accept the
22 recommendation of \$2,915,699 as the tax levy for 2017.

23 MR. NIEMBURG: Second.

24 MR. LICHAMER: Roll call.

1 MR. BURKE: Burke aye.

2 MR. LICHAMER: Lichamer aye.

3 MR. NIEMBURG: Niemburg aye.

4 MR. SIDLER: Sidler aye.

5 MR. LICHAMER: Okay. Motion passes to accept the
6 tax levy report and the current valuation.

7 MS. FAIN: Perfect. I have one or two more items,
8 and I will go through them quickly. So the second
9 report that you have is the one has the GASB 67/68 and
10 a quick reminder what this report is. It is newer. It
11 was implemented first last year. It goes into your
12 audit, and GASB stands for the Government Accounting
13 Standards Board. Basically what they did is they took
14 a look at funds and what actuaries were doing and they
15 said, you know, it's wonderful that you come up with
16 this tax levy number each year. However,
17 realistically, what do we think is going to occur in
18 funds? Do we think you're actually going to receive
19 this or do we think you might not quit hit that amount
20 each year? If you do have a shortfall, what are kind
21 of the long-term repercussions from not receiving what
22 our funds need?

23 Now, I have a really positive report for you
24 guys because if you were to turn to page 23 of this

1 report and take a look at your five-year history and
2 GASB does let you take into account the time lag that
3 exists with the tax levy process because this GASB
4 report is totally separate from your tax levy. They
5 are not impacted by one or the other. It has us take a
6 look at the five-year history and see on average what
7 you've been receiving, which you can see here that your
8 average is about 101 percent, so a little bit more than
9 what you have been requesting consistently, and it says
10 project that going forward, should we have any cash
11 flow issues going forward if we continue this behavior?
12 Now, no one is going to be surprised whatsoever that,
13 of course not, the tax levy number, that 100 percent
14 amount, is designed to get you perfectly to the finish
15 line, so getting a little bit more each year is, of
16 course, not going to cause any cash flow issues.

17 The rest of this report is the details behind
18 projecting that behavior going forward and most
19 interesting is page 32, which gives you a nice graph of
20 your assets versus your benefit payments projecting
21 that behavior going forward. One item I do want to
22 note on this, if you take a look at any of these
23 projections and you see pay go to zero and benefits
24 eventually over the long term go to zero, it's because

1 GASB says to take a look at your current population,
2 don't take into consideration any new hires because
3 their theory is if you can handle your current
4 population and cash flow is fine with the current
5 group, then we think that you're going to be able to
6 handle new hires as well. So this is a new report.
7 Really positive outlook. I really --

8 MR. LICHAMER: So this is saying we can support --

9 MS. FAIN: Correct.

10 MR. LICHAMER: -- current day officer
11 population --

12 MS. FAIN: Right.

13 MR. LICHAMER: -- for how long?

14 MS. FAIN: For their lifetime. For the lifetime
15 of the current population.

16 MR. LICHAMER: Okay.

17 MS. FAIN: So for your current group, you should
18 have no cash flow issues.

19 MR. LICHAMER: And that takes into account the 3
20 percent COLAs, takes into account everything current
21 standing?

22 MS. FAIN: Correct. It's projecting forward pay
23 increases, step increases, all those items.

24 MR. LICHAMER: Raises?

1 MS. FAIN: Correct.

2 MR. LICHAMER: Wow.

3 MS. FAIN: And it's because you've been
4 consistently receiving just a little bit more each year.

5 MR. LICHAMER: Just because --

6 MR. NIEMBURG: Help me square that with the 49
7 percent funded rate. I mean, when you describe it that
8 way, it sounds like it's a hundred percent funded, but
9 it's 49 percent. Can you help me square those?

10 MS. FAIN: Of course. The percent funded is where
11 you're at today. It's a snapshot present day, and
12 people get really fixated on it and they use it as a
13 measure of determining fund health. If I'm 49 percent,
14 my neighbor is 52 percent, they're clearly healthier
15 than I am. That's not the case. The GASB report
16 actually has nothing to do with the funded percentage.
17 We will disclose in there where you're at today, but
18 it's projecting forward can you get to the hundred
19 percent funded eventually.

20 MR. NIEMBURG: With future contributions?

21 MS. FAIN: Correct. This is the second piece of
22 the puzzle, and I think it's really important for any
23 fund that maybe is stuck around that 50 percent and
24 their concerns, you know, how do we rank against other

1 people?

2 MR. LICHAMER: So that 50 percent, though, is if
3 we shut down today?

4 MS. FAIN: Right. It's only where you're at
5 today. This is where you're heading and this is way
6 more important. We can't control how we got here to
7 the 50 percent funding. What we can control is what
8 we're trying to do moving forward, and your history
9 indicates that both the board and the relationship with
10 the village or city is heading in that 100 percent
11 direction.

12 This is a great tool for you guys, a great
13 report to have because we have a lot of clients that,
14 let's say, are 80 percent funded today, but they've
15 been consistently shorted over the past five years.
16 Maybe they started out at 87, now they're 85, 83.
17 They're heading downward. So according to GASB,
18 they're in a really negative pattern and they're
19 projected to have some cash flow issues because their
20 behavior isn't what the fund needs, but everyone
21 focuses on that funded percentage; and if you were to
22 just glance on paper, you would say no, no, no.
23 They're good. They're 80 percent funded, but this is
24 kind of the second piece of the puzzle to analyze your

1 fund health.

2 MR. LICHAMER: Well, there is two things. One, I
3 wish Norm was sitting next to me. You still there,
4 Buddy?

5 MR. SIDLER: I'm still listening.

6 MR. LICHAMER: Second, it's a fantastic report.
7 We've never seen anything like that from our old
8 actuary.

9 MR. NIEMBURG: That reconciliation between the
10 GASB solvency test and the percent funded sounded
11 like -- it was a dumb question on my part, but I think
12 it's important to have that entered into the public
13 record because people do look at this and they do make
14 comparisons and they do make evaluations and
15 conclusions that are not necessarily valid.

16 MR. LICHAMER: And, lastly, I know a lot of people
17 outside this agency and the Village have nothing but
18 positive things to say about -- if you can pass that
19 along too, Judy, to the board and to the field men
20 about they've always taken care of us, paid a hundred
21 percent, never shorted it, never even questioned it, so
22 they've always taken care of us employees as far as
23 that's concerned.

24 MS. FAIN: When this report first came out, no one

1 really understood, you know, what it was, why do we
2 need it, what's the point of it, why do we have to pay
3 our actuaries even more money, you know, that sort of
4 thing, but it really is that second piece of the puzzle
5 for you to monitor your fund health.

6 MR. LICHAMER: Yeah, it's important.

7 MR. NIEMBURG: And where are we in the percent
8 funded now? Is it still --

9 MS. FAIN: So your percent funded on an actuarial
10 basis is around 57 percent, so that's moving your
11 assets over five years; and then on a market percent,
12 it's around 54 percent, so your market percent funded
13 is going to jump up and down as the market jumps up and
14 down. We always say from an actuarial, which is 57,
15 and you'll actually see last year your actuarial was
16 around 55, so about a 2 percent funded increase in your
17 funded percentage, so we're heading in a positive
18 direction.

19 MR. BURKE: This is the best actuarial report I
20 have seen. Norm, wait till you see this. This is the
21 best actuarial report I have seen.

22 MS. FAIN: I will pass that on. We really
23 appreciate it.

24 MR. SIDLER: Yeah, I just want to say that the

1 responses that we're getting on stuff is a lot more
2 detailed than we ever did.

3 One quick point in that question. Jessica,
4 again, thank you for explaining all of that. I do want
5 to point out, and as we said let the record show, the
6 Village of Downers Grove has taken an actuarial rate
7 from over a decade ago that was approaching in the 9s
8 and bringing it down, which obviously has impacted our
9 funding percentage. We can always play the game and
10 say let's assume a higher rate of return and we're
11 close to funding. We have not done that. We've gone
12 to a hundred percent funding and because it is costing
13 the Village as we take the conservative approach, which
14 I think is the right thing to do.

15 Can you also verify that obviously our
16 assumption as you make a state for full funding too is
17 also based on when we get to a \$3 million levy or a
18 \$4 million levy or \$5 million levy that we still are
19 continuing to pay into that, that is assumed in your
20 assumptions on the calculations obviously that there is
21 ability of the Village to continue to pay that as the
22 increases come and we get a bigger block of people that
23 retire in the next five to six years?

24 MS. FAIN: Yes, we do take all of that into

1 account. We actually provide -- I believe it's in the
2 front of your report. We'll actually even include in
3 there just some additional disclosures on some of the
4 risks for future --

5 MR. BURKE: Which report are you on?

6 MS. FAIN: Back on the tax levy report, page four
7 at the back side page. You were talking about how when
8 retirees start to -- when actives start to switch over
9 to retirement and there is additional benefits we're
10 going to have to pay out and increases in cash flow
11 coming out and increases in contribution. We do
12 include that and we disclose just a couple of
13 projections for your fund on page four. It's that
14 second paragraph in the defined plan risk section.
15 You'll actually see that in the next five years, taking
16 a look at your active population, those are becoming
17 eligible and could start to retire very quickly, that
18 you can see in the next five years the benefit payments
19 that are part of this calculation that we can see going
20 out is about an additional 1.6 million as more of our
21 actives are starting to retire and then in the next ten
22 years an additional increase of about 3.2 million, so
23 we take all of that into account. Anyone who is
24 getting close to retirement, kind of what that means

1 impacting-wise when it comes to your cash flow, all of
2 that plays into this report and so we kind of disclose
3 that.

4 Now, for a lot of funds, this can be a great
5 sound bite if they're not receiving what they need
6 because to tell them, hey, you're not even putting in a
7 million dollars and the next five years you're going to
8 be paying out 1.6 million additional, we really need to
9 make sure that we get in funds today to handle those
10 cash flows. It doesn't apply for your fund. It's more
11 just an interesting, you know, projection, but we do
12 include a couple of different disclosures and items in
13 here just to kind of show you all the different risks
14 and items that we take into consideration when we're
15 doing this calculation to make sure that let's start
16 planning for these increases today to handle it.

17 MR. BURKE: Okay. Great.

18 MR. SIDLER: Well, thank you. Guys, I greatly
19 apologize. I have to take off to get into a meeting.
20 I do just want to let the record show I know we're
21 going to talk about Jim Black. Mr. President, you have
22 my support and my vote will be to approve that. I did
23 want to let the record show that he retired started on
24 Monday. I don't think he's doing the right thing by

1 doing that, but he's earned it and you have my vote to
2 support for that and just wanted to again say thanks
3 for what you guys are doing given everything that's
4 going on. We greatly appreciate it.

5 MR. LICHAMER: All right. Thanks, Norm.

6 MR. BURKE: Thanks, Norm.

7 MR. SIDLER: Bye. Thank you.

8 MS. FAIN: So I have one other item that you would
9 just sign, so when you're making your formal tax levy
10 request, what you do is you send in a copy of your
11 approved tax levy report that we already went through
12 and you include this document. It's called your
13 municipal compliance report. All it does is take the
14 key numbers from the tax levy report and put them in
15 the appropriate format, so when you make that formal
16 request you would include this. So I brought a couple
17 of additional copies and just so you have multiple ones
18 in case you want one for your records, as well as the
19 one that you would turn in when you make that formal
20 request, so this is just for the board to have.

21 Now, flipping over to what Eric asked me to
22 go through, he said that he did email out the benefit
23 calculation for Mr. Black.

24 MR. BURKE: Yes. We went through it. I signed

1 it. I gave it to our treasurer. I believe she checked
2 it and signed it.

3 MS. FAIN: Perfect, and so if you all are just
4 able to -- I can take that with me. That's all I
5 needed for Eric. The only other item was I did bring
6 his monthly financial report. He said he emailed those
7 out as well.

8 MR. LICHAMER: Yeah, we read that.

9 MR. BURKE: I got that. I think that when Jim
10 Black retired we voted on his retirement as when he
11 turned 50, so that approval should be in the minutes
12 back when he left.

13 MS. BUTTNY: So Jim Black has 25 years of service.
14 His retirement date was January 5, 2013, but his
15 effective date of his pension is August 17, 2016, so he
16 gets 62.5 percent of his salary, which was 115,601, and
17 the amount of his original monthly pension will be
18 \$6,020.89. Motion to approve.

19 MR. BURKE: I make a motion we approve Jim Black's
20 pension calculation sheet.

21 MR. NIEMBURG: Second.

22 MR. LICHAMER: Roll call.

23 MR. BURKE: Burke aye.

24 MR. LICHAMER: Lichamer aye.

1 MR. NIEMBURG: Niemburg aye.

2 MS. FAIN: Perfect. Thanks for letting me steal a
3 couple of minutes from you guys today.

4 MR. BURKE: I like that report.

5 (Ms. Fain leaving meeting.)

6 MR. LICHAMER: Very good. Takes a lot of stress
7 off you.

8 MR. BURKE: We have answers to questions. That's
9 the big thing.

10 MR. LICHAMER: And to have her sit here with us
11 instead of --

12 MR. NIEMBURG: That percent number gets thrown
13 around and used for ill purposes a lot. It gets
14 politicized.

15 MR. LICHAMER: That's the problem. Only 54
16 percent funded, and people don't realize that's if we
17 shut down operations today; and, you know, it doesn't
18 take into account tier twos, and it doesn't take in a
19 lot of numbers. The new tier two officers. It doesn't
20 take in death. You know, we lose people. It's just --

21 MR. BURKE: The magic that Doug is going to do.

22 MS. BUTTNY: We're paying a hundred percent every
23 year.

24 MR. LICHAMER: It should be the law like IMRF, but

1 it's not. You know, the villages are allowed to -- not
2 just a little bit this time, a little bit this time,
3 unlike, you know, some of the other funds.

4 All right. Doug, you have fast investment
5 reports?

6 MR. OEST: Sure. I'll skip over some stuff for
7 you. Everybody should have a copy of the book. Just
8 to point out, Investment Symposium, September 30th,
9 everyone is invited. If you've heard Steven Levitt
10 talk before, the guy that does Freakonomics, pretty
11 entertaining, so he'll be there to entertain everybody
12 at lunchtime.

13 The market environment there is a couple of
14 charts in front here. I'm just going to hit like three
15 of these. You know, with regard to the markets, a lot
16 of concern is on the fed; and you're going to hear a
17 lot of talk about when is the fed going to raise rates
18 and you'll hear a lot of, well, there is a 30 percent
19 chance they're going to raise rates or something along
20 those lines this year.

21 Page three just looks at that percent over
22 time what they were saying for the June meeting, so at
23 the beginning of the year there was close to an 80
24 percent chance the market was thinking the fed was

1 going to raise rates in June. You can see it dropped
2 down and, actually, at one point in mid February was
3 negative, so the market actually thought the fed was
4 going to cut rates in June and then it bounced back up
5 and everyone thought it was going to -- they were going
6 to hike again in June and then it came back down and
7 ended up not increasing in June.

8 The bottom line here is that when you hear
9 the market talking about what they think the fed is
10 going to do, they have absolutely no idea. It's really
11 difficult to predict interest rate movements; and when
12 you hear about that stuff, kind of take it with a grain
13 of salt. Nobody really knows what the fed is going to
14 do. The likelihood of them increasing right now is
15 pretty low. We don't think they're going to increase
16 at this current meeting this month, but you never know,
17 so I just wanted to point that out.

18 The other thing, from an economic standpoint
19 U.S., we're -- if you look at the broad expectations,
20 slow growth, low inflation, and the yield curve is
21 probably going to flatten, which is what people are
22 expecting. So from a U.S. standpoint, slow growth,
23 slowly rising inflation, and the yield curve starting
24 to flatten out, which in a broad context is not

1 horrible.

2 Page five just to point out how different
3 this year has been. The black bars are the return
4 since February 11th. The red bars are the beginning of
5 the year returns, so you can see at the beginning of
6 the year broad market was down significant. You know,
7 small caps were down 13 to 20 percent; and then since
8 February 11th, they're up over 20 percent. That's even
9 with the Brexit volatility, which pretty much the
10 market shrugged off in about nine days, so it's been a
11 really good year. Year to date broad market is up 7.6
12 percent, so it's actually turned out to be a pretty
13 good year so far this year, and fixed income has done
14 very well. We've seen the yield curve fall through the
15 year, so fixed income has actually done remarkably well
16 this year. All things considered, nobody thought it
17 would be up this much. You know, year to date you're
18 looking at about 5 1/2 percent or so on fixed income.
19 Now, that's because the yield has fallen so much.
20 Going forward, probably not going to expect that much.

21 Page six is just showing the yield curve.
22 How the blue line was at the beginning of the year.
23 The red line is where we're at now, as of June 30th.
24 You can see it's falling. What that's done on page

1 seven that black bar is the impact of the falling yield
2 curve, so you can see the return for the year to date,
3 3.9 percent of that return is because yields have
4 fallen. You know, we're at a ten-year treasury 1.5 or
5 so percent. We're probably not going to see that much
6 further falling of the yield curve. We might, but you
7 can look -- we've seen 80 basis points of yield
8 decrease this year. We see another 80 basis points of
9 yield decrease, we're well under one percent for the
10 ten-year treasury, so it's not entirely probable.

11 The one thing I'll say about that, though, is
12 on page eight when people say what's the likelihood of
13 that happening? About 37 percent of global government
14 bonds are negative right now, so -- this includes the
15 United States, so global bonds, the U.S. obviously is
16 in the positive portion of that, but almost 40 percent
17 of bonds are negative. So when people are asking why
18 are people investing fixed income right now, well, a
19 lot of the world is negative, so when they see a 1 1/2
20 percent ten-year treasury note, that looks somewhat
21 attractive, just to point that out.

22 Non-U.S. equity returns have been pretty
23 challenging this year. Again, the whole Brexit issue
24 was somewhat of a significant decline in values at the

1 end of the month in June. The one thing to point out
2 is emerging markets have done really well. They're up
3 about 6.4 percent, and really the reason -- couple
4 different reasons, but emerging markets have very
5 little exposure to the U.K., so they've actually seen
6 somewhat of a pretty good year so far, and year-to-date
7 emerging markets are up over 11 percent, and then real
8 estate is still hitting about 7 to 8 percent. We're
9 looking at around -- most returns are in the 4, 4 1/2
10 percent range for the year to date so far, so, again,
11 we kind of coming into the year, we were thinking 7 to
12 8 percent and it's looking like 7 to 8 percent.

13 MR. NIEMBURG: What's your risk level on real
14 estate? It feels like we're approaching maybe a
15 skirting bubble territory.

16 MR. OEST: Yeah, you know, one thing to point out
17 again, we're in private real estate, not in REITs, so
18 REITs is totally different. The volatility surrounding
19 REITs is much, much higher, but we are -- I mean, if
20 you recall, we pulled out money from real estate at the
21 last meeting, so we are recommending to our clients to
22 be disciplined in terms of rebalancing and make sure
23 that you're not too far above your allocation, not that
24 we're calling any sort of massive decline in real

1 estate, but you are -- 13 percent returns, 14 percent
2 returns are kind in the past. We're seeing the
3 appreciation slow down. It wouldn't be surprising if
4 you see income be the main driver of returns next year,
5 so, you know, we're looking at 8 percent this year,
6 maybe 7 or 6 percent next year. So in the grand scheme
7 of things, it's a good return considering where we're
8 at other asset classes.

9 Any other questions on the market?

10 So behind the next tab just a couple of
11 things to point out --

12 MR. NIEMBURG: I'm sorry. I was writing. I do
13 have a question. What's your feeling about commodities?

14 MR. OEST: So that's where volatility is going to
15 be pretty significant. If you recall, one of the
16 places where we took money from real estate and we put
17 it into the commodity fund and it worked out really
18 well. We're not going to try to call the direction of
19 the commodity markets right now because it's -- I don't
20 think you can, so the recommendation in terms of
21 commodity exposure is to be close to the target weight.
22 I don't think -- you know, it's been a very good year
23 so far for commodities, but out of all the asset
24 classes that you have, that's probably the most

1 volatile. It's even more volatile than SouthernSun,
2 believe it or not, so it's really difficult to get a
3 call on the direction there.

4 So I mentioned the rebalancing. So we pulled
5 750,00 from principal, that happened at the end of
6 April. 250 went to the commodities fund, 250 to
7 non-U.S., and 250 went to cash, so that happened.

8 Boyd Watterson we changed from the short
9 term, kind of shorter duration to an intermediate
10 duration. We had a lot of discussion around the timing
11 of that. It actually worked out really well because
12 interest rates fell so much they were increasing their
13 interest rate exposure, so their return was much higher
14 because they lengthened their duration, so that
15 actually worked out really well. You managed to catch
16 a lot of the falling interest rates, which helped them
17 out tremendously.

18 From an asset allocation standpoint, on page
19 three, you know, you got the tax levy money coming in.
20 Every year around this time we always talk about how
21 much cash do you need; and, you know, if you look at
22 fixed income and your cash together, you're right at
23 your target, so we're, you know, around 2.8 percent in
24 the checking account and you're about 2 1/2 percent

1 short in fixed income, so they kind of even out if you
2 look at the two together.

3 MR. NIEMBURG: Where are you at? I'm sorry.

4 MR. OEST: So Boyd Watterson is at 40 percent and
5 the checking is at 2.8; and if you kind of put those
6 two together, you're right at that 42 1/2. You know,
7 if we were to rebalance, we would recommend putting it
8 back into Boyd Watterson. I realize that putting money
9 into fixed income is not extremely attractive at their
10 current rates. We will be, seems like, maybe 200,000
11 or so a month in terms of pulling money out, so we'll
12 be needing some of the cash. You probably don't need
13 all of it, but between the two, you're at your target
14 for Boyd. We don't have a strong recommendation to
15 pull money out, right now. We can discuss it more, I
16 think, at the next meeting when you get the additional
17 tax levy. At that point you're probably going to want
18 to rebalance. If you're still getting money trickling
19 in in September, you're going to get the next big chunk.

20 MR. NIEMBURG: Do you still expect the asset value
21 of fixed to increase?

22 MR. OEST: Well, that's the reason why we're okay
23 being a little under right now. I'm not go to try to
24 time interest rates, but, you know, we're comfortable

1 where you are at now being a little under.

2 With returns on page seven, so 1.6 percent
3 for the quarter. You know, the actuarial rate if you
4 look at where you want to be quarter to quarter would
5 be 1.8 percent, so pretty close to where you want to
6 be.

7 Underperforming policy benchmark is
8 SouthernSun. If you look at down that three-month
9 period, you'll see fixed income outperformed, non-U.S.
10 equity outperformed, real estate outperformed, and
11 alternatives outperformed, so all your composites,
12 except for U.S. equity outperformed.

13 MR. NIEMBURG: Where are you looking?

14 MR. OEST: Just the first column, that three-month
15 column. So U.S. equity was really the one thing, and
16 that was SouthernSun underperformed for the quarter and
17 that dragged down your non-U.S. equity. They're really
18 the one thing that if you look over the seven-year
19 period, the ten-year period, while you're outperforming
20 because of SouthernSun's strong performance, but you're
21 also underperforming recently because of their recent
22 struggles, so that --

23 MR. BURKE: Is that market driven?

24 MR. OEST: It is.

1 MR. LICHAMER: He's told us that they're going to
2 be super huge or they're going to hurt us, so --

3 MR. OEST: I'll jump to their performance, so on
4 page nine is the manager performance. They were down
5 .6 for the quarter. The benchmark was up 4.3. It was
6 stock selection. Some of their stocks were down and
7 this is a concentrated volatile portfolio; and if you
8 recall, last quarter they were up --

9 MR. LICHAMER: Significantly.

10 MR. OEST: -- significantly. This quarter they're
11 done. Well, if you look at their year to date, despite
12 underperforming by well over 4 percent, they're -- for
13 the year to date they're only underperforming by less
14 than 2 percent, so they probably outperformed by close
15 to the same amount last quarter.

16 You know, they're going through a challenging
17 point. There is no -- I mean, we've done memos on
18 them. You've brought them in. There hasn't been any
19 change to the team. The same philosophy. They just
20 think that right now there is something a little screwy
21 going on with the market, and they think that the
22 stocks -- I mean, Polaris is one that they pointed out
23 to us, snowmobile manufacturer, that said the warm
24 weather hurt them, and they're adding to the position

1 they think that there is all these unique things about
2 all these companies and they feel very confident that
3 stocks are cheap right now in their sectors and they
4 think it's going to rebound. This is one where you've
5 got ten years of experience with the manager. You've
6 seen a lot of the ups. You're experiencing the downs.

7 MR. NIEMBURG: I'm glad you teed this up. After
8 the last meeting, I did some follow-up getting ready
9 for this meeting looking at some of the holdings that
10 they highlighted both as contributors and detractors.
11 I looked at the stuff that they highlighted over that
12 Q1 of '14 to -- I'm sorry -- Q1 of '15 to Q1 of '16,
13 and I pulled some charts. I brought big fancy color
14 charts, and I wanted to share these with you guys
15 because I appreciated them coming in last time, but I
16 didn't necessarily feel like the explanation was that
17 strong.

18 As I followed up and looked at their
19 position -- I've got four or five to share with you --
20 I'm having trouble discerning an investment strategy
21 that I can get my head wrapped around. I didn't see a
22 portfolio that's stacked. It feels scattered to me. I
23 don't see a portfolio that's backstopped with dividend
24 performance. I think most of the holdings I looked at

1 had no dividend.

2 MR. OEST: Yeah, that's not going to be. This is
3 not that manager.

4 MR. NIEMBURG: I get it. I don't have the ten
5 years of experience with them and the holdover of the
6 good feelings from the good days. When we passed the
7 second increase levy that's above the 3 to 4 percent
8 target and you look at that, I think it was 54-, 55,000
9 that was based on the asset performance, it feels like
10 we should at least look at alternatives for
11 SouthernSun, so let me go through a couple of these.

12 This is the Iconix Brand Group that they
13 apparently had management issues and it took a dive. I
14 put the X where they said they exited the position. I
15 think it was December of '15, so this is a three-year
16 picture and the one below is the one-year picture. I
17 guess it's good that they exited when they did.
18 However, you can see where the X is that most of the
19 depreciation already happened, so I don't necessarily
20 feel like -- with something like this stock that is
21 clearly a speculative stock.

22 MR. OEST: Yeah, I mean these are all --

23 MR. NIEMBURG: It feels to me like the only thing
24 we can do is treat this money as if it were our own and

1 for me this feels like a really speculative --

2 MR. OEST: These are all small cap gains, so
3 you're not going to recognize a lot of these names. I
4 mean, if we looked at what's in your large net, those
5 are all the names that you -- you know, the dividend
6 payers and the things you're comfortable with.

7 MR. NIEMBURG: Sure. I'm just looking at the
8 data; and if you look at the three-year performance, it
9 was flat for the good run and then fell off a cliff,
10 so.

11 MR. OEST: Yeah. If you look at their performance,
12 this is -- they have to have this in order to have the
13 performance they had over the last year.

14 MR. LICHAMER: I, unfortunately, missed the last
15 meeting, so these were all in their portfolio.

16 MR. NIEMBURG: They came in and they did a rundown
17 of what they attributed their 2015 performance decrease
18 to and then gave us some insights into some of the
19 positions they exited and added, so I followed up on
20 those getting ready for this meeting.

21 This one is interesting because this shows a
22 position that they entered and exited and the timing;
23 and I mean, this is -- again, I know it's difficult to
24 time the market, but this couldn't have been worst

1 timing. I mean, if you look at the drop off there. I
2 don't want to beat them up. It's not my intent, so
3 I'll skip a couple of these.

4 This one is actually a head scratcher for me
5 personally. This is Columbia Sportswear and this is a
6 position that they exited and this continued to be --
7 they didn't say the month, so where I didn't have the
8 month, I didn't put the X, but they exited during --
9 the region that I highlighted is the region that they
10 discussed where they -- somewhere in that time frame
11 they exited between Q4 of '14 and Q1 of '16, so
12 somewhere in that period they exited. This stock has
13 held its own. I mean, this doesn't feel like, from a
14 judgment standpoint -- apparel has been relatively
15 strong, especially this leisure trend, and I question
16 the wisdom of exiting this position as much as I
17 question the wisdom of entering some of the other ones.
18 Again, my intent is not to beat them up. This is the
19 position that they added. I guess I am beating them
20 up.

21 MR. OEST: They deserve to be beat up.

22 MR. NIEMBURG: This is one that they added
23 somewhere in that time frame. Now, maybe we can give
24 them the benefit of the doubt. They didn't have the

1 information on when they added it. Maybe they added it
2 at the bottom. It hasn't done much since then. We'll
3 give them the benefit of the doubt and say that this
4 one was -- you know, they didn't gain anything, but
5 maybe they didn't lose anything or maybe they lost a
6 bunch. I don't know.

7 MR. OEST: I mean, if we went through their
8 holdings, there is going to be a ton of these.

9 MR. NIEMBURG: I'll skip to the end. I give you
10 guys the rest of these. You can take them home and
11 read them and weep. This is the net net. I think this
12 is the -- I looked on their site and looked at their
13 funds. I think this is the one we're in, the small
14 cap?

15 MR. OEST: We're in a separate account.

16 MR. NIEMBURG: I'm assuming it mirrors. Maybe
17 that's a bad assumption. You tell me. Their
18 year-to-date performance is barely over the Russell,
19 and it just feels like we're continuing to experience
20 this -- we would be better off putting the money under
21 the mattress over the last three years, that's been the
22 year to date.

23 MR. OEST: Let me go back in terms of history.
24 Turn to page ten and just look at -- this is calendar

1 year. You know, the thing that -- when the fund hired
2 SouthernSun, the thing that we described then was,
3 look, volatile manager; and if you're going to go with
4 an active manager, you have to be willing to ride the
5 ups and downs because every manager does it. There's
6 not one manager that's going to be consistently always
7 up and always down. If you look at -- the fund hired
8 him prior to this, so you've got a full ten-year
9 history here, but 2007, you know, they were up 10.6.
10 The benchmark down 10. They were down pretty big in
11 2008. Then 2009, '10, '11, '12, '13, they consistently
12 outperformed by significant amounts. The last two
13 years have been horrendous. No hiding that. The
14 problem is that it's -- I get your point is that if you
15 don't believe in the way that they're constructing the
16 portfolio, that's when you have issues. If you don't
17 agree with the philosophy and the team and how they
18 pick their stocks, then there's an issue.

19 MR. NIEMBURG: My challenge is I can't even get my
20 mind wrapped around what the philosophy is. I have
21 another example here. I'll just pass it out. They
22 told us in the meeting that they are -- this caught my
23 attention because it runs counter to most of the -- I
24 guess it's dangerous to say there is conventional

1 wisdom out there because there's really not now, but
2 they made a comment about we're avoiding financials,
3 healthcare, and the technology, they try to avoid
4 those, which seems like a bad -- bad things to avoid.
5 It seems like you may want to actually look at some of
6 those these days, but this is one of their positions
7 added and this is medical, and so I don't -- I'm having
8 trouble getting consistency out of them.

9 MR. OEST: Sure. I think -- I mean, again, what
10 would be best -- because you're going to question --

11 MR. NIEMBURG: This was a good one, by the way.
12 To paint a balanced picture, this was a well
13 performing --

14 MR. OEST: But it's about the style and how
15 they're putting together the portfolio.

16 MR. NIEMBURG: I don't want to act rash. I know
17 our mandate is to be conservative and steady and
18 balanced. I wanted to bring this information and make
19 a motion to ask Marquette to bring us some other
20 options to evaluate so in the future we can look at are
21 there other choices that we can make with this portion
22 of the portfolio because when I look at their past
23 performance, they had a heck of a run, but objectively
24 I could come to the conclusion that they've kind of

1 lost their edge.

2 MR. OEST: So I guess a couple of things. One, we
3 totally -- I can definitely put together a search so
4 you can see what other managers are looking at. The
5 one thing I would say is I wouldn't do it just because
6 the last two years they underperformed because that
7 kind of falls into the timing issue of you're going
8 to -- if they're doing what they said they were going
9 to do and they kind of -- there's reasons for what
10 they've done and that's the thing we have to come to
11 terms with. If you don't --

12 MR. NIEMBURG: You said it yourself, I mean, small
13 caps have killed it since February and they're
14 underperformed in this past quarter.

15 MR. OEST: They are, but --

16 MR. NIEMBURG: It just doesn't hold water for me.

17 MR. OEST: Some of the reasons -- REITs have done
18 really well, which a lot of small cap managers -- I
19 mean, if you look at how they've done relative to their
20 peers, they're basically meeting it this year, so
21 despite underperforming, they're right around what
22 every other small cap manager is doing.

23 MR. LICHAMER: To add to Bill's position, we saw --
24 we've seen five years of tremendous returns and two

1 years of significant bad returns.

2 MR. OEST: Yep.

3 MR. LICHAMER: I don't -- I actually really
4 appreciate you sending up the signal flare going, you
5 know, look at what we're looking at; and I have some
6 concerns about this too, but I think it's important
7 that he does send up that flare and that we start
8 looking at other people before this is five years up
9 and then five years down and then we lose all these
10 returns.

11 MR. NIEMBURG: The other flip side of our
12 responsibility to the force is our responsibility to
13 the taxpayer who look at this and say why did you let
14 this persist? You had two -- fool me once, fine. Fool
15 me twice, it's our bad. A third time? If we go
16 through a third year of under performance.

17 MR. LICHAMER: I unfortunately missed that meeting.
18 You picked through Ameritrade pretty well.

19 MR. OEST: What I think would be good is I can
20 definitely profile other managers. The thing is that
21 when we selected them it's concentrated and it's
22 volatile. There are other managers that are much less
23 volatile that you're not going to see that type of
24 swings, but that was a conscious choice that was made

1 to have that there.

2 MR. NIEMBURG: This is not to criticize the trust
3 that --

4 MR. OEST: No. No. You should openly criticize
5 us when you feel it's necessary. I'm not immune to
6 criticism. I do want to point out, I mean, the last
7 ten years they're up 7.9 percent, the benchmark is up
8 5.2 percent, and that's annualized. So year over year,
9 they've added over 250 basis points in outperformance,
10 so it's not as if they've underperformed over the long
11 term, but you've hit it on -- they have underperformed
12 significantly over the last two years.

13 The thing that I just want to make sure is
14 that if you do want to move from them it's because you
15 don't agree with their philosophy and the style of their
16 management, not because they happen to underperform the
17 last two years because if you still after hearing them
18 speak and you go, you know what, that makes sense, I
19 think there is a reason why we picked them in the first
20 place. There is a reason why they outperformed over
21 those seven years. That's not the reason you should --
22 you don't want to get into the habit --

23 MR. LICHAMER: At what point do we start
24 concerning ourselves with giving it all back?

1 MR. NIEMBURG: Right.

2 MR. OEST: The thing is that you want to go into
3 this would you hire them again today?

4 MR. LICHAMER: That's why I'm asking you.

5 MR. OEST: Don't look at the past performance,
6 don't look at any of that because that's already gone.
7 We already had that performance. It's already there.
8 What we're concerned about is what you said, going
9 forward. Over the next year, are they going to
10 outperform or not? Over next five years, are they
11 going to outperform?

12 MR. NIEMBURG: But it's a totally valid point. If
13 we continue this, we're going to erase the benefits of
14 the ten years, right?

15 MR. OEST: It's very well possible it could be.
16 It's very well possible it could go the exact opposite
17 way.

18 MR. LICHAMER: I know Marquette supports them
19 and -- which is fine. They've done very well for us,
20 but what -- you guys always put out those warning
21 flares. You know, you put out those reports they're
22 not in compliance in the back here. At what point do
23 you guys recommend --

24 MR. OEST: Well, my concern right now is that --

1 and this is --

2 MR. LICHAMER: No, this is generalized for any of
3 these, at what point do you guys go, okay, it's time to
4 go?

5 MR. OEST: If the -- the performance question is
6 the hardest one because nothing else has changed.
7 They've actually grown the team. The same people that
8 made all the smart decisions over the last seven years
9 are there. It hasn't worked over the last two years.
10 What I think the more pressing problem is that, you
11 know, you experienced a lot of the ups, but you didn't
12 experience much of the downs and now you're seeing some
13 of the downs. My concern is that when we had the
14 initial discussion over this is a volatile manager and
15 people were comfortable with it, I'm not sure everybody
16 is comfortable with it now.

17 MR. LICHAMER: I don't want to give it back.

18 MR. NIEMBURG: The reality is the world and the
19 markets have changed and it's entirely possible that
20 this team has lost their feel for the market, and it
21 happens, right?

22 MR. OEST: Well, what I would say is let's put
23 together -- I can show you other managers. I would say
24 let's take this, bring them in again, and have them

1 just not explain anything, but pitch us.

2 MR. NIEMBURG: I want to acknowledge the guidance
3 you're giving us. I didn't -- intentionally I didn't
4 just go back and pull 2015 and play Monday morning
5 quarterback and beat them up. I looked at the
6 positions they said that they added and those positions
7 in Q1 did okay and they tanked in Q2.

8 MR. OEST: Yes.

9 MR. NIEMBURG: So that's where I'm having a crisis
10 of confidence in that sliver of our portfolio.

11 MR. OEST: Absolutely. Again, the way that they
12 kind of operate, some of these names they've had for
13 five years; and so if you look back at their -- you
14 know, go back ten years, you can pull stocks where you
15 go why did you buy this for?

16 MR. NIEMBURG: Sure. You can do that with my
17 portfolio, by the way.

18 MR. LICHAMER: I think it's the same thing with
19 mine, too, with my little Vegas slush fund, but, you
20 know, in dealing with this fund, I have to go -- Bill,
21 will say, hey, you know what, yeah, they had a great
22 run, they're volatile, but we got to watch it, because
23 I don't want to give it back.

24 MR. OEST: Trust me, we're watching it. It's not

1 as if --

2 MR. LICHAMER: I trust you. That's what we pay
3 you to do.

4 MR. NIEMBURG: When I hear volatile and you're
5 making those risky bets, like that Iconix thing, Icon
6 is the stock ticker, to me if you're going to place a
7 bet with a company like that, you keep your finger on
8 the pulse. If there is management problems, you should
9 know about it before anybody else does and get the heck
10 out and they didn't do that.

11 MR. OEST: What I --

12 MR. NIEMBURG: I don't give them a pass on that at
13 all.

14 MR. OEST: No, I'm not giving them a pass on
15 anything. I don't want to come across as, you know,
16 trying to absolve them of the sins of the last two
17 years. It's not done well and, trust me, that's
18 something we talk about with them frequently. What I
19 will say is I think the best thing to do would be to
20 bring them in and basically have them pitch.

21 MR. NIEMBURG: And we'll have another quarters
22 worth of data, and at the same time I'll make the
23 motion officially, I'd like to make a motion to ask
24 Marquette to look at other options for that -- what's

1 it called?

2 MR. OEST: You don't need to make a motion.

3 MR. BURKE: Ask for that. It will be in the
4 minutes. I agree too that if we're sitting here a year
5 from now and SouthernSun is still here and it's a third
6 year in the row, then it's going to be what are you
7 doing board to allow this to continue to happen and
8 that's a valid question.

9 MR. OEST: Yeah, trust me, that's the top of our
10 concerns with everything that we do.

11 MR. BURKE: Are we saying then we want to bring
12 them back at our next meeting to have them pitch us?

13 MR. OEST: What I think we should do is I think we
14 should put together a search that shows some other
15 funds and you can guys can look at what other options
16 are out there and then I think at the following
17 meeting, you bring them in and you basically have them
18 present as if they weren't on the fund and they're
19 trying to get hired.

20 MR. NIEMBURG: I like that. Let's draw a parallel
21 with what companies do with their advertising
22 portfolio, occasionally they put it out to bid because
23 it gets stale and they look for other agencies and
24 fresh perspective. That feels like what we should do

1 with this.

2 MR. OEST: The way that you should look at this --
3 I understand the last two years. Our job is to make
4 sure we're not making timing mistakes and that you're
5 not just exiting because you're not happy with the
6 performance over the last two years. We're not happy
7 with the performance over the last two years either,
8 but we're looking over the next two, the next five
9 years, the next ten years, and it matters. They've
10 done well in the past, but that's in the past. They've
11 done poorly recently. That's also in the past, so we
12 need to look forward.

13 MR. NIEMBURG: The third piece of that puzzle is,
14 and this is subjective, you look at what they pointed
15 to as their plan for the future and do you feel good
16 about it, and I'm right now probably even generous to
17 say I'm on the fence. I don't feel good about it.

18 MR. OEST: That's the most important thing. If
19 they come in and present to you, would you hire them as
20 your small cap manager. If the answer is no, then they
21 shouldn't be the small cap manager, so we'll put
22 together a search.

23 MR. LICHAMER: That and how are they comparing to
24 other small cap -- I'm sure they're all down. I

1 understand that, but how -- are they as down and, like
2 I said, I mean, these are mistakes I make. This is
3 what I do and --

4 MR. NIEMBURG: In fact, Chicago Bridge and Iron is
5 one of their holdings and I have that and I feel
6 stupid, but I'm supposed to make those mistakes.

7 MR. LICHAMER: Yeah, that's like your Vegas money.
8 You know, it's your little slush fund. This is the
9 stuff I do.

10 MR. OEST: Well, again, they're not gambling here.
11 This is an institutional manager.

12 MR. LICHAMER: These are the mistakes I make by
13 watching them go all the way down. Don't they have
14 guys that push the buttons. When I'm working, they
15 have guys watching this, right?

16 MR. OEST: Yeah, they do. We'll do a search. I
17 think the idea would be for the search is to focus on
18 some less concentrated managers, that way you can see
19 what that looks like, but I do want to profile some
20 other -- or maybe we'll do some separate things so you
21 can how there are more concentrated volatile --

22 MR. BURKE: And have for us at the next meeting?

23 MR. OEST: The next meeting.

24 MR. LICHAMER: Cool.

1 MR. OEST: Yeah, I mean, the other -- there is
2 really not a ton of other things to point out. Most
3 for the quarter, you know, the index exposure, the
4 index funds were some of the top performers, so
5 non-U.S. and U.S. and then you saw rebounding
6 commodities and, again, real estate up 4.1 percent for
7 the year so far, trending at about 8 percent for the
8 year, so we're at 3.2 for the year. Again, actuarial
9 rate would be around 3.6, so we're kind of holding
10 around the actuarial rate, and then July so far been a
11 pretty good month.

12 PIMCO, the things that hurt them in the
13 past -- I mean, commodities obviously done not great,
14 but they also use tips in that portfolio, so they get
15 the double benefit of having the tips exposure and then
16 the commodities on top of that.

17 So basically SouthernSun is your one issue.

18 MR. LICHAMER: You brought up some very valid
19 points that we need to look at.

20 MR. OEST: There is no doubt about it. So any
21 other questions on the managers or performance?

22 MR. LICHAMER: No, I'm good.

23 MR. OEST: All right.

24 MR. LICHAMER: Judy, you have to pay some bills?

1 MS. BUTTNY: I have a couple items. So first of
2 all, in the last page of your Lauterbach & Amen monthly
3 financial report, there is a listing of the vendor
4 checks. If you would like to turn to that page. Looks
5 like this on the front.

6 MR. BURKE: Which page, Judy?

7 MS. BUTTNY: It's the very last page, page 11-1.
8 It's a listing of the checks cut by Lauterbach & Amen.
9 As you know, most of these were contractual obligations
10 for. There is two of them I wanted to point out to
11 INSPE. If you recall, in a previous meeting, this
12 board approved using INSPE for the independent medical
13 exam for Michael Eddy. There is two bills on there,
14 \$5100 is one and the other one is \$2700, and there is
15 another one that didn't make it in to this report
16 that's coming for \$9400, so we knew it was going to be
17 more expensive going to INSPE, but we knew it took a
18 lot of -- it was brought to a team of doctors to select
19 who was the appropriate physician to make the
20 examination.

21 MR. LICHAMER: That was at the advice of our
22 attorney.

23 MS. BUTTNY: That's correct, so I'm asking for
24 approval of the 77,357.28.

1 MR. NIEMBURG: Motion to approve.

2 MR. BURKE: Second.

3 MR. LICHAMER: Roll call.

4 MR. BURKE: Burke aye.

5 MR. LICHAMER: Lichamer aye.

6 MR. NIEMBURG: Niemburg aye.

7 MS. BUTTNY: And while we're here, I just received
8 an invoice from Reimer Dobrovoly & Karlson in the
9 amount of \$314.10, and that is in regard to the
10 disability application of Michael Eddy, and I'll ask
11 for approval of that invoice as well.

12 MR. NIEMBURG: What was the dollar amount?

13 MS. BUTTNY: \$314.10.

14 MR. NIEMBURG: Motion to approve an additional
15 \$314.10 for Reimer Dobrovoly & Karlson LLC.

16 MR. BURKE: I'll second.

17 MR. LICHAMER: Roll call.

18 MR. BURKE: Burke aye.

19 MR. LICHAMER: Lichamer aye.

20 MR. NIEMBURG: Niemburg aye.

21 MS. BUTTNY: The second item I wanted to go over
22 with is the budget for the pension fund. I emailed
23 that out and I will also pass them out, so there is no
24 real big surprises here. We stayed pretty consistent

1 with the previous year. You'll look I have detailed
2 out professional services in the investment management
3 dollars. The big question is always how much to put in
4 for the pensions. We know there is a lot of people
5 that are eligible. We just never are really sure who
6 is going to retire since they don't have to tell us
7 ahead of time, so we have just made the assumption that
8 there would be five retirees and potentially two
9 disabilities, even though this is not based on anything
10 other than an estimate, but understanding that if they
11 don't happen, it's not like we locked up the money.
12 The money stays in the fund, so it's just if the
13 retirements happen that there is the authority to spend
14 the money in the fiscal year budget.

15 So I don't know if you would like to review
16 this and approve it at a different meeting. We will be
17 putting forward whatever number we come up with now in
18 the budget that is sent to council, and I don't know
19 that we'll meet before then and we will be getting this
20 council package out by the end of September, so if
21 there is anything on here you're uncomfortable with,
22 let me know now.

23 MR. NIEMBURG: The pension amounts are the
24 payouts?

1 MS. BUTTNY: Yes, they are. They are the payouts
2 to the current retirees, regular, disability, and
3 spousal.

4 MR. LICHAMER: Have you always added in these
5 buffers?

6 MS. BUTTNY: We do.

7 MR. LICHAMER: The five retirees and the two --

8 MS. BUTTNY: Yes, we do.

9 MR. LICHAMER: I don't remember us talking about
10 that, but that's fine. I don't remember it.

11 MS. BUTTNY: If you're uncomfortable with it,
12 we're happy to make a change.

13 MR. LICHAMER: No. It's just the budget. If we
14 go under, we look good.

15 MS. BUTTNY: We are fine, if we go under.

16 MR. LICHAMER: I don't remember that conversation.

17 MS. BUTTNY: If we do go over, we will have to
18 then request a budget amendment.

19 MR. BURKE: I'm comfortable with this. I make a
20 motion we accept this budget as presented.

21 MR. LICHAMER: Second.

22 Roll call.

23 MR. NIEMBURG: Niemburg aye.

24 MR. BURKE: Burke aye.

1 MR. LICHAMER: Lichamer aye.

2 MS. BUTTNY: Thank you.

3 MR. NIEMBURG: Just one note, not to pile on, I
4 notice SouthernSun's adviser fees are the highest.
5 When we get the competitive analysis of other options,
6 can we also understand the fees?

7 MR. OEST: They're all in there.

8 MR. LICHAMER: All right. Trustee training, we're
9 all set.

10 MR. BURKE: Mr. President, I do believe that I
11 would like to have us discuss and make a motion because
12 we are going to be making an expenditure for trustee
13 training in October, the 4th through the 7th, through
14 the Illinois Public Pension Fund Association. I make a
15 motion that the board approves the expenditures for
16 this training.

17 MR. LICHAMER: I believe they've been budgeted,
18 so --

19 MR. BURKE: I just want to have it.

20 MR. NIEMBURG: Second.

21 MR. LICHAMER: Roll call.

22 MR. BURKE: Burke aye.

23 MR. LICHAMER: Lichamer aye.

24 MR. NIEMBURG: Niemburg aye.

1 MR. BURKE: Because we have to sign those little
2 travel vouchers.

3 MR. LICHAMER: New business?

4 MR. BURKE: Do you have any new business, Judy?

5 MR. LICHAMER: Do you have a quick one?

6 MS. BUTTNY: Well, typically he just wants some
7 idea of how the Village is doing, so first quarter
8 revenues we're in line with where we expected to be.
9 We're about \$60,000 over and the revenues that are
10 tracking over budget are the sales tax revenues at
11 about 150,000, and income tax and personal property
12 replacement tax are under and that's 80,000 total.

13 We're favorable to budget second quarter by
14 \$500,000 and that's primarily due to turnover. We've
15 had a lot of turnover in this last year that's saving
16 us money.

17 MR. LICHAMER: Employee turnover?

18 MS. BUTTNY: Yes, whether it be retirement,
19 whatever.

20 MR. BURKE: People going to other jobs.

21 MR. NIEMBURG: Turnover that we're not
22 backfilling?

23 MS. BUTTNY: No, we are, but there's always a
24 little bit of a lag.

1 MR. NIEMBURG: Probably lower salary.

2 MS. BUTTNY: Many times, yes. Exactly.

3 So the other item is the asset forfeiture
4 account. We have about 1,368,000 in cash right now and
5 there's 525,000 sitting out there pending. That money
6 is earmarked currently for the work on the renovation
7 of the police department.

8 MR. NIEMBURG: So none of that is at risk of
9 losing --

10 MS. BUTTNY: No. We will certainly be spending
11 that very soon. I was going to also tell you that we
12 expect to have approved at the next council meeting,
13 which is next Tuesday, authorizing a contract with
14 Williams Architect for architectural and engineering
15 services and that is estimated to be somewhere in the
16 range of 843,000 to 977,000, so that will take a chunk
17 out of this money and that is for, as I said, the
18 architectural and engineering and then we will be
19 looking for the contractor, so that is it for my
20 report.

21 MR. LICHAMER: So everything is good; status quo,
22 right, Judy?

23 MS. BUTTNY: Uh-huh.

24 MR. LICHAMER: Old business.

1 MR. BURKE: (Shaking head.)

2 MR. LICHAMER: Nothing.

3 MR. NIEMBURG: (Shaking head.)

4 MR. LICHAMER: Nothing. Good. We will have a
5 motion to adjourn.

6 MR. BURKE: You know, there is some business that
7 we didn't do.

8 MR. LICHAMER: What's that?

9 MR. BURKE: We had an election, and after the
10 first meeting after the election is the nomination of
11 the election of officers.

12 MR. LICHAMER: Do we want to table that till
13 everyone is here?

14 MR. BURKE: We'll table it -- we'll do it next
15 time. They might get mad at us, but --

16 MR. LICHAMER: Who?

17 MR. BURKE: Department of insurance. They're not
18 going to come in here and look.

19 MR. LICHAMER: Without having all of us here, I
20 don't --

21 MR. NIEMBURG: Do we have to make a motion to
22 table it and to continue the current officers?

23 MR. BURKE: The only thing I would like to
24 recognize that we know that we should have done it, but

1 if we want to have a full board to do it, then --

2 MR. NIEMBURG: How about this, I'll make a motion
3 that we continue the current slate of officers to the
4 next meeting and table elections until the next
5 meeting.

6 MR. BURKE: I second that.

7 MR. LICHAMER: Roll call.

8 MR. BURKE: Burke with.

9 MR. LICHAMER: Lichamer aye.

10 MR. NIEMBURG: Niemburg aye.

11 MR. BURKE: The other thing is can we try and set
12 a meeting because, gosh darn, I had a hard time setting
13 this one.

14 (Off the record discussion.)

15 MR. BURKE: October 24th, 9:00 a.m. Is that a
16 Monday?

17 MR. LICHAMER: Yes.

18 MR. BURKE: And I will send this out to the board
19 saying please advise if October 24th works for the next
20 pension board meeting. When I say respond only to me,
21 it's so we don't violate the Open Meetings Act, so
22 we'll tentatively set October 24th, 2016, 9:00 a.m.

23 Mr. Currently Still President, I make a
24 motion that we adjourn.

1 MR. LICHAMER: Second.

2 MR. NIEMBURG: Just to echo what Norm said, it's a
3 crazy world and you see all these things happening and
4 you think Downers Grove is pretty safe, but I wanted to
5 just acknowledge the fact that none of those places
6 probably ever thought it would happen there until it
7 happened there, so thank you for what you guys risk.

8 MR. LICHAMER: Thank you. I appreciate that.

9 MR. NIEMBURG: It's worth mentioning when we're
10 making decisions about approving pensions and approving
11 new facilities. It's worth it.

12 MR. LICHAMER: Thank you. All right. We're
13 adjourned.

14 MR. BURKE: Adjourned.

15 (Which were all the proceedings
16 had at the hearing of the
17 above-entitled cause.)

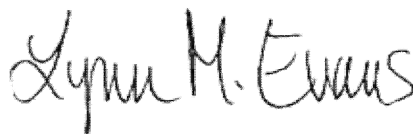
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1 STATE OF ILLINOIS)
) SS.
2 COUNTY OF DU PAGE)
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5 I, LYNN M. EVANS, CSR, No. 084-003473, a
6 Notary Public in and for the County of DuPage, State of
7 Illinois, do hereby certify that LYNN M. EVANS, C.S.R.,
8 reported in shorthand the proceedings had and the
9 testimony taken at the public hearing of the
10 above-entitled cause, and that foregoing transcript is
11 a true, correct, and complete report of the entire
12 testimony so taken at the time and place hereinabove
13 set forth.

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15
16
17 LYNN M. EVANS

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19 My Commission Expires:
May 20, 2017

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