

A G E N D A

REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK TO BE HELD ON FRIDAY, JANUARY 31, 2014, AT 3:00 P.M. AT THE VILLAGE HALL, 7760 QUINCY STREET, WILLOWBROOK, DUPAGE COUNTY, ILLINOIS

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL - MINUTES OF REGULAR MEETING - 10/22/13
4. APPROVAL - EXPENSES INCURRED OCTOBER THRU JANUARY 2014
5. APPROVAL - INVESTMENTS MADE OCTOBER THRU DECEMBER 2013 - Quarterly Investment Report - MB Financial Bank
6. INFORMATION - REVISIONS TO INVESTMENT POLICY - MB Financial Bank
7. *Approve*
~~INFORMATION~~ - INCREASE IN PENSION BENEFITS
8. INFORMATION - REVISIONS TO WILLOWBROOK POLICE DEPARTMENT PENSION FUND - RULES AND REGULATIONS MANUAL
9. INFORMATION - APPOINTMENT OF CARRIE DITTMAN TO FILL VACANCY ON THE POLICE PENSION FUND BOARD
10. VISITOR BUSINESS
11. NEW BUSINESS
12. OLD BUSINESS -
 - A. STATUS OF FREDERICK WILLEY PAYOUT REQUEST
 - B. STATUS OF MILITARY BUY-BACK FOR NEW OFFICER AND UPDATED CALCULATIONS FOR EXISTING OFFICER
13. COMMUNICATIONS
14. ADJOURNMENT

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON OCTOBER 22, 2013, AT THE VILLAGE HALL, 7760 QUINCY STREET, WILLOWBROOK, DUPAGE COUNTY, ILLINOIS

1. CALL TO ORDER

The meeting was called to order at the hour of 8:02 a.m. by President Umberto Davi.

2. ROLL CALL

Those present at roll call were President Davi, Trustees Timothy Kobler and Scott Eisenbeis; and Interim Director of Finance Carrie Dittman via conference call. Also present: Terese Krafcheck, Bob Deneulenaere, and Amber Powers of MB Financial.

Absent: Trustee Joseph Pec.

3. APPROVAL - MINUTES OF THE REGULAR MEETING - July 30, 2013

The Board reviewed the minutes from the July 30, 2013 meeting.

MOTION: Made by Trustee Kobler, seconded by Trustee Eisenbeis to approve the minutes of the regular meeting of the Police Pension Fund Board of Trustees held on July 30, 2013.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

4. APPROVAL OF INVESTMENTS MADE APRIL THRU JUNE 2013 - QUARTERLY INVESTMENT REPORT - MB FINANCIAL BANK

Ms. Terese Krafcheck of MB Financial Bank summarized the quarterly investment report for the Police Pension Board.

Ms. Krafcheck advised the third quarter ending September 30, 2013 was favorable. The total fund value is at \$15,748,741.00. She summarized the portfolio allocations are targeted at 55% in equities, 45% in fixed income, as was the market.

This quarter, the fund was at 3.83% vs. the benchmark of 3.46%. The 9-month percentage was at 8.24% vs. the benchmark of 7.02% and the 12-month percentage was at 9.5% vs. 7.67%. The 5-year percentage was 7.92% vs. the benchmark at 6.82%. This is over 1%, which is very exciting for the actuarial reports.

Equities for the quarter are at 7.08% vs. the benchmark at 6.90%. The fixed income is back in the positive area at 0.64%, vs. the benchmark at 0.39%. Although, the 9 and 12-month numbers are still in the negative territory, this will be the case for the next 3-5 years. The alternative strategies are a new line item only by title (Alternate Strategies), which are by combining the Real Estate,

Commodities and Infra-Structure Fund. Those numbers combined at 4.12% vs. the blended benchmark at 0.64%, which was added during the quarter.

Cash equivalents of -\$646.00, was the reversal of the incorrect posting of \$646 last quarter. This will zero out at end of the year.

Changes due to investments for the quarter were \$627,944 with the year to date total at \$1,296,869.

Amber Powers advised there was a bit of a rebound for third quarter, which was good. The fixed income duration has been shortened to be ready for when rates go up. This probably won't happen until 2015. The Large Cap Blend strategy out-performed the S&P 500 by 11 points due to the technology sector. The telecom sector was liquidated due to under-performance.

15.7
Ms. Krafcheck advised that looking at the Market Value vs. Invested Capital has been good. As of September 30, 2013, the fund value was at ~~\$17.024 million~~. There was a change in the Small Cap Equity was liquidated and moved into the Undiscovered Managers Behavioral Value fund. Also, the Alternative Asset Classes added the DWS RREEF Global Infrastructure fund, which invests in companies that out-source itself (ie - Toll road, parking, bridges, pipe lines).

After a discussion by the Board, the following motion was made:

MOTION: Made by Trustee Kobler, seconded by Trustee Eisenbeis to approve MB Financial's Quarterly report.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

Ms. Krafcheck reviewed the changes to the Willowbrook Police Pension Fund Investment Policy.

5. APPROVAL - APPLICATION FOR MEMBERSHIP INTO THE WILLOWBROOK POLICE PENSION FUND

The Board reviewed the applications from new officers Jose Lopez and Joel Rudnick for membership into the Willowbrook Police Pension Fund.

After a brief discussion by the Board, the following motion was made:

MOTION: Made by Trustee Kobler, seconded by Trustee Eisenbeis to approve Officers Jose Lopez and Joel Rudnick's application.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

*President Davi deferred Items 6, 7, 8, 9, 10, 12, and 13, until Interim Director of Finance Carrie Dittman is contacted via conference call.

11. VISITOR'S BUSINESS

None presented.

14. COMMUNICATIONS - I.P.P.F.A. ANNUAL MEMBERSHIP DUES

The Board reviewed the IPPFA annual membership dues invoice.

MOTION: Made by Trustee Kobler, seconded by Trustee Eisenbeis to approve payment of \$775.00 for the IPPFA annual membership dues.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

*Interim Director of Finance Carrie Dittman joined the meeting via conference call at 8:23 a.m.

6. REPORT - EXPENSES INCURRED JULY THRU SEPTEMBER 2013

Interim Director Dittman reviewed the expenses incurred July thru September 2013. She noted that the report include expenses for regular retirement benefits, surviving spouse/widow benefits, disability benefits, financial advisory services, and the IPPFA annual conference fees.

The Board requested a breakdown by individuals for the regular retirement benefits. Interim Director Dittman will add to the quarterly expense report beginning in January 2014.

MOTION: Made by President Davi, seconded by Trustee Kobler to approve the expenses incurred July thru September 2013.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

7. REPORT - 2013 DRAFT AUDITED FINANCIAL STATEMENTS

Interim Director Dittman reviewed the draft Police Pension Fund Financial Statement from the April 30, 2013 audit. Final copies will be distributed at the Village Board meeting on October 28, 2013.

The Village, which includes the Police Pension Fund, received an unqualified or "clean" opinion for the audit. The independent auditors had no comments or suggestions for improvement.

President Davi requested an internal memo from Interim Director Dittman to breakdown the costs for conference fees and "other".

8. REPORT - ACTUARIAL VALUATION REPORT AS OF MAY 1, 2013

Interim Director Dittman reviewed the annual Actuarial Valuation Report prepared by Tepfer Consulting Group, Ltd. This report includes both statutory and recommended contributions for the fiscal year ending April 30, 2015, under the new actuarial valuation method (projected unit credit) and the existing valuation method (entry age normal).

For fiscal year ending April 30, 2015, the actuary is recommending a Village contribution of \$519,915, which also equals the statutory minimum.

MOTION: Made by Trustee Eisenbeis, seconded by Trustee Kobler to approve the annual Actuarial Valuation Report dated September 29, 2013.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

9. REPORT - REQUIRED REPORTING TO MUNICIPALITY BY PENSION BOARD

Interim Director Dittman reviewed the Required Reporting to the Municipality by the Police Pension Fund. This report was completed by Tepfer Consulting Group Inc. and will be forwarded to the Village Board for their October 28, 2013 meeting.

MOTION: Made by Trustee Kobler, seconded by Trustee Eisenbeis to recommend to the Village Board a contribution of \$519,915 to fulfill their statutory minimum contribution to the Police Pension Fund, as reflected in the Actuarial Valuation report prepared by Tepfer Consulting Group Inc.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

10. REPORT - ANNUAL DEPARTMENT OF INSURANCE REPORT

Interim Director Dittman reviewed the annual Department of Insurance report for fiscal year ending April 30, 2013.

*12. NEW BUSINESS

A. Military Buy Back for New Officer

Interim Director Dittman advised this is for information only. Officer Joel Rudnick is requesting military buy back for his service time. She just received the calculation amount for Officer Rudnick to purchase two years of military credit. His total payment would be \$46,898.24 for the full two years of service.

13. OLD BUSINESS

A. Annual Affidavit for Benefit Distribution - Address Confirmation Form

The Board reviewed the Address Confirmation Form. President Davi changed the wording of agreement and the notary line.

B. Frederick Willey - Death Pension Benefits

President Davi reviewed the correspondence between Amanda Willey's attorney, and the Board. The Board is waiting for confirmation of requested information before a disbursement can be given.

*15. ADJOURNMENT

MOTION: Made by Trustee Kobler, seconded by Trustee Eisenbeis to adjourn the meeting of the Board of Trustees of the Police Pension Fund at the hour of 8:55 a.m.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

PRESENTED, READ and APPROVED,

Date

President

Minutes transcribed by Debbie Hahn.

VILLAGE OF WILLOWBROOK
EXPENDITURE ACCOUNT INQUIRY

INCLUDES PENDING TRANSACTIONS

RUN: 01/24/14 10:58AM

(OCTOBER THRU JANUARY)

PAGE: 1

MO	JL	POST/CK. DATE	REFERENCE NUMBER	DATE	CHECK NUMBER	P.O. NUMBER	ENCUMB. LIQUID.	EXPEND.	EXPENDED BALANCE	PRCT.	UNEXPEND. BALANCE	UNENCUMB. BALANCE
07-62-401-581 PENSION BENEFITS 07-401-581								APPROP:	1,192,016.00		BUDGET:	596,008.00
10	PR	10/18/13	10/18/13	10/18/13				49,405.68	296,434.08	49.7	299,573.92	299,573.92
			POLICE PENSION BENEFIT									
11	PR	11/29/13	11/29/13	11/29/13				49,405.68	345,839.76	58.0	250,168.24	250,168.24
			POLICE PENSION BENEFIT									
12	PR	12/27/13	12/27/13	12/27/13				49,405.68	395,245.44	66.3	200,762.56	200,762.56
			POLICE PENSION BENEFIT									
***** TRANSACTIONS BELOW ARE PENDING *****												
1	PR	01/24/14	01/24/14	01/24/14				50,394.61	445,640.05	74.8	150,367.95	150,367.95
			POLICE PENSION BENEFIT									
07-62-401-582 WIDOW'S PENSION 07-401-582								APPROP:	77,024.00		BUDGET:	38,512.00
10	PR	10/18/13	10/18/13	10/18/13				3,209.37	19,256.22	50.0	19,255.78	19,255.78
			WIDOW PENSION									
11	PR	11/29/13	11/29/13	11/29/13				3,209.37	22,465.59	58.3	16,046.41	16,046.41
			WIDOW PENSION									
12	PR	12/27/13	12/27/13	12/27/13				3,209.33	25,674.92	66.7	12,837.08	12,837.08
			WIDOW PENSION									
***** TRANSACTIONS BELOW ARE PENDING *****												
1	PR	01/24/14	01/24/14	01/24/14				3,209.37	28,884.29	75.0	9,627.71	9,627.71
			WIDOW PENSION									
07-62-401-583 DISABILITY BENEFITS 07-401-583								APPROP:	104,834.00		BUDGET:	52,417.00
10	PR	10/18/13	10/18/13	10/18/13				4,352.42	26,114.52	49.8	26,302.48	26,302.48
			POLICE PENSION DISABILITY BENEFIT									
11	PR	11/29/13	11/29/13	11/29/13				4,352.42	30,466.94	58.1	21,950.06	21,950.06
			POLICE PENSION DISABILITY BENEFIT									
12	PR	12/27/13	12/27/13	12/27/13				4,352.42	34,819.36	66.4	17,597.64	17,597.64
			POLICE PENSION DISABILITY BENEFIT									
***** TRANSACTIONS BELOW ARE PENDING *****												
1	PR	01/24/14	01/24/14	01/24/14				4,399.25	39,218.61	74.8	13,198.39	13,198.39
			POLICE PENSION DISABILITY BENEFIT									
07-62-401-242 LEGAL FEES 07-401-242								APPROP:	2,000.00		BUDGET:	1,000.00
								***** BALANCE FORWARD *****	0.00	0.0	1,000.00	1,000.00
11	CD	11/12/13	1395/WILLEY	11/04/13	83143			<u>247.00</u>	247.00	24.7	753.00	753.00
			LAW OFFICE OF J.C. BROIHIER (2386)									
			LEGAL FEES 07-401-242									
07-62-401-251 AUDIT 07-401-251								APPROP:	7,400.00		BUDGET:	3,700.00
								***** BALANCE FORWARD *****	0.00	0.0	3,700.00	3,700.00
11	CD	11/12/13	111543	10/21/13	83191			<u>2,232.00</u>	2,232.00	60.3	1,468.00	1,468.00
			WOLF & COMPANY LLP (2340)									
			AUDIT 07-401-251									
07-62-401-252 ACTUARY SERVICES 07-401-252								APPROP:	3,600.00		BUDGET:	1,800.00
10	CD	10/29/13	15643	09/29/13	83089			<u>1,800.00</u>	1,800.00	100.0	0.00	0.00
			TEPFER CONSULTING GROUP LTD. (1856)									
			ACTUARY SERVICES 07-401-252									

VILLAGE OF WILLOWBROOK
EXPENDITURE ACCOUNT INQUIRY

INCLUDES PENDING TRANSACTIONS

RUN: 01/17/14 10:05AM

(OCTOBER THRU DECEMBER)

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									APPROP:	77,024.00	BUDGET:		38,512.00
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WIDOW PENSION													
11	PR	11/29/13	11/29/13	11/29/13				3,209.37	22,465.59	58.3	16,046.41	16,046.41	
WIDOW PENSION													
12	PR	12/27/13	12/27/13	12/27/13				3,209.33	25,674.92	66.7	12,837.08	12,837.08	
WIDOW PENSION													
07-62-401-583 DISABILITY BENEFITS 07-401-583													
									APPROP:	104,834.00	BUDGET:		52,417.00
10	PR	10/18/13	10/18/13	10/18/13				4,352.42	26,114.52	49.8	26,302.48	26,302.48	
POLICE PENSION DISABILITY BENEFIT													
11	PR	11/29/13	11/29/13	11/29/13				4,352.42	30,466.94	58.1	21,950.06	21,950.06	
POLICE PENSION DISABILITY BENEFIT													
12	PR	12/27/13	12/27/13	12/27/13				4,352.42	34,819.36	66.4	17,597.64	17,597.64	
POLICE PENSION DISABILITY BENEFIT													
07-62-401-242 LEGAL FEES 07-401-242													
									APPROP:	2,000.00	BUDGET:		1,000.00
11	CD	11/12/13	1395/WILLEY	11/04/13	83143			247.00	0.00	0.0	1,000.00	1,000.00	
LAW OFFICE OF J.C. BROIHIER (2386)													
LEGAL FEES 07-401-242													
									APPROP:	7,400.00	BUDGET:		3,700.00
11	CD	11/12/13	111543	10/21/13	83191			2,232.00	0.00	0.0	3,700.00	3,700.00	
WOLF & COMPANY LLP (2340)													
AUDIT 07-401-251													
07-62-401-252 ACTUARY SERVICES 07-401-252													
									APPROP:	3,600.00	BUDGET:		1,800.00
10	CD	10/29/13	15643	09/29/13	83089			1,800.00	1,800.00	100.0	0.00	0.00	
TEPFER CONSULTING GROUP LTD. (1856)													
ACTUARY SERVICES 07-401-252													
07-62-401-304 MEETINGS, TRAVEL, CONFERENCES 07-401-304													
									APPROP:	7,200.00	BUDGET:		3,600.00
10	CD	10/29/13	14 DUES	10/17/13	83053			775.00	2,255.00	62.6	1,345.00	1,345.00	
I.P.P.F.A. (963)													
MEETINGS, TRAVEL, CONFERENCES 07-401-304													
11	CD	11/12/13	13 CONF	10/22/13	83150			771.10	3,026.10	84.1	573.90	573.90	
TIMOTHY KOBLER (1072)													
MEETINGS, TRAVEL, CONFERENCES 07-401-304													



EST. 1960

Willowbrook

7760 Quincy Street
Willowbrook, IL 60527-5594

Phone: (630) 323-8215 Fax: (630) 323-0787 www.willowbrookil.org

Mayor

Frank A. Trilla

Village Clerk

Leroy R. Hansen

Village Trustees

Dennis Baker

Sue Berglund

Umberto Davi

Terrence Kelly

Michael Mistele

Paul Oggerino

Village Administrator

Tim Halik

Chief of Police

Mark Shelton

January 13, 2014

TO: Willowbrook Police Pension Fund Board of Trustees

FROM: Carrie Dittman, Interim Director of Finance *C.D.*

SUBJECT: Monthly Pension Benefits as of January 1, 2014

Retirement:

Mr. Joseph Pec is entitled to a 3.00% increase of his current pension or \$208.70 per month effective January 2014. His new monthly pension for 2014 will be **\$7,165.44**.

Mr. Ed Konstanty is entitled to a 3.00% increase of his current pension or \$241.49 per month effective January 2014. His new monthly pension for 2014 will be **\$8,291.03**.

Mr. Stephen Finlon is entitled to his first increase effective January 1, 2014 as he has now attained age 55. His new monthly pension for 2014 will increase \$356.95 per month, for a new monthly amount of **\$5,456.25**.

Mr. Pat Foley is currently receiving a monthly pension payment of **\$6,429.48**. He will not be entitled to an increase until January 1, 2015 (age 55).

Mr. William Bozek is currently receiving a monthly pension payment of **\$4,691.36**. He will not be entitled to an increase until January 1, 2016 (age 55).

Mr. Michael Kurinec is entitled to a 3.00% increase of his current pension or \$181.77 per month effective January 2014. His new monthly pension for 2014 will be **\$6,240.81**.



Proud Member of the
Illinois Route 66 Scenic Byway

Mr. John Barnacle is currently receiving a monthly pension payment of **\$5,711.22**. He will not be entitled to an increase until April 1, 2017 (age 55).

Mr. Paul Oggerino is currently receiving a monthly pension payment of **\$6,409.00** per month. He will not be eligible for an increase until May 1, 2017 (age 55).

Disability:

Mr. Joseph Dusek is entitled to a 3.00% increase of his **original pension** or \$46.83 per month effective January 2014. His new monthly pension for 2014 will be **\$2,778.58**.

Mr. James McCarthy is currently receiving a monthly disability payment of **\$1,620.67** and is not entitled to an annual increase in his monthly amount until January 1, 2017 (age 60).

Surviving Spouse:

Mrs. Martha Klevin will continue to receive her monthly widow's benefit which is fixed at **\$3,209.37**.

Please contact me if you have any questions.

Cc: Janet Kufirin, Finance Analyst

WILLOWBROOK POLICE
DEPARTMENT
PENSION FUND

RULES AND REGULATIONS
MANUAL

APPROVED AND ADOPTED
January 19, 2010

BY
THE BOARD OF TRUSTEES OF THE
WILLOWBROOK POLICE DEPARTMENT
PENSION FUND

AS AMENDED AND RESTATED

AUTHORITY

To the Pensioners and Members of the Willowbrook Police Department Fund of the Village of Willowbrook, Illinois.

In accordance with the authority vested in the undersigned, by the Illinois Pension Code, specifically 40 ILCS 5/3-140, the following rules and regulations are hereby promulgated for the information and guidance of all Beneficiaries and Members of the Willowbrook Police Pension Fund.

All previous rules and regulations in conflict are hereby abrogated and repealed.

THE BOARD OF TRUSTEES OF THE
WILLOWBROOK POLICE DEPARTMENT
PENSION FUND

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CHAPTER 1

DEFINITIONS AND TERMINOLOGY

The following words and phrases, when used in this manual, shall have the meaning ascribed to them in this chapter, except when the context otherwise requires.

Application	The forms or set of forms which are required and approved by the Board for purposes herein described.
The Board	The Board of Trustees of the Willowbrook Police Department Pension Fund.
Beneficiary	A person receiving benefits from the fund to include a retired member of the Fund, and their widow/er, children, and certain other dependents, as described in Sections 3-101 through 3-151 of the Pension Code, who may be entitled to receive benefits from the Fund.
Child or Children	A sworn member's natural children and legally adopted children.
Creditable Service	The time served by a sworn member as a member of a regularly constituted police force. In computing creditable service: a) All authorized leaves of absence without pay shall be considered creditable service, but not to exceed thirty (30) days in any twelve (12) month period, except as provided in b), c), and d) below; b) all leaves of absence for illness or accident, regardless of the number of days, as well as all periods of disability retirement for which a member has not received any disability retirement for which a member has not received any disability pension payments, shall be included; c) all periods of service in the armed forces entered upon when the person was an active member of the Municipality, shall be included; and d) all periods during which a police officer with at least ten (10) years of service shall be on leave of absence to serve as an executive of an organization whose members consist of members of the police force; provided: (i) that the member does not become a participant in a retirement plan established by that organization, and (ii) the member and such organization contribute to the Fund the amounts which would have been contributed to the Fund by the member and the Municipality, respectively, if the member had been an active member of the police department. The Pension Code should be consulted for other requirements of creditable service.
The Fund	The Willowbrook Police Department Pension Fund.
ILCS	The Illinois Compiled Statutes, as amended from time to time.

Municipality	The Village of Willowbrook, Illinois.
Pension	The regular payment of benefits described in Section 3-111 of the Illinois Pension Code.
Pension Code	Sections 3-101 through 3-152 of the Illinois Compiled Statutes, as amended from time to time.

CHAPTER 2

FUNCTIONAL RESPONSIBILITY AND AUTHORITY

201 Board Created

- 201.1 The Board shall be composed of five (5) members. The Board's function shall be to administer the Fund.
- 201.2 Two (2) members of the Board shall be appointed by the Village President of the Village of Willowbrook. The third and fourth members of the Board shall be elected by the active members of the regular police force from among its members. The fifth member shall be elected by and from among the beneficiaries of the Fund of legal age.
- 201.3 Each Board Member shall serve for a term of two (2) years or until their successors are appointed and qualified.
- 201.4 Upon the death, resignation, or inability to act of any Member of the Board appointed by the Village President of the Village of Willowbrook, the Village President shall appoint a successor to the deceased, resigned, or disabled Board Member as soon as practicable and the successor Board Member shall be entitled to vote at the next succeeding Board meeting after his or her appointment.

202 Conduct of Elections – The elections provided in Section 201.2 shall be held as follows:

- 202.1 For the two (2) representatives of the active members, ballots will be distributed to each active member for a period of two (2) weeks prior to the third Monday in April of each election year.
- 202.2 For the one (1) representative of the beneficiaries, a ballot shall be mailed to each beneficiary with a required return date not to exceed thirty (30) days from the date of the mailing, but not later than the third Monday in April of each election year.
- 202.3 Names of members and beneficiaries who have indicated in writing to the President his or her interest in serving as representatives shall be enclosed with the ballots, but each person voting may vote for the representative of their choice.
- 202.4 Votes shall be totaled by the Board President or Recording Secretary within two (2) weeks after the date of the election and the person or

persons receiving the highest number of votes shall be elected to the Board.

- 202.5 All members of the regular police force shall be entitled to vote only for the members of Board from among its members. All beneficiaries of legal age shall be entitled to vote only for the board member chosen from among the beneficiaries. No person shall be entitled to cast more than one (1) ballot at such election. The board members shall be elected for a term of two (2) years beginning on the second Tuesday of the first May after such election.
- 202.6 Upon the death, resignation, or inability to act of any member of the Board elected under this Section, their successor shall be elected for the unexpired term at a special election, to be called by the Board and conducted in the same manner as the regular election described above. Such election shall be held on the third Monday of the month succeeding such death, resignation, or inability to act.
- 202.7 In the event of an electoral tie, the election of candidate as a member of the Board of Trustees shall be determined by lot, in the presence of a quorum of the Fund's Board of Trustees, in whatever manner the Board of Trustees deems appropriate.

203

Board Meetings

- 203.1 The Board shall hold regular quarterly meetings in July, October, January, and April, and special meetings as called by the Board President. An agenda for each regular meeting will be posted in a conspicuous location within the police headquarters at least 48 hours prior to the meeting. Notwithstanding the foregoing, a majority of the Board may agree to hold bi-monthly meeting if deemed necessary to consider all pending matters. Notices of all special meetings and regular bi-monthly meetings other than on the dates above described shall be posted in a conspicuous location at police headquarters and shall be mailed to all beneficiaries.

Special meetings shall be open, notice thereof and meeting agenda to be posted forty-eight (48) hours prior to convening. This notice shall contain a brief statement of the business to be submitted for the consideration of the Board at such special meetings, and shall set forth the time and place of such special meeting, and no other business shall be considered at such special meeting unless by unanimous consent of the Board.

During any regular or special meeting a closed session may be held upon a proper motion made by any single member of the Board for the purpose of discussing personnel. Closed sessions may be limited to Board members

and such invited persons as the Board may deem necessary. The secretary will record the motion to close the meeting, record the roll call vote of the members on said motion and keep minutes of the closed session. An audio or video record of each closed session will be maintained by the Secretary of the Board and, after a minimum of 18 months, shall be disposed of in accordance with the provisions of the Open Meetings Act.

Public notice of any regularly scheduled or special meeting shall be held in accordance with the Open Meetings Act, Illinois Compiled Statutes, Chapter 5, "120/1-120/5.

If a member is unable to be physically present at a meeting of the Board, whether it be for health related reasons, the need to conduct personal business or the business of the Board, or due to a personal or family emergency, that member may attend and participate at a Board meeting by telephonic or other electronic means provided that a quorum of the Board's members are physically present at the meeting and vote to approve the attendance of the missing member(s) by way of telephonic or other electronic means. The minutes of the meeting shall reflect, by name, those members of the Board who are physically present as well as those attending by telephonic or other electronic means. Notice that a board member will be in attendance and participating at a Board meeting, not in person but electronically, shall be provided to the Board's recording secretary or the municipal clerk at least 48 hours prior to the scheduled meeting.

- 203.2 At the regular July meeting, the Board shall select from its members a President, Vice President, Secretary, and Assistant Secretary to serve for a period of one (1) year and until their respective successors are elected and qualified.
- 203.3 The President shall be the chief executive officer of the Fund. He shall see that the resolutions and directions of the Board are carried into effect except in those instances in which that responsibility is specifically assigned to some other person by the Board. He shall preside at all meetings of the Board. Unless otherwise delegated by the Board he shall execute all Order, Certificates and other documents on behalf of the Board.
- 203.4 The Vice President of the Board shall perform the duties of the President during any vacancy in that office, or during such time as the President is absent from the Municipality or for any other reason is disqualified or is unable to perform his duties.
- 203.5 The Secretary shall: (a) sign with the president, or a vice-president, or any other officer authorized by the Board any instruments which the Board has

authorized to be executed, according to the requirements of the form of the instrument, except when a different mode of execution is expressly prescribed by the Board; (b) have authority to certify resolutions of the Board and other documents of the corporation as true and correct copies thereof, and (c) perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him/her by the President or by the Board.

- 203.6 The Assistant Secretary shall act for the Secretary whenever necessary to discharge the functions of such office.
- 203.7 The Treasurer of the Municipality shall act as Treasurer of the Fund and all assets of the Fund must be placed in the custody of the Treasurer for the credit of the Fund.
- 203.8 The Recording Secretary shall: (a) record the minutes of the Board meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the law; and (c) be custodian of the Board's records.

204

Conduct of Meetings

- 204.1 A majority of the Board shall constitute a quorum and shall enable the Board to conduct its business. Any action may be taken by the majority of the members present.
- 204.2 Copies of the minutes of all meetings are subject to the "Open Meetings Act" shall be published and posted in a conspicuous place for the information of all members.
- 204.3 All meetings of the Board shall be governed by Robert's Rule of Order.

205

Report by Board

- 205.1 The Board shall submit an annual report to the Board of Trustees of the Municipality on the financial condition of the Fund which shall include: (a) the assets in their custody at such time; (b) the estimated receipts during the next succeeding calendar year from all sources; and (c) the estimated amount required during said calendar year to (i) pay all pensions and other obligations provided, and (ii) maintain the reserve fund provided in the Pension Code. The report shall be made prior to the meeting of the Board held for the levying of taxes for the year for which such report is made.

205.2 The Board shall submit annually to the Board of Trustees at the close of the Municipality's fiscal year, a statement listing (a) the items of income accrued during the fiscal year; and (b) the persons entitled to payments from the Fund, stating the amount of the payments, and their purpose, as ordered by the Board. Such list shall be signed by the Secretary and President of the Board, and attested under oath.

206 Donations

The Board may, in its discretion, accept any money or property which any individual desires to give during his or her lifetime or bequeath by will to the Fund. Such money and the proceeds from the sale of or the income from such property shall be paid into the Fund.

207 Powers and Duties of the Board – The Board shall have the following powers and duties in addition to the other powers and duties granted it in the Pension Code.

207.1 To make necessary rules and regulations in conformity with the provisions of the Pension Code.

207.2 To control and exclusively manage the Fund. All assets of the Fund shall be invested by the Treasurer of the Municipality to the credit of the Fund, subject to the order of the Board.

207.3 To order and direct the payment of pensions and other benefits to the persons entitled thereto. Such payments shall be requested from the Treasurer by the certificate signed by the President and Secretary of the amount ordered paid to such persons from the Fund, which certificates shall state the purpose of the payment.

207.4 To provide for the payment from the Fund of all necessary expenses, including, but not limited to, salaries, printing, and witness fees. Orders of payment under this rule shall require only one (1) signature of either the President or Secretary.

207.5 To compel witnesses to attend and testify before it, upon all matters connected with the administration of the Fund, in the manner provided by law for the taking of testimony before the Circuit Court. The President, or any member of the Board, may administer oaths to such witnesses.

207.6 To draw such pension funds from the Treasurer or other officials of the Municipality, and invest any part thereof in the name of the Board in such investments as provided in Section 3-135 of the Pension Code and as more specifically directed within 40 ILCS 5/113.1 - 10. All securities shall be

deposited with the Treasurer of the Municipality or their agent, and be subject to the order of the Board. Interest on such investments shall be credited to the account of the Fund.

- 207.7 To contract with outside agencies for professional investment advice, management, and custody of Fund assets upon such terms as it deems advisable.

CHAPTER 3

MEMBERSHIP AND BENEFITS

301 Individuals Covered

Any person who is duly appointed, sworn, and commissioned to perform police duties as a member of the Willowbrook Police Department may join the Fund: he or she files a written application with the Board within three (3) months of the applicant's first appointment or reappoint to the department. Such person is herein referred to as a "member".

302 Persons Excluded

This Article shall not apply to the following persons: (a) part-time policemen, special policemen, night watchmen, temporary employees, traffic guard or so-called auxiliary policemen specially appointed to aid or direct traffic at or near schools or public functions, or to aid in civil defense, municipal parking lot attendants, clerks or other civilian employees of the police department who perform clerical duties exclusively; and (b) any member who fails to pay the required salary payments or deductions. A member who is reappointed shall, before being declared eligible to participate in the Fund, repay to the Fund any refund received pursuant to Section 320.

303 Change in Family Status

In the event of any change in family status (i.e., divorce, marriage, children, adoption, etc.) the member shall notify the Board within thirty (30) days and provide appropriate documentation.

304 Transfer of Credits and Service to General Assembly Retirement Systems.

304.1 Any active member of the General Assembly Retirement System may apply for transfer of their credits and creditable service accumulated in the Fund to the General Assembly Retirement System. Payment by the Fund to the General Assembly Retirement System shall consist of the amounts described in Section 3-110.2 of the Pension Code.

304.2 A former member of the General Assembly Retirement System may reinstate service and service credits to the Fund after being separated from the General Assembly Retirement System, by payment to the Fund of the

amount of the separation benefit plus interest thereon to the date of payment.

305 Members Contributions

To be eligible for any benefits, other than a refund, a member must pay into the Fund a percentage of their salary as mandated by State Statute. Such amounts shall be deducted from the member's regular paycheck. For purposes of this Section, the word "salary" means annual salary, including longevity attached to the rank held by the member as established by the Municipality's appropriation ordinance, but does not include overtime pay, holiday pay in excess of normal salary, or extraordinary or irregular bonuses.

306 Amount of Retirement Pension

306.1 Any member who retires or is separated from service with twenty (20) years or more of creditable service, upon reaching age fifty (50) shall be entitled to a yearly pension equal to one-half (1/2) of the salary attached to the rank the member held on such police force, immediately preceding their retirement. The pension shall be increased by two and a half percent (2 ½%) of such salary for each additional year of such service over twenty (20) years, up to thirty (30) years, to a maximum of seventy-five percent of such salary.

306.2 A retired member who re-enters service as an officer after having retired and who is receiving a pension shall, upon again retiring, be entitled to the same pension that they received originally upon first retirement unless such member remains in police service for at least five (5) years and makes contributions at the prescribed rate. In that case their pension shall be increased taking into account their additional creditable service and their salary upon their subsequent retirement.

306.3 All requests for pension benefits shall be submitted on the appropriate application.

307 Pension and Allowance Increase

307.1 The first fixed pension of a member who retires from service, upon the first of the month following the first anniversary of the date of their retirement, or upon the first of the month immediately following their attainment of age fifty (50), if it occurs later, shall be increased by three (3%) of such first fixed pension and by an additional three percent (3%) of such first fixed pension in January of each year thereafter.

307.2 The first fixed pension of any member who retires on disability or is retired for disability in January of the year following the year they attain age fifty (50) shall be increased by an amount equal to three percent (3%) of such first fixed pension for each full year since the pension began and by an additional three percent (3%) of such first fixed pension in each January thereafter.

308

Rights on Death of Pensioner

The surviving widow/er of a deceased member receiving a pension at their death pursuant to Section 306, shall be entitled during their lifetime to the pension to which the member was entitled as of their death. Upon the death or remarriage of the widow/er, or upon the member's death, if they are not survived by a widow/er, the member's unmarried children who are under age eighteen (18) or who are dependent because of physical or mental disability shall be entitled, in equal shares, to such pension. If there is no eligible widow/er and no eligible child, the dependent parent or parents of such member shall be entitled to receive or share such pension until their deaths or until marriage or remarriage after the death of the member. The benefits described in this Section shall be increased in accordance with Section 307. A widow/er's minimum pension of Four Hundred Dollars (\$400.00) per month shall be paid to all widows/ers.

309

Pension to Dependents

309.1 Upon the death of a member with at least twenty (20) years of creditable service, whether their death occurs before or after they have attained age fifty (50), or before or after their application for retirement on pension, the pension the decedent had earned as of the date of their death, shall be paid to their dependents as provided upon the death of the pensioner in Section 308. A widow/er's minimum pension of Four Hundred Dollars (\$400.00) per month shall be paid to all widows/ers.

309.2 Upon the death of a member in service, having at least ten (10) years but less than twenty (20) years of creditable service, leaving a widow/er, or child, or children under age eighteen (18), or a parent dependent upon them for support upon satisfactory proof of such fact, a pension of one-half (1/2) of salary attached to the rank held by the member, shall be paid to their dependents as provided upon the death of the pensioner under Section 308. A widow/er's minimum pension of Four Hundred Dollars (\$400.00) per month shall be paid to all widows/ers.

309.3 Death in Line of Duty

Whenever a member without sufficient creditable service to qualify under Section 310 loses their life in the performance of duty or receives injuries from which they later die, leaving a widow/er, or child or children under age eighteen (18), or a dependent parent, upon satisfactory proof of such facts, a pension of one-half (1/2) of the salary attached to the rank held by the member, shall be paid to their dependents as provided upon the death of a pensioner under Section 308. A widow/er's minimum pension of Four Hundred Dollars (\$400.00) per month shall be paid to all widows/ers.

310 Marriage after Retirement

If a member marries subsequent to the date of their retirement, no pension shall be allowed at their death to their widow/er or their children.

311 Pension Cease on Marriage

The pensions provided under the Pension Code shall terminate upon marriage or remarriage of a beneficiary receiving benefits hereunder following the death of the member, but the pension shall continue to be paid to the other beneficiaries, if any, of the same class, or if none, to the members of the next class described in Section 308.

312 Disability Pension – Line of Duty

312.1 If any member, as the result of sickness, accident or injury incurred in or resulting from the performance of an act of duty, is found by the Board to be physically or mentally disabled to such a degree as to render necessary, in the opinion of the board, their suspension or retirement from the police force because of their inability to perform reasonable duties of a police officer, such disabled member shall be granted a disability retirement pension of sixty-five percent (65%) of the salary attached to their rank at the date of their disability. A member shall be considered "on duty", while they are on any assignment, approved by the Chief of Police, even though such assignment causes them to be away from the Municipality, if such assignment is related to the police protection service of the Municipality.

312.2 If a member on disability pension dies while still disabled, their disability pension shall continue to be paid to their widow/er, if any. If there is no widow/er, or such widow/er remarries, such pension shall be paid, in equal shares, to their child or children who are not married and under age

eighteen (18), or dependent parent or parents, if any. The pension payable to any widow/er entitled to a pension under this Section shall be at least Four Hundred Dollars (\$400.00) per month.

313 Disability Pension – Not on Duty

313.1 Any member who becomes disabled as a result of any cause other than as described in Section 312 and who is found by the Board to be physically or mentally disabled to such a degree as to render necessary, in the opinion of the Board, their suspension or retirement from the police force because of their inability to perform reasonable duties of a police officer; shall be granted a disability pension of fifty percent (50%) of the salary attached to their rank on the police force at the date of their disability.

313.2 If a member on disability pension dies while still disabled, their disability pension shall continue to be paid to their widow/er, if any. If there is no widow/er or they remarry, such pension shall be paid, in equal shares, to their minor child or children who are not married and under age eighteen (18), or their dependent parent or parents, if any. The pension payable to any widow/er entitled to a pension under this Section shall be at least Four Hundred Dollars (\$400.00) per month.

314 Heart Attack or Stroke Suffered in Performance of Duties

Any member who suffers a heart attack or stroke as a result of the performance and discharge of their duties as a police officer shall be considered as being injured in the performance of an act of duty.

315 Certificate of Disability

315.1 A disability pension shall not be paid unless there shall be filed with the Board certificates of the member's disability, subscribed and sworn to by the member, if competent to file the certificates, or by a representative on their behalf if they are not so competent, and by three (3) practicing physicians in the Municipality, or outside the Municipality, if such doctors are approved by the Board. Each certificate shall describe the nature of the member's physical or mental condition and the reasons why they are deemed unable to perform their duties as a patrol officer. The Board may require such additional evidence of disability as the Board deems pertinent.

315.2 The Board shall schedule a hearing at a regular or special meeting on the issued of the disability of the applicant, at which hearing the applicant

may be represented by counsel. The Board shall give the applicant notice of such hearing. The Board shall consider the physician's reports and such testimony and other evidence that it deems pertinent. A copy of the Board's decision shall be delivered to the member within a reasonable period of time after the hearing. (See Chapter 4 – Hearing Procedures.)

316 Examination and Emergency Service

- 316.1 A medical examination of the member retired for disability shall be made at least once each year prior to the attainment of age fifty (50), in order to verify the continuance of disability for service as a patrol officer. No examination shall be required after such age.
- 316.2 If any member of the police force who has retired because of disability, except one who voluntarily retires after twenty (20) years of service, has been found upon medical examination to have recovered from such disability, the Board shall certify to the Chief of Police that the member is no longer disabled and is able to resume the duties of their position.
- 316.3 In case of emergency, as determined by the Chief of Police, a disabled member may be assigned and shall perform such reasonable duty as the Chief of Police or Chief Officer of the Municipality may direct; and such person shall have no claim for salary against the Municipality for duty so performed.

317 Disability Pension Option

A member who completes twenty (20) years of service (including years in which they received a disability pension) and is age fifty (50) or more, and who is then receiving a disability pension, may at their option, by written application to the Board, elect to receive, in lieu of any amounts which otherwise would be payable to them under Section 306, a retirement pension for the remainder of their life of one-half (1/2) of the salary attached to their rank on the police force at the date of their disability retirement. A member who has been receiving a disability pension in excess of two (2) years and who has returned to active duty must remain on active police service for at least five (5) years before being eligible to receive a higher disability pension than the amount paid to them by reason of their prior disability.

318 Non-Resident Pensioner

If a pensioner resides outside the State of Illinois, they shall from time to time, furnish to the Board such proof and affidavits as the Board may require that they are complying with all the provisions of the Pension Code.

319

Refund

- 319.1 If a member is separated from the police service before they has twenty (20) years of creditable service, all contributions made by them to the Fund shall, upon their request, be refunded without interest.
- 319.2 If a member dies before they have eight (8) years of creditable service, all contributions made by them to the Fund shall, upon written request by their widow/er, be refunded without interest. If the member does not leave a widow/er, regardless of their length of service, upon request of their dependents, if any, or their estate, the excess of all contributions made by them to the Fund over any pension payments erroneously made shall be refunded to their heirs or estate without interest.
- 319.3 Acceptance of a refund shall bar the member and their dependents from any further participation in the benefits of the Pension Code, except that if the member chooses to reenter the Pension Fund he or she may repay to the Fund any amounts paid to them plus interest at the rate of 2% per annum from the date of the initial refund until the date of repayment. Upon such repayment, the member is entitled to re-enter the Fund.

320

Waiver

Any retired member or widow/er may execute a waiver of their right to receive all or part of the total pension. A waiver shall take effect upon its being filed with the Board and may not be revoked after it is executed and filed, except within the first thirty (30) days after being filed.

321

Payment of Benefits – Funds Insufficient

Any member and any widow/er, child or children, or dependent parent entitled to receive benefits, shall receive a yearly benefit payable in twelve (12) equal monthly installments, which shall be the aggregate amount to which such person is entitled to receive during such year. In the event there are insufficient funds to meet the fund's obligations hereunder, the beneficiaries shall be paid pro rata from the available funds.

322

No Mandatory Retirement

Nothing in this Chapter shall be construed to require the retirement at age fifty (50) of any member capable of performing their duties.

323 Benefits – Exempt

All pensions, refunds or disability pension benefits shall be exempt from judicial process for the payment and satisfaction in whole or in part of any claim, demand or judgment against a member, pensioner, or beneficiary.

324 Overpayments

The amount of any overpayment of benefits to a member or Beneficiary due to fraud, misrepresentation or inadvertent mistake, may, if the member or beneficiary shall fail to repay such amount to the Fund, be deducted from future payments to the member or Beneficiary in any manner approved by the Board.

325 Reduction of Disability and Survivor's Benefits

Whenever any person is entitled to a disability or survivor's benefit and to benefits under the Worker's Compensation Act or the Worker's Occupational Diseases Act in relation to the same injury or disease, the monthly benefits payable under the Pension Code shall be reduced by the amount or any such benefits payable under eight of those Acts, except for medical reimbursement payments, remedial care payments, payments for treatment rendered in accordance with a religious method of healing recognized by the laws of this State, and payments for artificial limbs or appliance, and fixed statutory payments for the loss of or the permanent and complete loss of the use of any body member. The reduction in benefits herein provided shall be decreased by the amount of attorney's fees incurred in recovering the above amounts.

326 Inquiries and Requests

All inquires, complaints, or requests directed to the Board for consideration shall be submitted in written form to the Willowbrook Police Pension Board, 7760 Quincy Street, Willowbrook, IL 60527.

327 Additional requirements

The Board may require any additional documentation it deems advisable to verify the eligibility of a member, pensioner, widow/er, children or dependent parent to any benefits hereunder, including but not limited to certified copies of birth certificates, death certificates, marriage certificates, and Affidavits confirming the individual's age and/or marital status.

CHAPTER 4

HEARING PROCEDURES

401 Hearing Required

The Board shall hold a hearing to consider a member's request for payment of benefits and/or receipt of a pension, and such other purposes as may be provided under Illinois Compiled Statutes Article 40, Section 5/3-101 et seq. and all in accordance with that statute.

402 Hearing Procedures

Any hearing held by the Board shall be a hearing de novo and be conducted in the following manner:

- 402.1 Upon payment of benefits or pension or other reason under the statute, the Board shall set the matter for hearing and notify the applicant of said hearing in writing at least five (5) days prior thereto.
- 402.2 At the hearing, counsel for the Board shall represent the Board, and may not present the matter for the applicant. Counsel for the applicant may present evidence relevant to the application. The applicant may be represented by counsel at the hearing if they so choose.
- 402.3 The Board shall open the hearing by requiring that the applicant present their case by presenting testimony and evidence. The Board, through its attorney, may then present any relevant evidence or testimony, thereafter the Board may accept any other relevant evidence or testimony. The Board and counsel for the board may inquire of witnesses, and both the applicant and the Board and its counsel may cross-examine witnesses. The rules of evidence shall not strictly apply, but the Board may make rulings in order to avoid repetition or prejudice.
- 402.4 Determination by the Board shall be by the preponderance of the evidence.
- 402.5 A transcript of the hearing shall be taken by a certified court reporter hired by the Board.
- 402.6 The Board shall make findings of fact and a determination in writing. Said findings of fact and determination shall be served upon the applicant within a reasonable time after the conclusion of the hearing.

Any review of the determination of the Board under Illinois Revised Statutes Article 40, Section 5/3-148 and pursuant to these rules shall be by the Circuit Court in accordance with the Administrative Review Law (Illinois Compiled Statutes, 735 ILCS 5/3-101 et seq.).

A G E N D A

REGULAR MEETING OF THE MAYOR AND BOARD OF TRUSTEES OF THE VILLAGE OF WILLOWBROOK TO BE HELD ON MONDAY, JANUARY 13, 2014, AT 6:30 P.M. AT THE VILLAGE HALL, 7760 QUINCY STREET, IN THE VILLAGE OF WILLOWBROOK, DUPAGE COUNTY, ILLINOIS

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. VISITORS' BUSINESS - Public comment is limited to three minutes per person
5. OMNIBUS VOTE AGENDA:
 - a. Waive Reading of Minutes (APPROVE)
 - b. Minutes - Special Board Meeting - December 16, 2013 (APPROVE)
 - c. Minutes - Executive Session - November 25, 2013 (APPROVE)
 - d. Warrants - \$448,408.44 (APPROVE)
 - e. Monthly Financial Report - December 31, 2013 (APPROVE)
 - f. Ordinance - An Ordinance Amending Section 3-19-5, Entitled "Prohibitions:" and Section 3-9-6, Entitled "Gambling Prohibited:" of Chapter 19, Entitled "Amusement Devices" of Title 3, Entitled "Business" of the Village Code of Ordinances to Authorize and License Video Gaming (PASS)
 - g. Ordinance - An Ordinance Amending the Village Code of the Village of Willowbrook - Title 2, Chapter 4, Section 2-4-10 - Board of Police Commissioners, Attorney for Board (PASS)
 - h. Motion - Board Advice and Consent to Mayor's Appointment of Caroline A. Dittman to Fill a Vacancy on the Police Pension Fund Board (APPROVE)

NEW BUSINESS

6. DELINQUENT WATER BILLS

VILLAGE OF WILLOWBROOK

BOARD MEETING AGENDA ITEM - HISTORY/COMMENTARY

ITEM TITLE:

MOTION – BOARD ADVICE AND CONSENT TO MAYOR'S APPOINTMENT OF CAROLINE A. DITTMAN TO FILL A VACANCY ON THE POLICE PENSION FUND BOARD

AGENDA NO. 5h

AGENDA DATE: 1/13/14

STAFF REVIEW: Tim Halik, Village Administrator

SIGNATURE: Tim Halik

LEGAL REVIEW: Thomas Bastian, Village Attorney

SIGNATURE: THOMAS BASTIAN TH

RECOMMENDED BY: Mayor Frank Trilla

SIGNATURE: Frank A. Trilla

REVIEWED & APPROVED BY COMMITTEE:

YES

NO

N/A

ITEM HISTORY (PREVIOUS VILLAGE BOARD REVIEWS, ACTIONS RELATED TO THIS ITEM, OTHER PERTINENT HISTORY)

In accordance with Section 2-5-3 of the Village Code of Ordinances, the Village President (aka., Mayor) shall appoint two (2) members to the police pension fund board, which consists of a total of five (5) members. In May of 2013, the Mayor appointed Trustee Umberto Davi to serve as the President of the Willowbrook Police Pension Fund Board. However, a second appointment was not made at the time.

The police pension fund board administers the police pension fund and designates the beneficiaries thereof. The Mayor has the authority to appoint to fill the vacancy on the pension fund board, with the advice and consent of the Board of Trustees. This appointment would fill a vacancy of the second position with a term expiring in May 2014.

ITEM COMMENTARY (BACKGROUND, DISCUSSION, RECOMMENDATIONS, ETC.)

The Mayor recommends the appointment of Caroline A. Dittman to fill the position that became vacant as a result of the departure of the Village's former finance director in December of 2010. Since that time, Ms. Dittman has attended police pension fund board meetings serving as a staff liaison. This appointment would make Ms. Dittman an appointed member as opposed to a staff liaison.

Attached is a copy of Ms. Dittman's Curriculum Vitae. Ms. Dittman has served as the Village interim finance director since December of 2010, when the position was outsourced to Sikich.

ACTION PROPOSED:

A motion to approve the Mayor's recommendation to appoint Caroline A. Dittman as a member of the police pension fund board with a term expiring in May 2014.

Hunt, Kaiser, Aranda & Subach, Ltd.

ATTORNEYS AT LAW

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Philip D. Blomberg

November 21, 2013

Mr. Umberto Davi
Village of Willowbrook
7760 Quincy Street
Willowbrook, IL 60527

Re: Frederick D. Willey III

Dear Mr. Davi:

In response to your previous correspondence of October 2, 2013 I am hereby enclosing an Original Small Estate Affidavit on behalf of my client Amanda Willey who is the sole heir of Frederick D. Willey III who died on January 28, 2007. There has been no probate case opened as he did not have any assets that required a probate proceeding to be instituted.

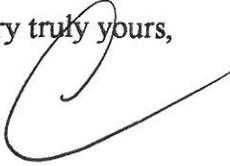
I previously forwarded to you his death certificate and my initial request for the payout from the death benefit from the Willowbrook Police Pension Fund directly to his daughter Amanda Willey who is now over 21 years of age. I believe you have in the file from my previous submittal a copy of her birth certificate as well.

Please finalize the processing of this request and issue the draft check made payable to Amanda Willey and forwarded it as soon as practical.

Should you have any questions or concerns please feel free to contact me at any time.

I appreciate your cooperation and look forward to concluding this file.

Very truly yours,

A handwritten signature in black ink, appearing to be 'TCH', written over the closing text.

Thomas Casey Hunt
Hunt, Kaiser, Aranda & Subach

TCH/ch
Enclosure

S:\G3 - Litigations\Clients\CASEY\Misc\Willey\Davi Ltr 11.21.13.doc

755 ILCS 5/25-1

(a) When any person or corporation (1) indebted to or holding personal estate of a decedent, (2) controlling the right of access to the decedent's safe deposit box, or (3) acting as a registrar or transfer agent of any evidence of interest, indebtedness, grant access to the safe deposit box, deliver the personal estate or transfer or issue the evidence of interest, indebtedness, property or right to persons and in manner specified in paragraph 11 of the affidavit or to an agent appointed as hereinafter set forth.

STATE OF ILLINOIS

SMALL ESTATE AFFIDAVIT

COUNTY OF DU PAGE

I Amanda C Willey on oath states:

- 1. (a) my post office address is same
- (b) my residence address is [REDACTED]
- (c) I understand, if I am an agent for service of process, I submit myself to the jurisdiction of Illinois courts for all matters related to the preparation and use of this affidavit. My agent for service of process in Illinois is:
Name: _____
Address: _____
City/State/Zip: _____
Telephone: _____

I understand that if no person is named above as my agent for service, or if for any reason, service on the named person cannot be effectuated, the Clerk of the 18th Judicial Circuit Court of DuPage County is recognized by Illinois law as my agent for the service of process.

- 2. The decedent's name is Frederick D. Willey III
- 3. The date of the decedent's death was 1-28-07, and I have attached a copy of the death certificate hereto.
- 4. The decedent's place of residence immediately prior to death was [REDACTED]

5. No letters testamentary or letters of administration in this state and no petition for letters is contemplated or pending in Illinois or in any other jurisdiction, to my knowledge.

6. The gross value of the decedent's entire personal estate, including the value of all property passing to any party either by intestacy or under a will, does not exceed \$100,000. (list each asset, e.g., cash, stock and its fair market value):
Approx \$19,000 - death benefit from Willowbrook Police Pension Fund

7. (a) All of the decedent's funeral expenses have been paid, or (b) the amount of the decedent's unpaid funeral expenses and the name and post office address of each person entitled thereto are as follows: (strike either (a) or (b))

NAME AND POST OFFICE ADDRESS	AMOUNT
------------------------------	--------

- 8. There is no known unpaid claimant or contested claim against the decedent, except as stated in paragraph 7.
- 9. (a) The names and places of residence of any surviving spouse, minor children and adult dependant* children of the decedent are as follows:

NAME AND RELATIONSHIP	PLACE OF RESIDENCE	AGE OF MINOR CHILD
<u>NONE</u>		

(*NOTE: An adult dependant child is one who is unable to maintain himself and is likely to become a public charge.)
 (b) the award allowable to the surviving spouse of a decedent who was an Illinois resident is \$ _____ (\$10,000, plus \$5,000 multiplied by the number of minor children and adult dependant children, who resided with the surviving spouse at the time of the decedent's death. If any such child did not reside with the surviving spouse at the time of the decedent's death, so indicate.)
 (c) If there is no surviving spouse, the award allowable to the minor children and adult dependant children of the decedent who was an Illinois resident is \$ _____ (\$10,000 plus \$5,000 multiplied by the number of minor children and adult dependant children), to be divided among them in equal shares.

10. (a) The decedent left no will. The names, places of residence and relationship of the decedent's heirs, and the portion of the estate to which each heir is entitled under the law where the decedent died intestate are as follows:

OR (b) the decedent left a will, which has been filed with the Clerk of the appropriate court. A certified copy of the will on file is attached. To the best of my knowledge and belief the will on file is the decedent's last will and was signed by the decedent and the attesting witnesses as required by law and would be admissible to probate. The names and places of residence of the legatees and the portion of the estate, if any, to which each legatee is entitled are as follows: (strike (a) or (b))

NAME, RELATIONSHIP & PLACE OF RESIDENCE	AGE OF MINOR CHILD	PORTION OF ESTATE
Amanda C. Willey (Daughter)		100%

(c) Affiant is unaware of any dispute or potential conflict as to the heirship of will of the decedent.

11. The property described in paragraph 6 of this affidavit should be distributed as follows:

NAME	SPECIFIC SUM OR PROPERTY TO BE DISTRIBUTED
Amanda C. Willey	100% of Willowbrook Police Pension Fund Death Benefits.



The foregoing statement is made under the penalties of perjury*

Subscribed and sworn to me this 19th day of November, 2013

A. Willey
Signature of Affiant

*(Note: A fraudulent statement made under the penalties of perjury is perjury as defined in 720 ILCS 5/32-2)

(c) Appointment of Agent. If safe deposit access is involved or if sale of any personal property is desirable to facilitate distribution pursuant to the small claims affidavit, all persons named in paragraph 11 of the small estate affidavit (excluding minors and unascertained or disabled persons) may in writing appoint one or more persons as their agent for that purpose. The agent shall have power without court approval, to gain access to, sell and distribute property for the benefit of all persons named in paragraph 11 of the affidavit; the payment, delivery, transfer, access or issuance shall be made or granted to or on the order of the agent.

(d) Release. Upon payment, delivery, transfer, access or issuance pursuant to a properly to a properly executed affidavit, the person or corporation is released to the same extent as if the payment, delivery, transfer, access or issuance is made or given is answerable therefore to any representative of the estate.

(e) The affiant signing the small estate affidavit prepared pursuant to subsections (b) of this Section shall indemnify and hold harmless all creditors and heirs of the decedent and other persons relying upon the affidavit who incur loss because of such reliance. That indemnification shall only be up to the amount lost because of the act or omission of the affiant. Any person recovering under this subsection (e) shall be entitled to reasonable attorney's fees and the expenses of recovery.

(f) The affiant of a small estate affidavit who is a non-resident of Illinois submits himself or herself to the jurisdiction of Illinois courts for all matters related to the preparation or use of the affidavit. The affidavit shall provide the name, address and phone number of the person who the affiant names as his agent for the service process. If no such person is named or if, for any reason, service on the person cannot be effectuated, the clerk of the circuit court of the county or judicial circuit of which the decedent was a resident at the time of his/her death shall be the agent for the service process.



EST. 1960

COPY

Willowbrook

7760 Quincy Street
Willowbrook, IL 60527-5594

Phone: (630) 323-8215 Fax: (630) 323-0787 www.willowbrookil.org

Mayor

Frank A. Trilla

Village Clerk

Leroy R. Hansen

Village Trustees

Dennis Baker

Sue Berglund

Umberto Davi

Terrence Kelly

Michael Mistele

Paul Oggerino

Village Administrator

Tim Halik

Chief of Police

Mark Shelton

December 2, 2013

MEMO TO: Officer Joel Rudnick

FROM: Carrie Dittman, Interim Finance Director e.D.

SUBJECT: Military Buy-Back Cost

Dear Joel,

I have reviewed your request to buyback 24 months of military time (the maximum allowed by statute) from your military service between 1996 and 2000. Assuming you make payment to the police pension fund on **January 1, 2014**, the cost to you to buyback 24 months of service would be **\$46,910.24**. If you made payment on **February 1, 2014**, the cost would be **\$47,199.26**.

As you may be aware there is an interest component (7.5%) to the cost, so the more time that elapses from your hire date, the higher the payment goes. The police pension board must approve the buyback and their next regularly scheduled meeting will be held in January, but a special meeting could be held in December to approve the buyback.

Please let me know if you have any questions and/or if you would like to proceed with purchasing the time.

Attachment

Cc: Personnel file
Police pension file



Proud Member of the
Illinois Route 66 Scenic Byway

**Village of Willowbrook Police Pension Fund
Purchase of Military Service Time Served Prior to Employment**

Member's Name: Joel Rudnick
 Date of Hire by Pension Fund: 9/25/2013
 Date of Military Service: 07/15/1996-04/29/2000 3 yrs, 9 mos, 15 days
 Military Service Time (Months and Days): 24 months *max allowed
 Dates for which creditable service is being credited: 9/25/2011 - 9/24/2013
 Member's Annualized Pensionable Salary as of the Date of Hire: 58,832.00
 Date of payment to credit additional service time: 1/1/2014 98.00
 Fiscal year end of Fund: April 30

Police Pension Fund Fiscal Year End	Assumed Salary as Military Employee (through FYE)	Total Normal Cost Percentage (as of FYE)	Total Normal Cost (Employee Contributions and Employer Normal Cost)	Interest Period	Interest Rate	Total Normal Cost (Employee Contributions and Employer Normal Cost) Plus Interest	time period	days
4/30/14	23,693.98	39.19%	9,285.67				5/1/13-9/24/13	147
4/30/13	58,832.00	40.01%	23,538.68				5/1/12-4/30/13	365
4/30/12	35,138.02	37.52%	13,183.78				9/25/11-4/30/12	218
			<u>46,008.14</u>	3 months, 6 days	0.26849	7.50%	<u>46,910.24</u>	730

(1) Per Village's independent actuary reports (Tepper)

(2) The Interest Period is the period of time between the date of membership in the fund and the date of payment. The actuary uses a 7.5% interest rate assumption. (9/25/13 -> 1/1/14), 98 days

AV dated	employer cont rate	employee rate	total rate
5/1/2013	29.28	9.91	39.19
5/1/2012	30.10	9.91	40.01
5/1/2011	27.61	9.91	37.52

6.75 to 7.50
 Total Contributions required to be paid to the Article 3 Police Pension Fund

**Election to Purchase Military Service Time Served Prior to Employment
Village of Willowbrook Police Pension Fund**

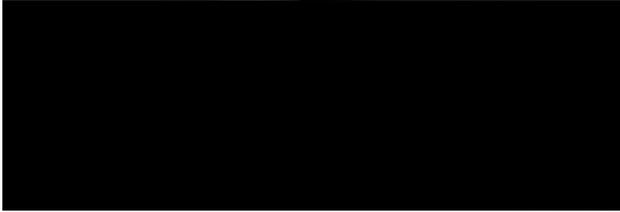
By signing below, I request that a calculation be performed per Public Act 096-1260, to determine the amount of money due from me to my Police Pension Fund to transfer up to 24 months of military service time served prior to my hiring by the police department.

I have attached documentation of my military service. I understand that I am giving consent to the performance of the calculation only and that I am not advising any party of commitment on my part to remit funds.

Member Name:

JOEL A. RUDNICK

Address:



City, State, Zip Code:

Telephone Number:

Date of Hire:

09/25/2013

Military Service Dates I wish to Purchase (up to 24 months). Please include month/date/year.

From 07 11 1996 to 04 12 2000

Member Signature

Joel A. Rudnick

Date of Signature

09/25/2013

To Be Completed by a Pension Board Trustee:

Annualized Pensionable Salary as of the Date of Hire:

58,832.00

Additional Comments:

sent calculation to Joel via email on 12/2/13

Signature of
Pension Fund
Representative

Carrie Dittman

Date

12/2/13

Please Forward To: **Village of Willowbrook Finance Dept.
c/o Carrie Dittman
7760 Quincy St.
Willowbrook, IL 60527**

CERTIFICATE OF RELEASE OR DISCHARGE FROM ACTIVE DUTY

1. NAME (Last, First, Middle) **RUDNICK Joel Aaron** 2. DEPARTMENT, COMPONENT AND BRANCH **USMC-11** 3. SOCIAL SECURITY NO. XXXXXXXXXX

4.a. GRADE, RATE OR RANK **CPL** 4.b. PAY GRADE **E4** 5. DATE OF BIRTH (YYMMDD) XXXXXXXXXX 6. RESERVE OBLIG. TERM. DATE
 Year **03** Month **08** Day **30**

7.a. PLACE OF ENTRY INTO ACTIVE DUTY **CHICAGO MEPS** 7.b. HOME OF RECORD AT TIME OF ENTRY (City and state, or complete address if known) **2941 WEST FITCH CHICAGO IL 60645**

8.a. LAST DUTY ASSIGNMENT AND MAJOR COMMAND **1 MEF HEADQUARTERS GROUP CAMPBELL CA 92055** 8.b. STATION WHERE SEPARATED **1 MEF HEADQUARTERS GROUP (20271)**

9. COMMAND TO WHICH TRANSFERRED **CG MCRSC 15303 Andrews Road Kansas City MO 64147-1707** 10. SGLI COVERAGE None
 Amount: \$ **200,000**

11. PRIMARY SPECIALTY (List number, title and years and months in specialty. List additional specialty numbers and titles involving periods of one or more years.)	Year(s)	Month(s)	Day(s)	
2811 - TELEPHONE TECHNICIAN (02 YEARS 09 MONTHS)	a. Date Entered AD This Period	06	07	15
	b. Separation Date This Period	00	04	29
	c. Net Active Service This Period	03	09	15
	d. Total Prior Active Service	00	00	00
	e. Total Prior Inactive Service	00	10	14
	f. Foreign Service	00	00	00
	g. Sea Service	00	00	00
	h. Effective Date of Pay Grade	08	00	02

13. DECORATIONS, MEDALS, BADGES, CITATIONS AND CAMPAIGN RIBBONS AWARDED OR AUTHORIZED (All periods of service)
Meritorious Mast. Sea Service Deployment Ribbon. Good Conduct Medal Certificate of Commendation

14. MILITARY EDUCATION (Course title, number of weeks, and month and year completed)
BASIC ELECTRONIC CRS(12 WEEKS)(97/04). TELEPHONE SWITCH BOARD REPAIR CRS(15 WEEKS)(97/08)

15.a. MEMBER CONTRIBUTED TO POST-VIETNAM ERA VETERANS' EDUCATIONAL ASSISTANCE PROGRAM Yes No 15.b. HIGH SCHOOL GRADUATE OR EQUIVALENT Yes No 16. DAYS ACCRUED LEAVE PAID **27.5**

17. MEMBER WAS PROVIDED COMPLETE DENTAL EXAMINATION AND ALL APPROPRIATE DENTAL SERVICES AND TREATMENT WITHIN 90 DAYS PRIOR TO SEPARATION Yes No

18. REMARKS
GOOD CONDUCT MEDAL PERIOD STARTS: 990715
WHILE A MEMBER OF THE MARINE CORPS RESERVE YOU WILL KEEP THE DIRECTOR, MCRSC (TOLL FREE PHONE 1-800-255-5062) INFORMED OF ANY CHANGES OF ADDRESS, MARITAL STATUS, NUMBER OF DEPENDENTS, CIVILIAN EMPLOYMENT, OR PHYSICAL STANDARDS.
SUBJECT TO ACTIVE DUTY RECALL AND/OR ANNUAL SCREENING.
MARINE CONTRIBUTED TO THE MARINE CORPS MGLB.

19.a. MAILING ADDRESS AFTER SEPARATION (Include Zip Code) **2941 WEST FITCH CHICAGO IL 60645** 19.b. NEAREST RELATIVE (Name and address - include Zip Code) **RAMONA J RUDNICK (MOTHER) 2941 WEST FITCH CHICAGO IL 60645**

20. MEMBER REQUESTS COPY 6 BE SENT TO DIR. OF VET AFFAIRS Yes No 21. SIGNATURE OF MEMBER BEING SEPARATED **Joel K Rudnick** 22. OFFICIAL AUTHORIZED TO SIGN (Typed name, grade, title and signature) **T.D. FRANKLIN, CW02, 12ER30, USMC**

SPECIAL ADDITIONAL INFORMATION (For use by authorized agencies only)

23. TYPE OF SEPARATION **Released from active duty** 24. CHARACTER OF SERVICE (Include upgrades) **Honorable**
 25. SEPARATION AUTHORITY **MARCORSEPMAN PAR 6405** 26. SEPARATION CODE **MCF1** 27. REENTRY CODE **RE 1A**
 28. NARRATIVE REASON FOR SEPARATION **VOL REL (TO ATTEND SCHOOL)**
 29. DATES OF TIME LOST DURING THIS PERIOD **NONE** 30. MEMBER REQUESTS COPY 4 Initials

WILLOWBROOK POLICE PENSION FUND INVESTMENT POLICY

PURPOSE

The investment of pension funds is the responsibility of the members of the Board of Trustees of the Willowbrook Police Pension Fund (Pension Board). The purpose of this investment policy is to indicate a conscious, formal effort by the Pension Board to develop, implement and monitor the investment of pension funds. It shall be considered an important means to communicate the Pension Board's policy views on management of pension funds to the public, participants, and beneficiaries of the Willowbrook Police Pension Fund (Fund).

OBJECTIVES

The Pension Board has a fiduciary responsibility to discharge their duties with respect to the pension fund solely in the interest of the participants and beneficiaries as set forth in the Illinois Pension Code at 40 ILCS 5/1-109.

Safety: Safety of principal is the foremost objective of the Pension Fund. Each investment transaction shall seek to first ensure that large capital losses are avoided whether they are from securities defaults or erosion of market value.

Return on Investments: The Pension Board seeks to attain market rates of return on its investments consistent with constraints imposed by its safety objectives, cash flow considerations and Illinois state laws that restrict the placement of public funds.

Maintenance of Public Trust: All participants in the investment process shall seek to act prudently as custodians of pension funds. Investment officials shall avoid any transactions that might reasonably impair Fund participant's confidence in the Pension Board's ability to manage the Fund.

Liquidity: The assets shall be sufficiently liquid to meet the Fund's disbursement requirements for the payment of operating expenses and benefits.

RESPONSIBILITY

Management of the investment program is the responsibility of the Pension Fund Board of Trustees. No person may engage in an investment transaction except as provided under terms of this policy established by the Pension Board. The Pension Board may appoint an investment manager (as defined in 40 ILCS 5/1 - 101.4) to assist in the management of the investment program. Any such appointment shall be made in accordance with the requirements of Section 1-113.5 of the Illinois Pension Code (40 ILCS 5/1-113.5). The investment manager shall acknowledge, in writing, that it is a fiduciary with respect to the Pension Fund. Any such written agreement shall be attached to this policy. The Pension Board will meet with the investment manager at least quarterly to review market conditions, review the investment portfolio, and determine investment strategy.

PRUDENCE

Investments shall be made with judgment and care, under circumstances prevailing, which person of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return. The standards of prudence to be used by investment officials shall be the "Prudent Person" and shall be applied in the context of managing the portfolio.

PROHIBITED TRANSACTIONS

A Fiduciary with respect to the Fund shall not:

1. Deal with the assets of the Fund in their own interests or for their own account.
2. In their individual or other capacity act in any transaction involving the Fund on behalf of a party whose interests are adverse to the interests of the Fund or the interests of its participants or beneficiaries.
3. Receive any consideration for their own personal account from any party dealing with the Fund in connection with a transaction involving the assets of the Fund.

INVESTMENT INSTRUMENTS

The Fund may invest in any type of investment instrument permitted by Illinois law, as described in Chapter 40 of the Illinois Compiled Statutes, 40 ILCS 5/1-113.1 through 113.4(a). Permitted investment instruments include, but are not limited to:

1. Interest bearing direct obligations of the United States of America.
2. Interest bearing obligations to the extent that they are fully guaranteed or insured as to payment of principal and interest by the United States of America.
3. Interest bearing bonds, notes, debentures, or other similar obligations of agencies of the United States of America. For the purposes of this section, "Agencies of the United States of America" include:
 - a. The Federal National Mortgage Association
 - b. Federal Land Banks, Federal Intermediate Credit Banks, Federal Farm Credit Banks, and any other entity authorized to issue direct debt obligations of the United States of America under the Farm Credit Act of 1971 or amendments to that Act
 - c. Federal Home Loan Banks and the Federal Home Loan Mortgage Corporation

- d. Any agency created by Act of Congress that is authorized to issue direct debt obligations of the United States of America.
4. Interest bearing savings accounts or certificates of deposit, issued by federally chartered banks or savings and loan associations, or by State of Illinois chartered banks or savings and loan associations, to the extent that the deposits are insured by agencies or instrumentalities of the federal government.
5. Interest bearing bonds of the State of Illinois.
6. Pooled interest bearing accounts managed by the Illinois Public Treasurer's Investment Pool, also known as the IL Fund, in accordance with the Deposit of State Moneys act, interest bearing funds or pooled accounts of the Illinois Metropolitan Investment Funds, and interest bearing funds or pooled accounts managed, operated, and administered by banks, subsidiaries of banks, or subsidiaries of bank holding companies in accordance with the law of the State of Illinois.
7. Interest bearing bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois.
Removed Israel
8. Money Market Mutual Funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies; provided that the portfolio of the money market mutual fund is limited to:
 - a. Bonds, notes, certificates of indebtedness, treasury bills, or other securities that are guaranteed by the full faith and credit of the United States of America as to principal and interest.
 - b. Bonds, notes, debentures, or other similar obligations of the United States of America or its agencies.
 - c. Short term obligations of corporations organized in the United States with assets exceeding \$400,000,000, provided that i) the obligations mature no later than 180 days from the date of purchase, ii) at the time of purchase, the obligations are rated by at least 2 standard national rating services at one of their 3 highest classifications, and iii) the obligations held by the mutual fund do not exceed 10% of the corporation's outstanding obligations.
9. Not to exceed 10% of the portfolio; any combination of separate accounts that are managed by life insurance companies authorized to transact business in Illinois and are comprised of diversified portfolios consisting of common or preferred stock, bonds or money market instruments or mutual funds that meet the following requirements:
 - a. The mutual fund must be managed by an investment company registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953.

- b. The mutual fund must have been in operation for at least 5 years.
 - c. The mutual fund must have total net assets of \$250,000,000 or more.
 - d. The mutual fund must be comprised of a diversified portfolio of common or preferred stocks, bonds, or money market instruments.
10. Corporate bonds, managed through an investment advisor, and the bonds meet the following requirements:
- a. The bonds must be rated as investment grade by one of the two largest rating services at the time of purchase.
 - b. If subsequently downgraded below investment grade, the bonds must be liquidated from the portfolio within 90 days after being downgraded by the manager.
11. A pension fund with net position of \$2,500,000 or more, may invest a portion of its net position, not to exceed 45% of the market value of the pension fund's net present assets as stated in its most recent annual report on file with the Illinois Department of Insurance, in separate accounts that are managed by life insurance companies authorized to transact business in Illinois and are comprised of diversified portfolios consisting of common or preferred stock, bonds or money market instruments or mutual funds that meet the following requirements:
- a. The mutual fund must be managed by an investment company registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953.
 - b. The mutual fund must have been in operation for at least 5 years.
 - c. The mutual fund must have total net assets of \$250,000,000 or more.
 - d. The mutual fund must be comprised of a diversified portfolio of common or preferred stocks, bonds, or money market instruments.
12. A pension fund with net position of \$5,000,000 or more, which has appointed an investment adviser under Section 1-113.5, may, through that investment adviser, invest in common and preferred stocks that meet the following requirements:
- a. The common stocks must be listed on a national securities exchange or board of trade (as defined in the Federal Securities Exchange Act of 1934 and set forth in paragraph G of Section 3 of the Illinois Securities Law of 1953) or quoted in the National Association of Securities Dealers Automated Quotation System National Market System.
 - b. The securities must be of a corporation in existence for at least 5 years.
 - c. The market value of stock in any one corporation may not exceed 5% of the cash and invested assets of the pension fund, and the investments in the stock of any one corporation may not exceed 5% of the total outstanding stock of that corporation.

- d. The straight preferred stocks or convertible preferred stocks must be issued or guaranteed by a corporation whose common stock qualifies for investment by the board.

The Fund's investment in the above equity investments shall not exceed 45% of the market value of the pension fund's net present assets stated in its most recent annual report on file with the Illinois Department of Insurance.

13. A pension fund with net position of \$10,000,000 or more, which has appointed an investment adviser under Sections 1-101.4 and 1-113.5, may, through that investment adviser, invest an additional portion of its assets in common and preferred stocks and mutual funds that meet all of the following requirements:

These stocks must meet all of the following requirements:

- a. The common stocks must be listed on a national securities exchange or board of trade (as defined in the Federal Securities Exchange Act of 1934 and set forth in paragraph G of Section 3 of the Illinois Securities Law of 1953) or quoted in the National Association of Securities Dealers Automated Quotation System National Market System.
- b. The securities must be of a corporation in existence for at least 5 years.
- c. The market value of stock in any one corporation may not exceed 5% of the cash and invested assets of the pension fund, and the investments in the stock of any one corporation may not exceed 5% of the total outstanding stock of that corporation.
- d. The straight preferred stocks or convertible preferred stocks must be issued or guaranteed by a corporation whose common stock qualifies for investment by the board.

These mutual funds must meet the following requirements:

- a. The mutual fund must be managed by an investment company registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953.
- b. The mutual fund must have been in operation for at least 5 years.
- c. The mutual fund must have total net assets of \$250,000,000 or more.
- d. The mutual fund must be comprised of a diversified portfolio of common or preferred stocks, bonds, or money market instruments.

The Fund's total investment in the items authorized under this Section shall not exceed 50% effective July 1, 2011 and 55% effective July 1, 2012 of the market value of the pension fund's net present assets stated in its most recent annual report on file with the Illinois Department of Insurance.

PERFORMANCE MEASUREMENTS

Performance will be calculated using professional standards as established by the Association for Investment Management Research. The Pension Board shall utilize the following benchmarks for evaluating the Fund's performance:

<u>Application</u>	<u>Benchmark</u>
Cash Equivalents	90 - day U.S. Treasury Bills
Fixed Income (excludes Corporate Bonds)	B of A Merrill Lynch Treasury/Agency Index
Corporate Bond	B of A Merrill Lynch 1-10 Year Corporate
Large Capitalization Equities	Standard & Poor's 500 Stock Index
Mid Capitalization Equities	Standard & Poor's 400 Stock Index
Small Capitalization Equities	Russell 2000 Stock Index
International Equities (includes developed and emerging markets)	Morgan Stanley Capital International Europe/Australias/Far East Index

CONTROLS

The Fund maintains its books and records in conformance with generally accepted accounting principles. The internal controls shall be established by the Treasurer and reviewed by the Pension Board and an independent auditor. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees and officers of the Pension Board.

DIVERSIFICATION / STRATEGY

Fixed Income:

The average maturity/duration of the portfolio will be managed based upon the current existing interest rate environment. Under most circumstances the maturity/modified duration of the portfolio will be maintained at approximately 5.0 years and will range from 2.0 years to 7.0 years. This type of strategy will result in increasing the maturity/duration of the portfolio when interest rates are rising and decreasing the maturity/duration of the portfolio if interest rates are declining. The investment manager may change the duration of the portfolio as the market conditions permit.

The allocation guidelines, by asset class, for the fixed income investments are as follows:

	<u>Target Allocation</u> 3	<u>Range of Allocation</u>
Cash, Money Market, IPTIP accounts: 1	0%	0 - 10%
Bank Certificates of Deposit: 2	0%	0 - 10%
U.S. Treasury Securities:	10%	0 - 40%
U.S. Government Agency Securities:	40%	0 - 75%
U.S. Government Agency MBS's:4	0%	0 - 20%
Taxable Municipal Securities:	10%	0 - 20%
Corporate Bonds:	25%	0 - 50%
High-Yield Fixed Income Funds:	7.5%	0 - 10%
Emerging Market Fixed Income Funds	7.5%	0 - 10%

Notes:

1. Cash will be maintained to manage cash flow of the Fund or as a transition asset.
2. Bank certificates of deposit will only be used if market returns are favorable. They will be used as a substitute for the Treasury and Agency portion of the portfolio.
3. Under normal market conditions the structure of the portfolio will be within these limits; however the portfolio manager may diverge from the above suggestions due to abnormal market conditions.
4. Maybe individual Mortgage Backed Securities (MBS) or MBS Funds

Equities:

Once the fund reaches the equity allocation approved by the Board and permitted by law, normal asset allocation range for equity portfolio allocation weightings should be:

	<u>Target Allocation</u>	<u>Range of Allocation</u>
U.S. Large Company Stocks	55%	0-75%
U.S. Mid-Sized Company Stocks	10%	0-15%
U.S. Small Company Stocks	10%	0-20%
International Stock Funds	15%	0-25-%
Alternative Investment Funds *	10%	0-20%

*Such as, but not limited to: Real Estate Funds, Natural Resources Funds, Infrastructure Funds. All funds used in this space will meet the State Statute guidelines for mutual funds.

Portfolio allocations should be rebalanced at least annually at the end of the fiscal year or when the portfolio allocation to equities rises above the limit established and confirmed at each board meeting.

COLLATERALIZATION - It is the policy of the Fund to require that all deposits in excess of FDIC insurable limits (applies to bank Certificates of Deposit) be secured by collateral in order to protect deposits from default.

1. Eligible collateral instruments and collateral ratios (market value divided by deposit) are as follows:
 - a. U.S. Government Securities = 110%
 - b. Obligations of Federal Agencies = 115%
 - c. Obligations of the State of Illinois = 115%
 - d. Local and Municipal Bonds rated "A" or better by Moody's = 115%

The ratio of fair market value of collateral to the amount of funds secured shall be reviewed at least quarterly and additional collateral shall be requested when the ratio declines below the level required.

2. Safekeeping of collateral

- a) Third party safekeeping is required for all collateral. To accomplish this, the securities can be held at the following locations:
 1. A Federal Reserve Bank or branch office.
 2. At another custodial facility - generally in a trust department through book-entry at the Federal Reserve, unless physical securities are involved. If physical securities are involved, at a third party depository in a suitable vault and insured against loss by fire, theft and similar causes.
- b) Safekeeping of collateral shall be documented by a written agreement approved by the Treasurer. This may be in the form of a safekeeping agreement, trust agreement, escrow agreement or custody agreement.
- c) Substitution or exchange of securities held in safekeeping as collateral may occur without prior written notice to the Treasurer provided that the market value of the replacement securities are equal to or greater than the market value of the securities being replaced. The Treasurer shall be notified in writing within two days of all substitutions.

CUSTODY, REGISTRATION AND SAFEKEEPING OF INVESTMENTS

1. Third party safekeeping is required for all securities owned by the Fund. To accomplish this, the securities shall be held in a trust department through book-entry at the Depository Trust Company.
2. The Board of Trustees may register the investments of the Fund in the name of the Pension Fund, in the nominee name of a bank or trust company authorized to conduct

trust business in Illinois, or in the nominee name of the Illinois Public Treasurer's Investment Pool.

3. Safekeeping shall be documented by an approved written agreement. The agreement may be in the form of a safekeeping agreement, trust agreement, escrow agreement or custody agreement. Fees for this service shall be mutually agreed upon by the Pension Board and the safekeeping bank.

ETHICS AND CONFLICTS OF INTEREST

Any fiduciary with respect to the Fund shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

INDEMNIFICATION

Pension Board members, investment officers, and the Treasurer acting in accordance with this Investment Policy and such written procedures as have been or may be established, in relation thereto, and exercising due diligence, shall be relieved of personal liability for an individual security's credit risk or market changes.

REPORTING

On a quarterly basis, the Treasurer shall submit to the Pension board an investment report which shall describe the portfolio in terms of investment securities, maturity, cost, transactions and earnings for the current period. The Treasurer or Investment Manager shall also submit a comprehensive annual report on the investment program and activity.

MEETING SCHEDULE

The Board shall schedule periodic meetings for the purposes of portfolio and investment performance review. Special meetings may be called as needed to conduct the business of the pension Board.

AUDIT

The Fund is subject to periodic examination by the Illinois Department of Insurance.

DEFINITIONS

Beneficiary - person eligible for or receiving benefits from a pension fund.

Book Entry Security - securities that can be transferred from institution to institution using the federal electronic wire system, thus eliminating the physical transfer of certificates. Records are maintained on a computer system at the Federal Reserve.

Collateral - the pledging of a security to guarantee performance of an obligation.

Commercial Paper - unsecured promissory notes of corporations issued for 270 days or less.

Fiduciary - person entrusted with the control of assets for the benefit of others.

Investment Manager - an individual or organization that provides investment management services for a fee, either on a discretionary or nondiscretionary basis. Under Illinois law, an investment manager is considered a fiduciary with respect to the Fund.

IL Funds (also known as the Illinois Public Treasurers' Investment Pool) - a short-term money market fund for public funds in Illinois.

Market Value - the present price of a given security.

B of A Merrill Lynch Corporate 1-10 Year Index - benchmark index based upon publicly issued intermediate corporate debt securities.

B of A Merrill Lynch Treasury Index - benchmark index that quantifies the price and yield performance of all U.S. Treasury obligations with a maturity of at least one year and an outstanding par value of at least \$100 million. The securities comprising the index are rebalanced on a daily basis.

B of A Merrill Lynch US Treasury/Agency Index: The U.S. Government/Agency Index tracks the performance of the combined U.S. Treasury and U.S. Agency Markets. It includes U.S. dollar- denominated U.S. Treasury and U.S. Agency Bonds, issued in the U.S. domestic bond market, having at least one year remaining term to maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 Billion for U.S. Treasuries and \$150 Million for U.S. Agencies. The index is re-balanced on the last calendar day of the month.

Morgan Stanley Capital International (EAFE) - Indices are based on the share prices of approximately 1,600 companies listed on stock exchanges in the twenty-two countries that make up the MSCI National Indices.

Return - the profit or interest as payment for investment.

Russell 2000 Stock Index - is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 11% of the Russell 3000 total market capitalization. The Index was developed with a base value of 135.00 as of December 31, 1986.

Security - any note, stock, bond, certificate of interest or certificate of deposit.

Separate Account - term used of variable annuities. Because the risk is borne by the investor in a variable annuity, the issuer may not commingle funds invested in the variable annuity with the general funds of the issuer.

Standard & Poor's 400 Midcap Stock Index – is comprised of 400 stocks chosen for market size, liquidity and industry group representation. All stocks within the S & P 500 are not eligible for inclusion.

Standard & Poor's 500 Stock Index - is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index was developed with a base level of 10 for the 1941-43 base period.

Treasury Bill - short-term debt obligation of U.S. government which will mature within ten years at the time of original issuance.

Treasury Bond - longer debt obligations of U.S. government which will mature in ten years or longer at the time of original issuance.

Yield - percentage measured by taking annual interest from an investment and dividing by current market value.

AMENDMENT

The Board shall review this Policy periodically to ensure its effectiveness in meeting the Pension Fund's needs for safety, liquidity, rate of return, and diversification, and its general performance. Any changes shall be presented to the Pension Board for its approval. Whenever this policy is amended, the Board shall file a copy of the new policy with the Illinois Department of Insurance within thirty (30) days.

CONFLICT

In the event of any conflict between this Policy and the Illinois Compiled Statutes or case decisions of the State of Illinois, the Statutes and case law decisions shall govern.

FILING OF POLICY; PUBLIC AVAILABILITY

The Board shall file this policy with the Illinois Department of Insurance within thirty (30) days of its adoption. The Board shall make a copy of this Policy available to the public at the main administrative office of the Pension Fund.

ADOPTION

Adopted by the Willowbrook Police Pension Fund Board of Trustees, as amended, on this day of _____, 2014.

President

Trustee

Secretary

Trustee

Treasurer

Trustee

01/2014