

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON OCTOBER 16, 2009, 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 3:05 p.m. by President Umberto Davi.

2. ROLL CALL

Those present at roll call were Trustees Tim Kobler, Sue Stanish and Scott Eisenbeis and President Davi. Also present were Terese Krafchek and Dave Harrington from MB Financial Bank. ABSENT: Trustee Joseph Dusek.

3. APPROVAL OF MINUTES OF REGULAR MEETING - 07/24/09

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

MOTION: Made by Trustee Kobler, seconded by Trustee Stanish, to approve the minutes of the regular meeting of the Police Pension Fund Board of Trustees held on July 24, 2009.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

4. APPROVAL OF EXPENSES INCURRED JULY THRU SEPTEMBER, 2009

Trustee Stanish summarized the expenses of the Pension Fund as follows: 1) Pension Benefits-Kleven-\$9,075.42; 2) Pension Benefits-Pec-\$18,002.85; 3) Disability Benefits-Dusek-\$7,633.29; 4) Disability Benefits-McCarthy-\$4,862.01; 5) Financial Management Fees-\$4,582.07; 6) Tepfer Consulting/Actuary Report-\$1,600.00; and 7) Sikich, LLP/Audit-\$1,050.00; NIU/IPPFA Conference-\$900.00. The total expenditures for the Pension Fund for July thru September 2009 were \$47,705.64.

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

MOTION: Made by Trustee Kobler, seconded by President Davi, to approve the expenditures in the amount of \$47,705.64 incurred by the Police Pension Fund for July thru September 2009.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

5. APPROVAL OF INVESTMENTS MADE JULY THRU SEPTEMBER 2009 -
QUARTERLY INVESTMENT REPORT - MB FINANCIAL BANK

Terese Krafchek, representing MB Financial Bank, summarized the quarterly investment report for the Pension Fund Board. Ms. Krafchek noted that for the quarter that ended 09/30/09 the cash and cash equivalents return of the portfolio made a 0.06% return for the fund, the fixed income return was 2.41%, and the equity portion of the portfolio had a 16.73% return. The total return for the quarter was 8.00%. Ms. Krafchek stated that since inception, the annualized return was 4.85%.

Mr. Harrington summarized the portfolio allocations with 44% in equities, 1% in cash/cash equivalents and 55% of the portfolio in fixed income securities. The 1.0% cash equivalent was 100% in money markets; the 44% equity was invested 61% in large cap U.S. stocks, 15% in small cap U.S. stocks, 16% in international stocks, 3% in REIT funds, and 5% in hard assets; and the 55% fixed income was invested in 14% U.S. Treasuries, 66% in U.S. Agencies, 16% in Municipal Bonds, 2% in U.S. Mortgage Backed Securities, and 2% in Certificates of Deposit.

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

MOTION: Made by Trustee Stanish, seconded by Trustee Eisenbeis, to approve the investments and recommendations made by MB Financial Bank on behalf of the Police Pension Fund from July thru September 2009.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

6. APPROVAL - ACTUARIAL REPORT - FISCAL YEAR 2010

Trustee Stanish reviewed the Actuarial Valuation Report for the period beginning May 1, 2009 and ending April 30, 2010.

Trustee Stanish indicated that the fund is well funded at 73.6% compared to the state average of 61.5%. Art Tepfer stated to Trustee Stanish that the fund is in good shape.

Trustee Stanish stated that the first actuarial calculation is based on Level Dollar Percentage is \$616,025.00. The second actuarial calculation is based on Level Percentage of Payroll is \$577,390.00. Trustee Stanish stated that the level percentage of payroll is typically the amount that the Village contributes.

Trustee Stanish indicated that there is a Senate Bill that starts the amortization period over. Mr. Tepfer has assumed that this Bill will pass and has included this in his numbers. Trustee Stanish also stated that there is another Bill that would allow municipalities to take last year's contribution amount and increase it by 10%. Mr. Tepfer thought that this would also pass.

Trustee Stanish stated that there is a third calculation which is based on the GASB and shows up in the audit each year. This actuarial payment would be \$477,696.00.

Mr. Tepfer stated that all three calculations are actuarially sound and will be based on the Village's ability to pay. Trustee Stanish stated that the Village had budgeted a 20% increase; however, this is a 37% increase from last year's contribution.

Trustee Stanish recommended that further discussion on this topic be tabled until after the Village has completed budget discussions for next year. Trustee Stanish suggested that the approval be postponed and have Mr. Tepfer in for a special meeting.

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

MOTION: Made by President Davi, seconded by Trustee Kobler, to table the approval of the actuarial report for a special meeting to be held on December 4, 2009 at 3:00 p.m.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

7. INFORMATION - DEPARTMENT OF INSURANCE EXAMINATION REPORT

Trustee Kobler stated that the report had been mailed to him and indicated that a copy of the Department of Insurance Examination Report was sent to all trustees in their October meeting packets.

8. NEW BUSINESS

MOTION: Made by President Davi to go into Executive Session, seconded by Trustee Kobler, at 4:00 p.m.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

After returning from Executive Session, Trustee Kobler continued with new business and discussed the training certificates from the IPPFA Conference. The certificates will be placed in a training file for the next audit. Trustee Kobler stated that Trustee Dusek should be notified that he will need to have 16 hours of continuing education, and if he is not interested in the training, that he may need to step down. Trustee Eisenbeis questioned if continuing education would be accessible on line to make it easier to obtain. Trustee Stanish stated that she thought there was or will be training sessions developed.

Trustee Kobler stated that by law, the Pension Board will need to make financial disclosures to the Circuit Clerk of DuPage County. Trustee Stanish questioned on if information would be received on this issue. Trustee Kobler indicated that there is information on line through the DuPage County Clerk's Office website. Trustee Stanish stated that Mary Partyka is responsible for handling the Village of Willowbrook's financial disclosures and would coordinate with her.

Trustee Eisenbeis questioned if a modified pension plan was brought up during the conference for the beginning of November. Trustee Kobler stated that the commission was meeting and are waiting to hear.

9. OLD BUSINESS

a. Fiduciary Insurance

Trustee Stanish stated that the representative from Mesirow was not available to attend today's meeting, but could be reached by telephone to answer any questions. All trustees requested that the Mesirow representative also attend the special meeting on December 4th.

b. Rules & Regulations

Trustee Stanish distributed the updated version of the Rules and Regulations received from the pension attorney, John Brohier. Trustee Stanish requested that all trustees review the updated version and approve the policy at the January meeting.

9. COMMUNICATIONS

There were no communications.

10. ADJOURNMENT

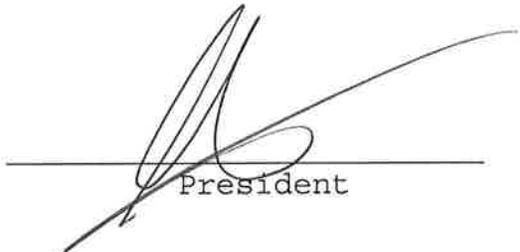
MOTION: Made by Trustee Kobler, seconded by Trustee Eisenbeis to adjourn the meeting of the Board of Trustees of the Police Pension Fund at the hour of 4:30 p.m.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

PRESENTED, READ and APPROVED,

January 19 , 2010



President

Minutes transcribed by Cindy Stuchl.