

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON JANUARY 19, 2011, 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 3:13 p.m. by President Umberto Davi.

2. ROLL CALL

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

3. APPROVAL OF MINUTES OF REGULAR MEETING - 10/18/10

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

MOTION: Made by Trustee Pec, seconded by Trustee Kobler, to approve the minutes of the regular meeting of the Police Pension Fund Board of Trustees held on October 18, 2010.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

4. APPROVAL OF EXPENSES INCURRED OCTOBER THRU DECEMBER, 2010

President Davi summarized the expenses of the Pension Fund as follows: 1) Pension Benefits-Foley-\$19,288.44; 2) Pension Benefits-Kleven-\$9,347.67; 3) Pension Benefits-Konstanty-\$22,045.92; 4) Pension Benefits-Pec-\$19,099.23; 5) Disability Benefits-Dusek-\$7,773.78; 6) Disability Benefits-McCarthy-\$4,862.01; 7) Financial Management Fees-\$5,402.62; 8) Department of Insurance/Annual Report-\$1,500.00; and 9) IPPFA Conference/Kobler-\$900.66; 10) IPPFA/Annual Membership Dues-\$775.00. The total expenditures for the Pension Fund for October thru December 2010 were \$90,995.26.

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

MOTION: Made by President Davi, seconded by Trustee Kobler, to approve the expenditures in the amount of \$90,995.26 incurred by the Police Pension Fund for October thru December 2010.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

5. APPROVAL OF INVESTMENTS MADE OCTOBER THRU DECEMBER 2010 -
QUARTERLY INVESTMENT REPORT - MB FINANCIAL BANK

Terese Krafchek, representing MB Financial Bank, summarized the quarterly investment report for the Pension Fund Board.

Ms. Krafchek stated that all aspects of the fund did well. The total fund was up 3.54% for the last quarter of the year. The fund began the quarter at \$12,930,094 and after additions and changes due to investments, ended at \$13,504,892.

Dave Harrington summarized the portfolio allocations with 40.93% in equities, 3.94% in cash/cash equivalents, 1.56% in Mutual Funds, 2.48% in Commodities, and 51.09% of the portfolio in fixed income securities. The 40.93% equity was invested 65.66% in large cap U.S. stocks, 5.43% in mid cap U.S. stocks, 10.92% in small cap U.S. stocks, 16.58% in international stocks, and 1.40% in emerging markets; and the 51.09% fixed income was invested in 11.19% U.S. Treasuries, 64.54% in U.S. Agencies, 21.45% in Municipal Bonds, 1.32% in U.S. Mortgage Backed Securities, and 1.50% in Certificates of Deposit.

Mr. Harrington stated that there will be a push in the Equities to increase International to 20%.

Mr. Harrington indicated that a new report was added that shows the credit quality of the bonds in the portfolio and tracks the ratings of municipal and corporate bonds.

Trustee Kobler questioned about the change in pension legislation and if there should be a policy shift. Ms. Krafchek stated that the fund can go up to 50% in equities by July of 2011 and by July of 2012 up to 55%. Ms. Krafchek stated that the legislation also allowed for investment into corporate bonds. Ms. Krafchek indicated that this offers greater diversification, which can lower risk, and enhances yield. Ms. Krafchek requested that a review of the investment policy be placed on the agenda for the next meeting.

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

MOTION: Made by Trustee Kobler, seconded by Trustee Pec, to approve the investments and recommendations made by MB Financial Bank on behalf of the Police Pension Fund from October thru December 2010.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

6. INFORMATION - ANNUAL REPORT - DEPARTMENT OF INSURANCE

The Pension Board acknowledged that the report was electronically filed. Recording Secretary Cindy Stuchl advised that the certification form was originally submitted with the Treasurer position marked as vacant. Ms. Stuchl was contacted by the Department of Insurance and they indicated that the position needed to be signed even though Sue Stanish had not been appointed by the President and Board of Trustees. Ms. Stanish then signed the form and it was resubmitted.

President Davi questioned on how the report will be filed for this year. Currently, Sikich Consulting is being used on a temporary basis for accounting purposes. Ms. Krafchek indicated that Sikich is one of the firms that knows how to file the report. President Davi requested that this issue be addressed at the next Pension meeting.

7. INFORMATION - RENEWAL APPLICATION - FIDUCIARY INSURANCE

Recording Secretary Stuchl indicated that the renewal was submitted. Payment will be shown on the expenditures for first quarter of 2011. The renewal policy is effective January 15, 2011 for the term of one year.

8. INFORMATION - INCREASE IN PENSION BENEFITS

President Davi reviewed information on the statutory increases in pension benefits effective January 1, 2011. Richard Kleven gets a 3% increase of his current pension. Joseph Pec gets a 3% increase of his current pension. Joseph Dusek gets a 3% increase of his original pension. James McCarthy is not entitled to an increase until he becomes 55 years of age.

Based on his retirement date, Edward Konstanty will receive his first 3% increase of his current pension in April of 2011. Francis Foley will not be eligible to an increase until January 1, 2015.

The Board changed this agenda item to an Approval Item. The Board agreed to add the increase for Mr. Konstanty onto the April agenda.

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

MOTION: Made by President Davi, seconded by Trustee Kobler, to approve the statutory increases in pension benefits for eligible participants effective January, 2011.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

9. VISITER BUSINESS

There was no visitor business.

10. NEW BUSINESS

There was no new business.

11. OLD BUSINESS

There was no old business.

12. COMMUNICATIONS

There were no communications.

13. ADJOURNMENT

MOTION: Made by Trustee Pec, seconded by President Davi to adjourn the meeting of the Board of Trustees of the Police Pension Fund at the hour of 3:54 p.m.

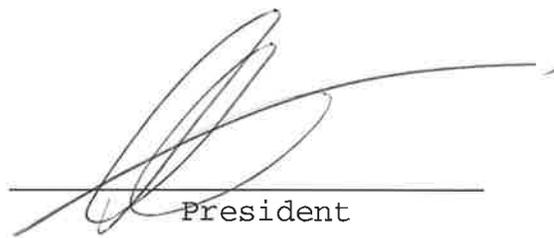
UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

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Police Pension Fund Board of Trustees Meeting
January 19, 2011

PRESENTED, READ and APPROVED,

April 27, 2011



President

Minutes transcribed by Cindy Stuchl.