

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON APRIL 27, 2011, AT THE VILLAGE HALL, 7760 QUINCY STREET, WILLOWBROOK, DUPAGE COUNTY, ILLINOIS

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1. CALL TO ORDER

The meeting was called to order at the hour of 3:35 p.m. by President Umberto Davi.

2. ROLL CALL

Those present at roll call were Trustees Scott Eisenbeis, Tim Kobler and Joseph Pec, and President Davi. Also present were Terese Krafchek and Amber Power from MB Financial Bank; and Carrie Dittman, Interim Finance Director.

3. APPROVAL OF MINUTES OF REGULAR MEETING - 01/19/11

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

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 January 19, 2011.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

4. APPROVAL OF EXPENSES INCURRED JANUARY THRU MARCH, 2011

President Davi summarized the expenses of the Pension Fund as follows: 1) Pension Benefits-Foley-\$19,288.44; 2) Pension Benefits-Kleven-\$2,174.09; 3) Pension Benefits-Kleven (Widow)-\$7,454.02; 4) Pension Benefits-Konstanty-\$22,045.92; 5) Pension Benefits-Pec-\$19,672.20; 6) Disability Benefits-Dusek-\$7,914.27; 7) Disability Benefits-McCarthy-\$4,862.01; 8) Financial Management Fees-\$5,766.82; 9) Mesirow Financial/Fiduciary Insurance-\$2,998.00. The total expenditures for the Pension Fund for January thru March 2011 were \$92,175.80.

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 \$92,175.80 incurred by the Police Pension Fund for January thru March 2011.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

5. APPROVAL OF INCREASE IN PENSION BENEFITS - EDWARD J. KONSTANTY

President Davi reviewed information on the statutory increases in pension benefits effective April 1, 2011.

Based on his retirement date, Edward Konstanty will receive his first 3% increase of his current pension in April of 2011.

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

MOTION: Made by Trustee Eisenbeis, seconded by Trustee Pec, to approve the statutory increases in pension benefits for Edward J. Konstanty effective April, 2011.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

6. APPROVAL OF INVESTMENTS MADE JANUARY THRU MARCH 2011 - 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 2.69% for the first quarter of the year. The fund began the quarter at \$13,504,892 and after additions and changes due to investments, ended at \$13,862,799.

Ms. Krafchek summarized the portfolio allocations with 42.07% in equities, 0.54% in cash/cash equivalents, 1.62% in Mutual Funds, 2.45% in Commodities, and 53.32% of the portfolio in fixed income securities. The 42.07% equity was invested 65.43% in large cap U.S. stocks, 5.67% in mid cap U.S. stocks, 11.20% in small cap U.S. stocks, 16.38% in international stocks, and 1.32% in emerging markets; and the 53.32% fixed income was invested in 10.50% U.S. Treasuries, 68.15% in U.S. Agencies, 18.80% in Municipal Bonds, 1.16% in U.S. Mortgage Backed Securities, and 1.39% in Certificates of Deposit.

Ms. Krafcheck stated that there will be a fund change in the mutual funds section. William Blair International had a flat first quarter for the year and will change to Scout International Fund which is a large growth fund. Another change will be the DFA Real Estate Fund, which is primarily a domestic fund, and will be looking into a global real estate fund.

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 January thru March 2011.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

#### 7. REVIEW - INVESTMENT POLICY

Terese Krafchek advised that the changes to the existing policy begin under authorized investments. In the current policy, cites Illinois Pension Code Section 3-135. The new policy cites Illinois Compiled Statutes, 40 ILCS 5/1-113.1 through 113.4. This section specifically covers downstate police pension funds.

Ms. Krafchek stated that the new guidelines referring to investments into corporate bonds have been added. Ms. Krafchek also stated that language was updated regarding the investments in equities cannot exceed 45% prior to June 30, 2011, and can go up to 50% on July 1, 2011 and up to 55% on July 1, 2012. Other changes made were in reference to the update in the name for the Department of Insurance.

Ms. Krafchek indicated that she added clarity to the allocation guidelines for fixed income and equities.

Ms. Krafchek stated that any time the investment policy is updated, you must submit a copy to the Department of Insurance.

After discussion by the Board, a decision will be made at the July Board Meeting on whether to increase the equity allocation and approve the new, updated investment policy.

8. INFORMATION - RICHARD KLEVEN

President Davi reviewed information provided reference the passing of former Chief Richard Kleven and that his pension is now being paid to his widow, Ruth. Recording Secretary Stuchl stated that two correspondences have been sent to Ruth Kleven requesting a copy of Richard's death certificate and to have her sign required tax papers, and as of this date, nothing has been returned. Recording Secretary Stuchl was notified by Village Administrator Tim Halik that if the required information is not returned by May, she will no longer receive a pension payment.

Trustee Pec stated that he will make a phone call to Ms. Kleven and their daughter. President Davi indicated that a certified letter needs to be sent stating that the benefits are going to stop if the required documentation is not received.

President Davi requested a moment of silence in honor of Chief Kleven in memory of his service to the Village of Willowbrook and to the residents of Willowbrook.

9. VISITOR BUSINESS

There was no visitor business.

10. NEW BUSINESS

There was no new business.

11. OLD BUSINESS

The Pension Board had questions on who would be preparing the Annual Report in absence of a full-time Director of Finance. Ms. Dittman stated that the Village auditors will prepare it. Ms. Dittman stated that she will provide the auditors with the investment data and it will be submitted electronically by the auditors. Questions arose as to who would sign the acknowledgement form as Treasurer since there is no designate person currently on the Pension Board. Ms. Dittman stated that a Village official will need to sign.

12. COMMUNICATIONS

There were no communications.

13. ADJOURNMENT

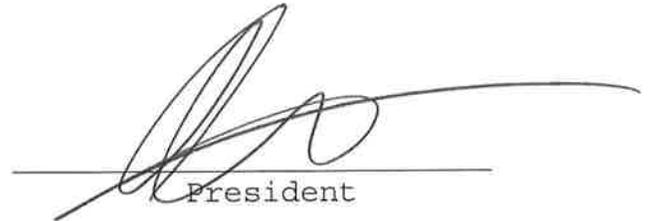
MOTION: Made by Trustee Kobler, seconded by Trustee Eisenbeis to adjourn the meeting of the Board of Trustees of the Police Pension Fund at the hour of 4:35 p.m.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

PRESENTED, READ and APPROVED,

July 26, 2011



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President

Minutes transcribed by Cindy Stuchl.