

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON JANUARY 18, 2008, 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 11:07 a.m. by President Umberto Davi.

2. ROLL CALL

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

3. APPROVAL OF MINUTES OF REGULAR MEETING - 10/16/07

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 October 16, 2007.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

4. APPROVAL OF EXPENSES INCURRED OCTOBER THRU DECEMBER, 2007

Trustee Stanish summarized the expenses of the Pension Fund as follows: 1) Pension Benefits-Kleven-\$8,554.47; 2) Disability Benefits-Dusek-\$7,352.31; 3) Disability Benefits-McCarthy-\$4,862.01; 4) Financial Management Fees-\$4,590.30. The total expenditures for the Pension Fund for October thru December 2007 were \$25,359.09.

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 \$25,359.09 incurred by the Police Pension Fund for October thru December 2007.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

5. APPROVAL OF INVESTMENTS MADE OCTOBER THRU DECEMBER 2007 -  
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 12/31/07 the cash and cash equivalents return of the portfolio made a 1.03% return for the fund, the fixed income return was 3.82%, and the equity portion of the portfolio had a -3.76% return. The total return for the quarter was 0.39%. Ms. Krafchek stated that since inception, the annualized return was 6.29%.

Dave Harrington of MB Financial Bank 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 64% in large cap U.S. stocks, 16% in small cap U.S. stocks, 17% in international stocks, and 3% in REIT funds; and the 55% fixed income was invested in 22% U.S. Treasuries, 64% in U.S. Agencies, 11% in Municipal Bonds and 3% in U.S. Mortgage Backed Securities.

Mr. Harrington indicated that at the end of the year, money was pulled out of Equity small caps and the allocation will be closer to 15%. The extra money was placed into the International side to follow better trends.

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

MOTION: Made by Trustee Kobler, seconded by Trustee Stanish, to approve the investments made by MB Financial Bank on behalf of the Police Pension Fund from October thru December 2007.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

6. INFORMATION - INCREASE IN MONTHLY PENSION BENEFITS

Trustee Stanish reviewed information on the statutory increases in pension benefits effective January 1, 2008. Richard Kleven 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 due to his age.

Trustee Kobler questioned if Mr. McCarthy could switch his pension from disability to a regular pension because of his age. Trustee Stanish stated that he could not because he is on a non-duty disability.

7. INFORMATION - 2007 ANNUAL REPORT - Department of Insurance

Trustee Stanish reviewed the 2007 Annual Statement to the Department of Insurance. Trustee Stanish stated that the report is required to be filed annually with the Department of Insurance. Trustee Stanish stated that because this report is a public document, all social security numbers have been blacked out for privacy.

President Davi inquired about the Rules and Regulations and that they were last updated in 1999. President Davi questioned if the Board needs to be concerned about that or should they be looked into. Trustee Stanish stated that she would look into it.

8. NEW BUSINESS

Trustee Kobler stated that as he was reviewing the Annual Report he saw a reference to fiduciary insurance. He stated that it had also been mentioned at the IPPFA Conference and wondered if this was something that the Board should look into. Trustee Stanish stated that there may be some coverage under the Village's IRMA policy and will look into it.

9. OLD BUSINESS

There was no old business.

10. COMMUNICATIONS

There were no communications.

11. ADJOURNMENT

MOTION: Made by Trustee Stanish, seconded by President Davi to adjourn the meeting of the Board of Trustees of the Police Pension Fund at the hour of 11:51 a.m.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

PRESENTED, READ and APPROVED,

April 18 , 2008

*Umberto Davi*

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President

Minutes transcribed by Cindy Stuchl.