

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

2. ROLL CALL

Those present at roll call were Trustees Scott Eisenbeis, Tim Kobler, and Sue Stanish, 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 - 01/18/08

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

MOTION: Made by Trustee Stanish, seconded by Trustee Kobler, to approve the minutes of the regular meeting of the Police Pension Fund Board of Trustees held on January 18, 2008.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

4. DISCUSSION - ELECTION OF ACTIVE MEMBERS OF THE POLICE PENSION FUND BOARD OF TRUSTEES

Recording Secretary Cindy Stuchl reported that 26 ballots were distributed to the active members of the Police Pension Fund and 20 ballots were returned. Scott Eisenbeis and Timothy Kobler were re-elected as the two active members of the Police Pension Fund Board of Trustees for a two-year term, which expires in April 2010. Election results were accepted by Board members.

An issue was brought up by Trustee Kobler about conducting the elections at the wrong time. According to state statute, elections are to be held on the third Monday of April. Trustee Stanish contacted the Pension Attorney, John Broihier, who advised that there should not be a problem unless the results

were being contested. In the future, ballots will not be distributed until the appropriate date.

5. DISCUSSION - ELECTION OF BENEFICIARY MEMBER OF THE POLICE PENSION FUND BOARD OF TRUSTEES

Recording Secretary Cindy Stuchl reported that 3 ballots were distributed to the beneficiary members of the Police Pension Fund and 2 ballots were returned. The results ended in a tie. The current Pension Policy does not address the issue of breaking a tie in elections. The Pension Attorney was again consulted. Mr. Broihier provided language to add to the Rules and Regulations regarding this issue.

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

MOTION: Made by Trustee Kobler, seconded by Trustee Stanish, to amend the current Rules and Regulations to provide a provision where by electoral ties in the future can be broken and encompass the language suggested by the Pension Attorney:

*"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."*

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

An election was conducted by Australian Ballot with the names of the two names of Beneficiary Members that were involved in the tie. Joseph Dusek was reelected as the beneficiary member of the Police Pension Fund Board of Trustees for a two-year term, which expires in April 2010. Election results were accepted by Board members.

6. APPROVAL OF EXPENSES INCURRED JANUARY THRU MARCH, 2008

Trustee Stanish summarized the expenses of the Pension Fund as follows: 1) Pension Benefits-Kleven-\$8,811.09; 2) Disability Benefits-Dusek-\$7,492.80; 3) Disability Benefits-McCarthy-\$4,862.01; 4) Financial Management Fees-\$4,738.00; and 5) Membership Dues-IPPFA-\$625.00. The total expenditures for the Pension Fund for January thru March 2008 were \$26,528.90.

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

MOTION: Made by Trustee Eisenbeis, seconded by Trustee Kobler, to approve the expenditures in the amount of \$26,528.90 incurred by the Police Pension Fund for January thru March 2008.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

7. APPROVAL OF PROPOSED BUDGET - FISCAL YEAR 2008/09

Trustee Stanish reviewed the proposed budget for fiscal year 2008/09. Trustee Stanish stated that legally the Pension Board does not have to adopt a budget. Trustee Stanish indicated that it is done for management purposes.

Trustee Stanish indicated that interest income was estimated based on past information from MB Financial reports. Contributions are based on the actuarial report and salaries.

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

MOTION: Made by Trustee Kobler, seconded by Trustee Eisenbeis, to approve the Proposed Budget for Fiscal Year 2008/09.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

8. APPROVAL OF INVESTMENTS MADE JANUARY THRU MARCH 2008 - 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 03/31/08 the cash and cash equivalents return of the portfolio made a 0.86% return for the fund, the fixed income return was 3.69%, and the equity portion of the portfolio had a -9.16% return. The total return for the quarter was -2.03%. Ms. Krafchek stated that since inception, the annualized return was 6.29%.

Dave Harrington of MB Financial Bank summarized the portfolio allocations with 43% in equities, 1% in cash/cash equivalents and 56% of the portfolio in fixed income securities. The 1.0%

cash equivalent was 100% in money markets; the 43% equity was invested 64% in large cap U.S. stocks, 15% in small cap U.S. stocks, 17% in international stocks, and 4% in REIT funds; and the 56% fixed income was invested in 23% U.S. Treasuries, 64% in U.S. Agencies, 11% in Municipal Bonds and 2% in U.S. Mortgage Backed Securities.

Mr. Harrington indicated that they are recommending a change in the Large Cap funds. He stated that the American Beacon Fund will be added to supplement the Dodge & Cox Stock because it has performed better over the last five (5) years, and the LSV Value Equity Fund will be sold off.

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

MOTION: Made by Trustee Stanish, seconded by Trustee Kobler, to approve the investments made by MB Financial Bank on behalf of the Police Pension Fund from January thru March 2008 and also approve the change from LSV to American Beacon.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

9. NEW BUSINESS

There was no new business.

10. OLD BUSINESS

a. Rules & Regulations

It had been discussed at the last meeting in January to review the Pension Funds Rules & Regulation. Trustee Stanish stated that the Pension attorney suggested that the Board read over the old rules to determine if an update was necessary.

Trustee Kobler indicated that some of the verbiage on the old policy does need to be updated. President Davi stated that Section 202 refers to elections and the new verbiage pertaining to breaking a tie can be added as a new paragraph 202.7.

President Davi suggested meeting on another day to review the regulations.

b. Fiduciary Insurance

It was also discussed at the last meeting in January what fiduciary insurance is and if it was needed. President Davi indicated that at the IPPFA seminars, it was highly recommended that the Pension Board should have it.

Information was obtained from the Internet on different companies that offer fiduciary insurance coverage. IRMA will be contacted if they have any recommendations.

c. Illinois Municipal League Resolution

President Davi spoke about his appearance in front of the Village Board in regards to the IML resolution. Trustee Kobler related that President Davi gave the synopsis of the Pension Board meeting to assist the Village Board make a decision on the IML resolution. President Davi indicated that it was apparent that the Village Board heard more than they had wanted. President Davi indicated that the instructions from the Village Board were not clear on what information they were expecting. President Davi stated that there was a small amendment to the wording on the resolution.

President Davi stated that Village Trustee Bob Napoli did indicate that the Village Board recognizes that there is a positive ongoing relationship between the Village Board and Pension Board.

11. COMMUNICATIONS

There were no communications.

12. ADJOURNMENT

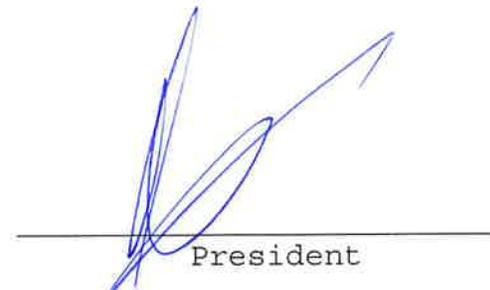
MOTION: Made by Trustee Kobler, seconded by President Davi to adjourn the meeting of the Board of Trustees of the Police Pension Fund at the hour of 4:15 p.m.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

PRESENTED, READ and APPROVED,

July 30, 2008



President

Minutes transcribed by Cindy Stuchl.