

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON JULY 31, 2012, 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 3:10 p.m. by President Umberto Davi.

2. ROLL CALL

Those present at roll call were President Davi and Trustees Tim Kobler, and Scott Eisenbeis. Also present: Ted Kirpach and guest Joel Ayee, both of MB Financial.

Interim Director of Finance Carrie Dittman attended via conference call.

Absent: Trustee Joseph Pec and Terese Krafcheck, MB Financial.

3. ELECTION OF OFFICERS OF THE POLICE PENSION FUND BOARD OF TRUSTEES

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

MOTION: Made by Trustee Kobler, seconded by Trustee Eisenbeis, to re-elect Umberto Davi as President; re-elect Tim Kobler as Vice President; re-elect Scott Eisenbeis as Secretary; and re-elect Joe Pec as Assistant Secretary.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

*NOTE: The Village Board has not appointed a Treasurer to the Police Pension Board. Interim Carrie Dittman will act as the Ad-Hoc Treasurer for the Pension Board.

4. APPROVAL - MINUTES OF THE REGULAR MEETING - April 18, 2012

The Board reviewed the minutes from the April 18, 2012 meeting.

MOTION: Made by President Davi, seconded by Trustee Eisenbeis, to approve the minutes of the regular meeting of the Police Pension Fund Board of Trustees held on April 18, 2012.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

5. APPROVAL OF EXPENSES INCURRED APRIL THRU JUNE 2012

Director Dittman joined the meeting via conference call. The Board reviewed the expenses incurred April thru June 2012. President Davi inquired as to why the expenses show that MB Financial received two advisory fees within a 10-day period. Director Dittman advised that since the last pension board meeting, two quarters worth of account reconciliations were performed. The first fee of \$6,135.21 was for the last quarter of 2011. The second fee of \$6,497.26 was for the first quarter in 2012. MB Financial automatically deducts their fees. For the fiscal year, 4 quarters of fees have been deducted and recorded. The date on the general ledger is the posting date, not the date the fees were deducted from the account. To reconcile to the Village's General Ledger, the finance department has to wait to receive MB Financial's statement, which causes a delay, along with the part-time status of Ms. Dittman.

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

MOTION: Made by Trustee Kobler, seconded by Trustee Eisenbeis, to approve the expenses incurred for April thru June 2012.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

6. APPROVAL OF INVESTMENTS MADE APRIL THRU JUNE 2012 -
QUARTERLY INVESTMENT REPORT - MB FINANCIAL BANK

Ted Kirpach, representing MB Financial Bank, introduced colleague Joel Ayee who is an Investment Analyst with MB Financial and works with the Willowbrook funds. Mr. Kirpach summarized the quarterly investment report for the Police Pension Board.

Mr. Kirpach advised the second quarter ended June 30, 2012. The total fund value is at \$14,865,318. Mr. Kirpach summarized the

portfolio allocations were at 46.68% in equities, 49.77% in fixed income.

This quarter, the fund was down -1.17% vs. the broad benchmark which was down -.61%. The fixed income was at 1.59% vs. the benchmark at 2.45%. The mutual fund real estate was up 1.97%, with the benchmark at 2.58%.

Mr. Kirpach advised that the cash flow minus MB Financial's fee of \$6,353 ended with a decrease -\$176,831, due to investments. The targeted Allocations are 0% for Money Market, 50% for Fixed Income Securities, and 50% for Equity Securities.

The last quarter was pretty brutal. The Equities portfolio was down greater than 4% vs. the Blended Index at 3.78%. Fixed Income was a positive 1.59% vs. the Blended Fixed Index at 1.97%. Commodities were at -2.67% which we out-performed the index which was -4%. The total fund was down -1.17%. This being said, the year-to-date numbers are looking good out-performing in all categories.

Not a lot of changes in the Asset Composition segment of the fund, with heavier weight in the Large Capital Funds. Mr. Kirpach advised that over the next six months they will continue to be similar weight on the equity side of the fund. With the current market, investors are putting more weight in bonds, driving up the prices of bonds and lowering the yields.

The Board gave direction to Mr. Kirpach to wait until next quarter to add to the common stocks.

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

MOTION: Made by Trustee Kobler, seconded by President Davi, to approve MB Financial's Quarterly report.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

7. VISITOR BUSINESS

None presented.

8. NEW BUSINESS

None presented.

9. OLD BUSINESS

None presented.

10. COMMUNICATIONS

None presented.

11. 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 4:23 p.m.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

PRESENTED, READ and APPROVED,



President

Minutes transcribed by Debbie Hahn.