

A G E N D A

REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK TO BE HELD ON ~~THURSDAY~~, ^{TUES. 7/3} ~~JULY 25,~~ 2013, AT ~~8:00~~ ⁹ A.M. AT THE VILLAGE HALL, 7760 QUINCY STREET, WILLOWBROOK, DUPAGE COUNTY, ILLINOIS

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL - MINUTES OF REGULAR MEETING - 04/17/13
4. APPROVAL - EXPENSES INCURRED APRIL THRU JUNE 2013
5. APPROVAL - INVESTMENTS MADE APRIL THRU JUNE 2013 -
Quarterly Investment Report - MB Financial Bank
6. VISITOR BUSINESS (Public comment is limited to three minutes per person on agenda items only)
7. NEW BUSINESS
8. OLD BUSINESS
9. COMMUNICATIONS
10. ADJOURNMENT

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON APRIL 17, 2013, 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 8:00 a.m. by President Umberto Davi.

2. ROLL CALL

Those present at roll call were President Davi, Trustees Timothy Kobler and Joseph Pec. Also present: Terese Krafcheck and Ted Kirpach of MB Financial.

Interim Director of Finance Carrie Dittman joined the meeting at 8:38 a.m.

Absent: Trustee Scott Eisenbeis

3. APPROVAL - MINUTES OF THE REGULAR MEETING
January 30, 2013

The Board reviewed the minutes from the January 30, 2013 meeting.

MOTION: Made by Trustee Kobler, seconded by President Davi to approve the minutes of the regular meeting of the Police Pension Fund Board of Trustees held on January 30, 2013.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

4. APPROVAL OF EXPENSES INCURRED JANUARY 2013 THRU MARCH 2013

This item will be deferred until Interim Director Dittman joins the meeting.

5. APPROVAL OF INVESTMENTS MADE JANUARY THRU MARCH 2013 - QUARTERLY INVESTMENT REPORT - MB FINANCIAL BANK

Ms. Terese Krafcheck of MB Financial Bank summarized the quarterly investment report for the Police Pension Board.

Ms. Krafcheck advised the first quarter ending March 31, 2013 was favorable. The total fund value is at \$16,432.835.00. She summarized the portfolio allocations are targeted at 55% in equities, 45% in fixed income. The market was at 51% in equities and 49% in fixed income.

This quarter, the fund was up 4.39% vs. the broad benchmark at 4.38%. Based on the 12-month period, the fund is up 8.41% vs. the benchmark of 8.23%.

Equities for the quarter are up 8.78% vs. the benchmark at 9.57%. This lag in the market is not to be totally unexpected when the markets are rallying as they have in this last quarter. The fixed income is up 0.34%, Mutual Fund Real Estate up 5.25% and commodities were up 4.72%. This is a solid start to 2013.

Mr. Kirpach advised there were some nice returns for the beginning of 2013. The funds did under-perform vs. the benchmark on the domestic side but also with the international market which brought down the overall performance of these stocks. There is no big waiting there. This should be temporary so no dramatic changes in analogy at this time. Fixed income had positive performances for the quarter. This is also expected for the year as well. The greatest focus is the average maturity rate of the fixed income which is at 5.16 vs. the benchmark at 6.47. The trend is for interest rates to go up instead of going down. The long term performance of the account over a period of time has added 7 million dollars in investments. The risk/return analysis is a little bit higher than the benchmark performance and taking on a little bit more risk as well. However, the account is definitely being rewarded for that risk.

Mr. Kirpach advised the first quarter economic seems fine. The market was largely ignored the sequester/fiscal cliff. Consumers spent more money during the holiday season, however they are beginning to be a little bit more cautious with their spending.

Looking forward to the rest of the year, the improvement of the Federal Reserve is beginning to cut down on their 80 billion dollar plus purchase of bonds. This should start to drive long-term interest rates up a bit.

Trustee Kobler asked if the bank sees the bonds going up even though the federal government has stated they are not going to change the interest rates. Mr. Kirpach advised the government has said the interest rates they hold to be the greatest are the short term rates. They want to lower the rates on vehicle purchases and to do that is to purchase bonds. As they buy bonds, it drives up the price of bonds, which reduces the interest rates. Although the government has a lot of control on this, they are not the only controller of those interest rates, this being the 5-yr to 30-yr interest rates.

Trustee Kobler inquired if there has been a shift in the rental market due to short sales. Mr. Kirpach advised that yes. Before, investors were more interested in buying strip malls or large shopping centers however, now they can purchase a larger number of homes within a mile radius of one another and turn a larger profit. These types of investors have actually helped to stabilize the market.

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

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

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

- Interim Director Dittman arrived at 8:38 a.m.

4. APPROVAL OF EXPENSES INCURRED JANUARY 2013 THRU MARCH 2013

Interim Director Dittman reviewed the expenses incurred January thru March 2013. She noted that the report has expenses through March 2013 and includes regular retirement benefits, surviving spouse/widow benefits, disability expenses, and two quarters from 2012 and one quarter of 2013 for financial advisory services.

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

MOTION: Made by Trustee Pec, seconded by Trustee Kobler, to approve the expenses incurred for January thru March 2013.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

6. APPROVAL - APPLICATION OF NEW HIRE - OFFICER DYLAN TRAINOR

The Board reviewed the application into the police pension by new hire Dylan Trainor. Trustee Pec inquired if Mr. Trainor's medical exam is in his pension file. Recording Secretary Hahn advised that she will obtain the form from the village and place in his file. Trustee Pec also inquired into who pays for this medical exam, the police pension or the village. Trustee Kobler advised that the village pays the fees and shares the information by giving a copy of the exam for his file. Trustee Kobler asked if Officer Trainor is the first person under the new Tier 2 pension program after the January 2011 change. Interim Director Dittman advised he is the first and the police pension will not have to do anything with this until he retires.

President Davi would like to have the police pension application revised for the next new officer.

MOTION: Made by President Davi, seconded by Trustee Kobler, to approve the police pension application for new hire Dylan Trainor.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

7. DISCUSSION - PROPOSED BUDGET FY 2013-14

Interim Director Dittman reviewed the proposed budget for FY 2013-14. The police pension fund is not included in the village proposed budget, however it does need to be included in the appropriation ordinance. Once the proposed budget is complete, the village would normally double that budget and then it gets placed in the appropriation ordinance.

Interim Director Dittman explained the process of determining the proposed budget. The statutory increases in pension benefits effective January 1, 2014 include a 3% increase for Joseph Pec, Edward Konstanty, Michael Kurinec, and Stephen Finlon on their current pension. Francis (Pat) Foley, William Bozek, John Barnacle and Paul Oggerino will not be entitled to an increase until they reach the age of 55.

Joseph Dusek gets a 3% increase of his original pension. James McCarthy is not entitled to an increase in his monthly disability pension until he becomes 60 years of age. Mrs. Martha Klevin will continue to receive her fixed monthly widow's benefit.

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

MOTION: Made by President David, seconded by Trustee Kobler, to approve the FY 13/14 budget.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

8. RETIREE'S UPDATED INFORMATION LETTER - INFORMATION

Interim Director Dittman advised that this letter was written to make sure current pensioners receiving benefits and person(s) receiving widow benefits are still living and participating in the benefits. It also is a way to have an annual certification of the retiree's, since they all get their benefit checks via

electronic deposits. Recording Secretary Hahn has already begun to receive these back.

The Committee reviewed the letter and requested the form be updated to be notarized by the pensioner the next time it is sent, which will be in December.

9. VISITOR BUSINESS

None presented.

10. NEW BUSINESS

President Davi advised that the annual 2013 IPPFA Conference will be held on October 1-5, 2013 in Lake Geneva, WI.

11. OLD BUSINESS

President Davi inquired about the \$18,601.98 unclaimed funds in the Frederick Willey estate that the Police Pension still has. Interim Director Dittman advised that a letter was sent to Mr. Willey's daughter and the attorney believed to be involved in the estate. Trustee Pec advised he was in contact with Mr. Willey's sister who is the executor of the estate. She is represented by council out of the Elgin area. They were not aware of this money and will be gathering documentation to claim these funds for the estate. The Police Pension board will wait and see what documentation is received from Mr. Willey's estate.

12. COMMUNICATIONS

None presented.

13. ADJOURNMENT

MOTION: Made by President Davi, seconded by Trustee Kobler to adjourn the meeting of the Board of Trustees of the Police Pension Fund at the hour of 9:03 a.m.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

PRESENTED, READ and APPROVED,

Date

President

VILLAGE OF WILLOWBROOK
EXPENDITURE ACCOUNT INQUIRY

RUN: 07/23/13 1:03PM

*April
only*

(ACCOUNTS FOR APRIL ONLY)

PAGE: 1

POST/CK. MO JL	REFERENCE DATE NUMBER	CHECK DATE	P.O. NUMBER	ENCUMB. LIQUID.	EXPEND. EXPEND.	EXPENDED BALANCE	UNEXPEND. BALANCE	UNENCUMB. BALANCE
07-62-401-581	PENSION BENEFITS 07-401-581					APPROP: 1,020,734.00	BUDGET: 510,367.00	
4 PR 04/19/13	04/19/13	04/19/13			49,405.68	535,175.42	104.9	-24,808.42
	POLICE PENSION BENEFIT							-24,808.42
07-62-401-582	WIDOW'S PENSION 07-401-582				APPROP: 77,024.00	BUDGET: 38,512.00		
4 PR 04/19/13	04/19/13	04/19/13			3,209.37	38,512.40	100.0	-0.40
	WIDOW PENSION							-0.40
07-62-401-583	DISABILITY BENEFITS 07-401-583				APPROP: 103,708.00	BUDGET: 51,854.00		
4 PR 04/19/13	04/19/13	04/19/13			4,352.42	51,854.40	100.0	-0.40
	POLICE PENSION DISABILITY BENEFIT							-0.40
07-62-401-253	FINANCIAL ADVISORY SERVICES 07-401-253				APPROP: 50,000.00	BUDGET: 25,000.00		
4 PS 04/09/13	PENSION ENTRIES 04/08/13			19.97	19,780.92	79.1	5,219.08	5,219.08
	FOREIGN TAX WITHHOLDING - CORE LAB - NV							
4 PS 04/15/13	PENSION ENTR'S 04/15/13			7,030.45	26,811.37	107.3	-1,811.37	-1,811.37
	QUARTERLY FINANCIAL ADVISORY FEES 2/28/13							
4 PS 04/15/13	PENSION ENTR'S 04/15/13			-19.97	26,791.40	107.2	-1,791.40	-1,791.40
	REFUND FOREIGN TAX WITHHOLDING - COR LAB NV							

Correction



VILLAGE OF WILLOWBROOK
EXPENDITURE ACCOUNT INQUIRY

May June

RUN: 07/23/13 1:03PM

(MAY THRU JUNE)

PAGE: 1

MO	POST/CK. JL	REFERENCE NUMBER	CHECK DATE	P.O. NUMBER	ENCUMB. LIQUID.	EXPEND.	EXPENDED BALANCE	UNEXPEND. BALANCE	UNENCUMB. BALANCE
07-62-401-581 PENSION BENEFITS 07-401-581									
5 NB	06/04/13	** NEW BUDGET APPROVED & UPDATED **				APPROP:	1,192,016.00	BUDGET:	596,008.00
		APPROP. 1,192,016.00 BUDGET: 596,008.00					0.00	0.0	596,008.00
5 PR	05/31/13	05/31/13			49,405.68		49,405.68	8.3	546,602.32
		POLICE PENSION BENEFIT							546,602.32
6 PR	06/28/13	06/28/13			49,405.68		98,811.36	16.6	497,196.64
		POLICE PENSION BENEFIT							497,196.64
07-62-401-582 WIDOW'S PENSION 07-401-582									
5 NB	06/04/13	** NEW BUDGET APPROVED & UPDATED **				APPROP:	77,024.00	BUDGET:	38,512.00
		APPROP. 77,024.00 BUDGET: 38,512.00					0.00	0.0	38,512.00
5 PR	05/31/13	05/31/13			3,209.37		3,209.37	8.3	35,302.63
		WIDOW PENSION							35,302.63
6 PR	06/28/13	06/28/13			3,209.37		6,418.74	16.7	32,093.26
		WIDOW PENSION							32,093.26
07-62-401-583 DISABILITY BENEFITS 07-401-583									
5 NB	06/04/13	** NEW BUDGET APPROVED & UPDATED **				APPROP:	104,834.00	BUDGET:	52,417.00
		APPROP. 104,834.00 BUDGET: 52,417.00					0.00	0.0	52,417.00
5 PR	05/31/13	05/31/13			4,352.42		4,352.42	8.3	48,064.58
		POLICE PENSION DISABILITY BENEFIT							48,064.58
6 PR	06/28/13	06/28/13			4,352.42		8,704.84	16.6	43,712.16
		POLICE PENSION DISABILITY BENEFIT							43,712.16
07-62-401-242 LEGAL FEES 07-401-242									
5 NB	06/04/13	** NEW BUDGET APPROVED & UPDATED **				APPROP:	2,000.00	BUDGET:	1,000.00
		APPROP. 2,000.00 BUDGET: 1,000.00					0.00	0.0	1,000.00
07-62-401-251 AUDIT 07-401-251									
5 NB	06/04/13	** NEW BUDGET APPROVED & UPDATED **				APPROP:	7,400.00	BUDGET:	3,700.00
		APPROP. 7,400.00 BUDGET: 3,700.00					0.00	0.0	3,700.00
07-62-401-252 ACTUARY SERVICES 07-401-252									
5 NB	06/04/13	** NEW BUDGET APPROVED & UPDATED **				APPROP:	3,600.00	BUDGET:	1,800.00
		APPROP. 3,600.00 BUDGET: 1,800.00					0.00	0.0	1,800.00
07-62-401-253 FINANCIAL ADVISORY SERVICES 07-401-253									
5 NB	06/04/13	** NEW BUDGET APPROVED & UPDATED **				APPROP:	54,716.00	BUDGET:	27,358.00
		APPROP. 54,716.00 BUDGET: 27,358.00					0.00	0.0	27,358.00
07-62-401-304 MEETINGS, TRAVEL, CONFERENCES 07-401-304									
5 NB	06/04/13	** NEW BUDGET APPROVED & UPDATED **				APPROP:	7,200.00	BUDGET:	3,600.00
		APPROP. 7,200.00 BUDGET: 3,600.00					0.00	0.0	3,600.00
07-62-401-307 FEES DUES SUBSCRIPT 07-401-307									
5 NB	06/04/13	** NEW BUDGET APPROVED & UPDATED **				APPROP:	1,600.00	BUDGET:	800.00
		APPROP. 1,600.00 BUDGET: 800.00					0.00	0.0	800.00
07-62-401-531 FILING FEE STATE 07-401-531									
5 NB	06/04/13	** NEW BUDGET APPROVED & UPDATED **				APPROP:	5,200.00	BUDGET:	2,600.00
		APPROP. 5,200.00 BUDGET: 2,600.00					0.00	0.0	2,600.00
5 CD	05/29/13	F58822	05/15/13	82018	3,032.62		3,032.62	116.6	-432.62
		DIVISION OF INSURANCE (476)							-432.62
		FILING FEE STATE 07-401-531							

VILLAGE OF WILLOWBROOK
EXPENDITURE ACCOUNT INQUIRY

RUN: 07/23/13 1:03PM

(MAY THRU JUNE)

PAGE: 2

POST/CK. MO JL	REFERENCE DATE	CHECK NUMBER	P.O. DATE	ENCUMB. LIQUID.	EXPEND. EXPEND.	EXPENDED BALANCE	UNEXPEND. BALANCE	UNENCUMB. BALANCE
07-62-401-599 OTHER EXPENSES 07-401-599					APPROP:	6,077.00	BUDGET:	3,039.00
5 NB 06/04/13 ** NEW BUDGET APPROVED & UPDATED **					0.00	0.0	3,039.00	3,039.00
APPROP. 6,077.00 BUDGET: 3,039.00								

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		APPROP. 1,192,016.00 BUDGET: 596,008.00					0.00	0.0	596,008.00
5 PR	05/31/13	05/31/13			49,405.68		49,405.68	8.3	546,602.32
		POLICE PENSION BENEFIT							546,602.32
6 PR	06/28/13	06/28/13			49,405.68		98,811.36	16.6	497,196.64
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5 NB	06/04/13	** NEW BUDGET APPROVED & UPDATED **				APPROP.	77,024.00	BUDGET:	38,512.00
		APPROP. 77,024.00 BUDGET: 38,512.00					0.00	0.0	38,512.00
5 PR	05/31/13	05/31/13			3,209.37		3,209.37	8.3	35,302.63
		WIDOW PENSION							35,302.63
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		WIDOW PENSION							32,093.26
07-62-401-583 DISABILITY BENEFITS 07-401-583									
5 NB	06/04/13	** NEW BUDGET APPROVED & UPDATED **				APPROP.	104,834.00	BUDGET:	52,417.00
		APPROP. 104,834.00 BUDGET: 52,417.00					0.00	0.0	52,417.00
5 PR	05/31/13	05/31/13			4,352.42		4,352.42	8.3	48,064.58
		POLICE PENSION DISABILITY BENEFIT							48,064.58
6 PR	06/28/13	06/28/13			4,352.42		8,704.84	16.6	43,712.16
		POLICE PENSION DISABILITY BENEFIT							43,712.16
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5 NB	06/04/13	** NEW BUDGET APPROVED & UPDATED **				APPROP.	2,000.00	BUDGET:	1,000.00
		APPROP. 2,000.00 BUDGET: 1,000.00					0.00	0.0	1,000.00
07-62-401-251 AUDIT 07-401-251									
5 NB	06/04/13	** NEW BUDGET APPROVED & UPDATED **				APPROP.	7,400.00	BUDGET:	3,700.00
		APPROP. 7,400.00 BUDGET: 3,700.00					0.00	0.0	3,700.00
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		APPROP. 54,716.00 BUDGET: 27,358.00					0.00	0.0	27,358.00
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		APPROP. 7,200.00 BUDGET: 3,600.00					0.00	0.0	3,600.00
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		APPROP. 1,600.00 BUDGET: 800.00					0.00	0.0	800.00
07-62-401-531 FILING FEE STATE 07-401-531									
5 NB	06/04/13	** NEW BUDGET APPROVED & UPDATED **				APPROP.	5,200.00	BUDGET:	2,600.00
		APPROP. 5,200.00 BUDGET: 2,600.00					0.00	0.0	2,600.00
5 CD	05/29/13	F58822	05/15/13	82018		3,032.62	3,032.62	116.6	-432.62
		DIVISION OF INSURANCE (476)							-432.62
		FILING FEE STATE 07-401-531							

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APPROP. 6,077.00 BUDGET: 3,039.00								3,039.00