

Village of Willowbrook

7760 Quincy Street
Willowbrook, IL 60527-5594

Phone: (630) 323-8215 • Fax: (630) 323-0787 • www.willowbrookil.org

Village President

Robert A. Napoli

Village Clerk

Leroy R. Hansen

N O T I C E

NOTICE IS HEREBY GIVEN that a regular meeting of the Board of Trustees of the Police Pension Fund of the Village of Willowbrook has been scheduled as follows:

DATE: July 26, 2011 - Tuesday
TIME: 3:00 P.M.
PLACE: Willowbrook Village Hall
7760 Quincy Street
Willowbrook, Illinois 60527
AGENDA: See attached.

Umberto Davi, President
Board of Trustees
Police Pension Fund

This notice was sent by facsimile on July 22, 2011

The Doings
Suburban Life Graphic

The Tribune
Chicago Sun-Times

THIS NOTICE WAS PLACED ON THE BULLETIN BOARD IN THE LOBBY OF THE VILLAGE HALL, 7760 QUINCY STREET, IN THE VILLAGE OF WILLOWBROOK, DUPAGE COUNTY, ILLINOIS ON JULY 22, 2011.

cc: Indian Prairie Library

ANY INDIVIDUAL WITH A DISABILITY REQUIRING A REASONABLE ACCOMMODATION IN ORDER TO PARTICIPATE IN ANY PUBLIC MEETING HELD UNDER THE AUTHORITY OF THE VILLAGE OF WILLOWBROOK, SHOULD CONTACT THE ADA COMPLIANCE OFFICER AT THE VILLAGE OF WILLOWBROOK, 7760 QUINCY STREET, WILLOWBROOK, IL 60527, OR CALL (630) 323-8215 VOICE, OR (630) 920-2259 TDD, MONDAY THROUGH FRIDAY, BETWEEN 8:30 A.M. AND 4:30 P.M., WITHIN A REASONABLE TIME BEFORE THE MEETING. REQUESTS FOR SIGN LANGUAGE INTERPRETERS SHOULD BE MADE A MINIMUM OF FIVE WORKING DAYS IN ADVANCE OF THE MEETING.



"A Place of American History"

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 WEDNESDAY, JULY 26, 2011, AT 3:00 P.M. AT THE VILLAGE HALL, 7760 QUINCY STREET, WILLOWBROOK, DUPAGE COUNTY, ILLINOIS

1. CALL TO ORDER
2. ROLL CALL
3. ELECTION OF OFFICERS OF THE POLICE PENSION FUND BOARD OF TRUSTEES
4. APPROVAL - MINUTES OF REGULAR MEETING - 04/27/11
5. APPROVAL - EXPENSES INCURRED APRIL THRU JUNE 2011
6. APPROVAL - INVESTMENTS MADE APRIL THRU JUNE 2011 - Quarterly Investment Report - MB Financial Bank
7. APPROVAL - INVESTMENT POLICY
8. APPROVAL - POSSIBLE SUSPENSION OF PENSION BENEFITS - RUTH KLEVEN
9. DISCUSSION - PENSION BUY BACK
10. VISITOR BUSINESS (Public comment is limited to three minutes per person on agenda items only)
11. NEW BUSINESS
12. OLD BUSINESS
13. COMMUNICATIONS
14. ADJOURNMENT

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

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

President

Minutes transcribed by Cindy Stuchl.

Police Pension Fund Expenditures – April – June, 2011

| | |
|-----------------------------------|-----------------|
| Pension Benefits – Foley | \$ 19,288.47 |
| Pension Benefits – Kleven (Widow) | 9,628.11 |
| Pension Benefits – Konstanty | 22,762.41 |
| Pension Benefits – Pec | 19,672.20 |
| Disability Benefits – Dusek | 7,914.27 |
| Disability Benefits – McCarthy | <u>4,862.01</u> |

| | |
|----------------|--------------|
| Benefits Total | \$ 84,127.47 |
|----------------|--------------|

| | |
|---|----------|
| MB Financial Bank/Financial Advisory Fees | 6,037.60 |
| Division of Insurance/State Filing Fee | 2,491.46 |
| Wolf & Company/Audit | 2,100.00 |
| IPPFA/Trustee Program-Pec | 750.00 |
| John Broihier/Legal Fees | 399.00 |
| IPPFA/NIU/On-Line Training-Eisenbeis | 350.00 |

| | |
|------------|--------------|
| Fund Total | \$ 96,255.53 |
|------------|--------------|

VILLAGE OF WILLOWBROOK
EXPENDITURE ACCOUNT INQUIRY

RUN: 07/01/11 10:22AM

(ACCOUNTS FOR APRIL ONLY)

PAGE: 1

| MO | JL | POST/CK. DATE | REFERENCE NUMBER | DATE | CHECK NUMBER | P.O. NUMBER | ENCUMB. LIQUID. | EXPEND. | EXPENDED BALANCE | PRCT. | UNEXPEND. BALANCE | UNENCUMB. BALANCE |
|--|----|------------------|---------------------|----------|-----------------|----------------|--------------------|-----------|---------------------|-------|----------------------|----------------------|
| 07-62-401-581 PENSION BENEFITS 07-401-581 | | | | | | | | APPROP: | | | BUDGET: | 273,833.00 |
| 4 | PR | 04/22/11 | 04/22/11 | 04/22/11 | | | | 20,574.36 | 263,408.85 | 96.2 | 10,424.15 | 10,424.15 |
| POLICE PENSION BENEFIT | | | | | | | | | | | | |
| 07-62-401-582 WIDOW'S PENSION 07-401-582 | | | | | | | | APPROP: | | | BUDGET: | 0.00 |
| 4 | PR | 04/22/11 | 04/22/11 | 04/22/11 | | | | 3,209.37 | 10,663.39 | 0.0 | -10,663.39 | -10,663.39 |
| WIDOW PENSION | | | | | | | | | | | | |
| 07-62-401-583 DISABILITY BENEFITS 07-401-583 | | | | | | | | APPROP: | | | BUDGET: | 50,730.00 |
| 4 | PR | 04/22/11 | 04/22/11 | 04/22/11 | | | | 4,258.76 | 50,730.48 | 100.0 | -0.48 | -0.48 |
| POLICE PENSION DISABILITY BENEFIT | | | | | | | | | | | | |
| 07-62-401-251 AUDIT 07-401-251 | | | | | | | | APPROP: | | | BUDGET: | 3,000.00 |
| 4 | CD | 04/26/11 | 90437 | 04/05/11 | 77433 | | | 2,100.00 | 3,600.00 | 120.0 | -600.00 | -600.00 |
| WOLF & COMPANY LLP (2340) | | | | | | | | | | | | |
| AUDIT 07-401-251 | | | | | | | | | | | | |
| 07-62-401-253 FINANCIAL ADVISORY SERVICES 07-401-253 | | | | | | | | APPROP: | | | BUDGET: | 25,000.00 |
| 4 | PS | 05/25/11 | APR / INT | 04/30/11 | | | | 6,037.60 | 22,508.73 | 90.0 | 2,491.27 | 2,491.27 |
| FINANCIAL ADVISORY FEES | | | | | | | | | | | | |
| 07-62-401-304 MEETINGS, TRAVEL, CONFERENCES 07-401-304 | | | | | | | | APPROP: | | | BUDGET: | 5,000.00 |
| 4 | CD | 04/07/11 | IPPFA EISENBEIS | 04/06/11 | 77348 | | | 350.00 | 2,215.66 | 44.3 | 2,784.34 | 2,784.34 |
| NORTHERN ILL UNIVERSITY (1388) | | | | | | | | | | | | |
| MEETINGS, TRAVEL, CONFERENCES 07-401-304 | | | | | | | | | | | | |

EXPENDITURE ACCOUNT INQUIRY

PAGE: 1

| POST/CK. | | REFERENCE | CHECK | P.O. | ENCUMB. | EXPENDED | | UNEXPEND. | UNENCUMB. | | | |
|--|----|-----------|-------------------------------------|----------|---------|----------|---------|-----------|------------|-------|------------|------------|
| MO | JL | DATE | NUMBER | DATE | NUMBER | NUMBER | LIQUID. | EXPEND. | BALANCE | PRCT. | BALANCE | BALANCE |
| 07-62-401-581 PENSION BENEFITS 07-401-581 | | | | | | | | APPROP: | 497,180.00 | | BUDGET: | 248,590.00 |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | 0.00 | 0.0 | 248,590.00 | 248,590.00 |
| | | | | | | | | | | | | |
| APPROP. 497,180.00 BUDGET: 497,180.00 | | | | | | | | | | | | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | 0.00 | 0.0 | 248,590.00 | 248,590.00 |
| | | | | | | | | | | | | |
| APPROP. 0.00 BUDGET: 0.00 | | | | | | | | | | | | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | 0.00 | 0.0 | 248,590.00 | 248,590.00 |
| | | | | | | | | | | | | |
| APPROP. 497,180.00 | | | | | | | | | | | | |
| 5 | PR | 05/20/11 | 05/20/11 | 05/20/11 | | | | 20,574.36 | 20,574.36 | 8.3 | 228,015.64 | 228,015.64 |
| | | | | | | | | | | | | |
| POLICE PENSION BENEFIT | | | | | | | | | | | | |
| 5 | NB | 06/08/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | 20,574.36 | 8.3 | 228,015.64 | 228,015.64 |
| | | | | | | | | | | | | |
| BUDGET: 248,590.00 | | | | | | | | | | | | |
| 6 | PR | 06/17/11 | 06/17/11 | 06/17/11 | | | | 20,574.36 | 41,148.72 | 16.6 | 207,441.28 | 207,441.28 |
| | | | | | | | | | | | | |
| POLICE PENSION BENEFIT | | | | | | | | | | | | |
| 07-62-401-582 WIDOW'S PENSION 07-401-582 | | | | | | | | APPROP: | 77,026.00 | | BUDGET: | 38,513.00 |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | 0.00 | 0.0 | 38,513.00 | 38,513.00 |
| | | | | | | | | | | | | |
| APPROP. 77,026.00 BUDGET: 77,026.00 | | | | | | | | | | | | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | 0.00 | 0.0 | 38,513.00 | 38,513.00 |
| | | | | | | | | | | | | |
| APPROP. 0.00 BUDGET: 0.00 | | | | | | | | | | | | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | 0.00 | 0.0 | 38,513.00 | 38,513.00 |
| | | | | | | | | | | | | |
| APPROP. 77,026.00 | | | | | | | | | | | | |
| 5 | PR | 05/20/11 | 05/20/11 | 05/20/11 | | | | 3,209.37 | 3,209.37 | 8.3 | 35,303.63 | 35,303.63 |
| | | | | | | | | | | | | |
| WIDOW PENSION | | | | | | | | | | | | |
| 5 | NB | 06/08/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | 3,209.37 | 8.3 | 35,303.63 | 35,303.63 |
| | | | | | | | | | | | | |
| BUDGET: 38,513.00 | | | | | | | | | | | | |
| 6 | PR | 06/17/11 | 06/17/11 | 06/17/11 | | | | 3,209.37 | 6,418.74 | 16.7 | 32,094.26 | 32,094.26 |
| | | | | | | | | | | | | |
| WIDOW PENSION | | | | | | | | | | | | |
| 07-62-401-583 DISABILITY BENEFITS 07-401-583 | | | | | | | | APPROP: | 102,844.00 | | BUDGET: | 51,422.00 |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | 0.00 | 0.0 | 51,422.00 | 51,422.00 |
| | | | | | | | | | | | | |
| APPROP. 102,844.00 BUDGET: 102,844.00 | | | | | | | | | | | | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | 0.00 | 0.0 | 51,422.00 | 51,422.00 |
| | | | | | | | | | | | | |
| APPROP. 0.00 BUDGET: 0.00 | | | | | | | | | | | | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | 0.00 | 0.0 | 51,422.00 | 51,422.00 |
| | | | | | | | | | | | | |
| APPROP. 102,844.00 | | | | | | | | | | | | |
| 5 | PR | 05/20/11 | 05/20/11 | 05/20/11 | | | | 4,258.76 | 4,258.76 | 8.3 | 47,163.24 | 47,163.24 |
| | | | | | | | | | | | | |
| POLICE PENSION DISABILITY BENEFIT | | | | | | | | | | | | |
| 5 | NB | 06/08/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | 4,258.76 | 8.3 | 47,163.24 | 47,163.24 |
| | | | | | | | | | | | | |
| BUDGET: 51,422.00 | | | | | | | | | | | | |
| 6 | PR | 06/17/11 | 06/17/11 | 06/17/11 | | | | 4,258.76 | 8,517.52 | 16.6 | 42,904.48 | 42,904.48 |
| | | | | | | | | | | | | |
| POLICE PENSION DISABILITY BENEFIT | | | | | | | | | | | | |
| 07-62-401-242 LEGAL FEES 07-401-242 | | | | | | | | APPROP: | 6,180.00 | | BUDGET: | 3,090.00 |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | 0.00 | 0.0 | 3,090.00 | 3,090.00 |
| | | | | | | | | | | | | |
| APPROP. 6,180.00 BUDGET: 6,180.00 | | | | | | | | | | | | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | 0.00 | 0.0 | 3,090.00 | 3,090.00 |
| | | | | | | | | | | | | |
| APPROP. 0.00 BUDGET: 0.00 | | | | | | | | | | | | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | 0.00 | 0.0 | 3,090.00 | 3,090.00 |
| | | | | | | | | | | | | |
| APPROP. 6,180.00 | | | | | | | | | | | | |

VILLAGE OF WILLOWBROOK
EXPENDITURE ACCOUNT INQUIRY

RUN: 07/01/11 10:22AM

(MAY THRU JUNE)

PAGE: 2

| MO | JL | POST/CK. DATE | REFERENCE NUMBER | DATE | CHECK NUMBER | P.O. NUMBER | ENCUMB. LIQUID. | EXPEND. EXPEND. | EXPENDED BALANCE | PRCT. | UNEXPEND. BALANCE | UNENCUMB. BALANCE | |
|--|----|------------------|-------------------------------------|----------|-----------------|----------------|--------------------|--------------------|---------------------|-----------|----------------------|----------------------|-----------|
| 07-62-401-242 LEGAL FEES 07-401-242 | | | | | | | | | APPROP: | 6,180.00 | BUDGET: | 3,090.00 | |
| 5 | NB | 06/08/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | | 0.00 | 0.0 | 3,090.00 | 3,090.00 |
| BUDGET: 3,090.00 | | | | | | | | | | | | | |
| 6 | CD | 06/14/11 | 1158 | 06/01/11 | 77687 | | | 399.00 | 399.00 | 12.9 | 2,691.00 | 2,691.00 | |
| LAW OFFICE OF J.C. BROIHIER (2386) | | | | | | | | | | | | | |
| LEGAL FEES 07-401-242 | | | | | | | | | | | | | |
| 07-62-401-251 AUDIT 07-401-251 | | | | | | | | | APPROP: | 6,180.00 | BUDGET: | 3,090.00 | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | | 0.00 | 0.0 | 3,090.00 | 3,090.00 |
| APPROP. 6,180.00 BUDGET: 6,180.00 | | | | | | | | | | | | | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | | 0.00 | 0.0 | 3,090.00 | 3,090.00 |
| APPROP. 0.00 BUDGET: 0.00 | | | | | | | | | | | | | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | | 0.00 | 0.0 | 3,090.00 | 3,090.00 |
| APPROP. 6,180.00 | | | | | | | | | | | | | |
| 5 | NB | 06/08/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | | 0.00 | 0.0 | 3,090.00 | 3,090.00 |
| BUDGET: 3,090.00 | | | | | | | | | | | | | |
| 07-62-401-252 ACTUARY SERVICES 07-401-252 | | | | | | | | | APPROP: | 3,502.00 | BUDGET: | 1,751.00 | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | | 0.00 | 0.0 | 1,751.00 | 1,751.00 |
| APPROP. 3,502.00 BUDGET: 3,502.00 | | | | | | | | | | | | | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | | 0.00 | 0.0 | 1,751.00 | 1,751.00 |
| APPROP. 0.00 BUDGET: 0.00 | | | | | | | | | | | | | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | | 0.00 | 0.0 | 1,751.00 | 1,751.00 |
| APPROP. 3,502.00 | | | | | | | | | | | | | |
| 5 | NB | 06/08/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | | 0.00 | 0.0 | 1,751.00 | 1,751.00 |
| BUDGET: 1,751.00 | | | | | | | | | | | | | |
| 07-62-401-253 FINANCIAL ADVISORY SERVICES 07-401-253 | | | | | | | | | APPROP: | 51,500.00 | BUDGET: | 25,750.00 | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | | 0.00 | 0.0 | 25,750.00 | 25,750.00 |
| APPROP. 51,500.00 BUDGET: 51,500.00 | | | | | | | | | | | | | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | | 0.00 | 0.0 | 25,750.00 | 25,750.00 |
| APPROP. 0.00 BUDGET: 0.00 | | | | | | | | | | | | | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | | 0.00 | 0.0 | 25,750.00 | 25,750.00 |
| APPROP. 51,500.00 | | | | | | | | | | | | | |
| 5 | NB | 06/08/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | | 0.00 | 0.0 | 25,750.00 | 25,750.00 |
| BUDGET: 25,750.00 | | | | | | | | | | | | | |
| 07-62-401-254 FIDUCIARY INSURANCE | | | | | | | | | APPROP: | 6,180.00 | BUDGET: | 3,090.00 | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | | 0.00 | 0.0 | 3,090.00 | 3,090.00 |
| APPROP. 6,180.00 BUDGET: 6,180.00 | | | | | | | | | | | | | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | | 0.00 | 0.0 | 3,090.00 | 3,090.00 |
| APPROP. 0.00 BUDGET: 0.00 | | | | | | | | | | | | | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | | 0.00 | 0.0 | 3,090.00 | 3,090.00 |
| APPROP. 6,180.00 | | | | | | | | | | | | | |
| 5 | NB | 06/08/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | | 0.00 | 0.0 | 3,090.00 | 3,090.00 |
| BUDGET: 3,090.00 | | | | | | | | | | | | | |
| 07-62-401-304 MEETINGS, TRAVEL, CONFERENCES 07-401-304 | | | | | | | | | APPROP: | 10,000.00 | BUDGET: | 5,000.00 | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | | | 0.00 | 0.0 | 5,000.00 | 5,000.00 |
| APPROP. 10,000.00 BUDGET: 10,000.00 | | | | | | | | | | | | | |

VILLAGE OF WILLOWBROOK
EXPENDITURE ACCOUNT INQUIRY

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|--|----|-----------|-------------------------------------|----------|---------|----------|----------|-----------|-----------|----------|----------|
| MO | JL | DATE | NUMBER | DATE | NUMBER | LIQUID. | EXPEND. | BALANCE | PRCT. | BALANCE | BALANCE |
| 07-62-401-304 MEETINGS, TRAVEL, CONFERENCES 07-401-304 | | | | | | | APPROP: | 10,000.00 | | BUDGET: | 5,000.00 |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | 0.00 | 0.0 | 5,000.00 | 5,000.00 |
| | | | | | | | | | | | |
| APPROP. 0.00 BUDGET: 0.00 | | | | | | | | | | | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | 0.00 | 0.0 | 5,000.00 | 5,000.00 |
| | | | | | | | | | | | |
| APPROP. 10,000.00 | | | | | | | | | | | |
| 5 | CD | 05/24/11 | PEC TRUSTEE PRG | 05/02/11 | 77572 | | 750.00 | 750.00 | 15.0 | 4,250.00 | 4,250.00 |
| | | | | | | | | | | | |
| I.P.P.F.A. (963) | | | | | | | | | | | |
| MEETINGS, TRAVEL, CONFERENCES 07-401-304 | | | | | | | | | | | |
| 5 | NB | 06/08/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | 750.00 | 15.0 | 4,250.00 | 4,250.00 |
| | | | | | | | | | | | |
| BUDGET: 5,000.00 | | | | | | | | | | | |
| 07-62-401-307 FEES DUES SUBSCRIPT 07-401-307 | | | | | | | APPROP: | 1,800.00 | | BUDGET: | 900.00 |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | 0.00 | 0.0 | 900.00 | 900.00 |
| | | | | | | | | | | | |
| APPROP. 1,800.00 BUDGET: 1,800.00 | | | | | | | | | | | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | 0.00 | 0.0 | 900.00 | 900.00 |
| | | | | | | | | | | | |
| APPROP. 0.00 BUDGET: 0.00 | | | | | | | | | | | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | 0.00 | 0.0 | 900.00 | 900.00 |
| | | | | | | | | | | | |
| APPROP. 1,800.00 | | | | | | | | | | | |
| 5 | NB | 06/08/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | 0.00 | 0.0 | 900.00 | 900.00 |
| | | | | | | | | | | | |
| BUDGET: 900.00 | | | | | | | | | | | |
| 07-62-401-531 FILING FEE STATE 07-401-531 | | | | | | | APPROP: | 5,000.00 | | BUDGET: | 2,500.00 |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | 0.00 | 0.0 | 2,500.00 | 2,500.00 |
| | | | | | | | | | | | |
| APPROP. 5,000.00 BUDGET: 5,000.00 | | | | | | | | | | | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | 0.00 | 0.0 | 2,500.00 | 2,500.00 |
| | | | | | | | | | | | |
| APPROP. 0.00 BUDGET: 0.00 | | | | | | | | | | | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | 0.00 | 0.0 | 2,500.00 | 2,500.00 |
| | | | | | | | | | | | |
| APPROP. 5,000.00 | | | | | | | | | | | |
| 5 | CD | 05/24/11 | F36964 | 05/02/11 | 77560 | | 2,491.46 | 2,491.46 | 99.7 | 8.54 | 8.54 |
| | | | | | | | | | | | |
| DIVISION OF INSURANCE (476) | | | | | | | | | | | |
| FILING FEE STATE 07-401-531 | | | | | | | | | | | |
| 5 | NB | 06/08/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | 2,491.46 | 99.7 | 8.54 | 8.54 |
| | | | | | | | | | | | |
| BUDGET: 2,500.00 | | | | | | | | | | | |
| 07-62-401-543 EXAMS - PHYSICAL 07-401-543 | | | | | | | APPROP: | 4,000.00 | | BUDGET: | 2,000.00 |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | 0.00 | 0.0 | 2,000.00 | 2,000.00 |
| | | | | | | | | | | | |
| APPROP. 4,000.00 BUDGET: 4,000.00 | | | | | | | | | | | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | 0.00 | 0.0 | 2,000.00 | 2,000.00 |
| | | | | | | | | | | | |
| APPROP. 0.00 BUDGET: 0.00 | | | | | | | | | | | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | 0.00 | 0.0 | 2,000.00 | 2,000.00 |
| | | | | | | | | | | | |
| APPROP. 4,000.00 | | | | | | | | | | | |
| 5 | NB | 06/08/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | 0.00 | 0.0 | 2,000.00 | 2,000.00 |
| | | | | | | | | | | | |
| BUDGET: 2,000.00 | | | | | | | | | | | |
| 07-62-401-599 OTHER EXPENSES 07-401-599 | | | | | | | APPROP: | 2,000.00 | | BUDGET: | 1,000.00 |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | 0.00 | 0.0 | 1,000.00 | 1,000.00 |
| | | | | | | | | | | | |
| APPROP. 2,000.00 BUDGET: 2,000.00 | | | | | | | | | | | |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | 0.00 | 0.0 | 1,000.00 | 1,000.00 |
| | | | | | | | | | | | |
| APPROP. 0.00 BUDGET: 0.00 | | | | | | | | | | | |

VILLAGE OF WILLOWBROOK
EXPENDITURE ACCOUNT INQUIRY

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| MO | JL | DATE | NUMBER | DATE | NUMBER | LIQUID. | EXPEND. | BALANCE | PRCT. | BALANCE | BALANCE |
| 07-62-401-599 OTHER EXPENSES 07-401-599 | | | | | | | APPROP: | 2,000.00 | | BUDGET: | 1,000.00 |
| 5 | NB | 06/03/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | 0.00 | 0.0 | 1,000.00 | 1,000.00 |
| | | | APPROP. 2,000.00 | | | | | | | | |
| 5 | NB | 06/08/11 | ** NEW BUDGET APPROVED & UPDATED ** | | | | | 0.00 | 0.0 | 1,000.00 | 1,000.00 |
| | | | BUDGET: 1,000.00 | | | | | | | | |

WILLOWBROOK POLICE PENSION FUND INVESTMENT POLICY

PURPOSE AND OBJECTIVE

The investment of pension funds is the responsibility of the members of the Board of Trustees of the Willowbrook Police Pension Fund (Pension Board). The purpose of this investment policy is to indicate a conscious, formal effort by the Pension Board to develop, implement and monitor the investment of pension funds. It shall be considered an important means to communicate the Pension Board's policy views on management of pension funds to the public, participants, and beneficiaries of the Willowbrook Police Pension Fund (Fund).

The Pension Board has a fiduciary responsibility to discharge their duties with respect to the pension fund solely in the interest of the participants and beneficiaries as set forth in the Illinois Pension Code at 40 ILCS 5/1-109.

Safety of principal is the foremost objective of the Pension Fund. Each investment transaction shall seek to first ensure that large capital losses are avoided whether they are from securities defaults or erosion of market value. The Pension Board seeks to attain market rates of return on its investments consistent with constraints imposed by its safety objectives, cash flow considerations and Illinois state laws that restrict the placement of public funds.

All participants in the investment process shall seek to act prudently as custodians of pension funds. Investment officials shall avoid any transactions that might reasonably impair Fund participant's confidence in the Pension Board's ability to manage the Fund.

The assets shall be sufficiently liquid to meet the Fund's disbursement requirements for the payment of operating expenses and benefits.

RESPONSIBILITY

Management of the investment program is the responsibility of the Pension Fund Board of Trustees. No person may engage in an investment transaction except as provided under terms of this policy established by the Pension Board. The Pension Board may appoint an investment manager (as defined in 40 ILCS 5/1 - 101.4) to assist in the management of the investment program. Any such appointment shall be made in accordance with the requirements of Section 1-113.5 of the Illinois Pension Code (40 ILCS 5/1-113.5). The investment manager shall acknowledge, in writing, that it is a fiduciary with respect to the Pension Fund. Any such written agreement shall be attached to this policy.

The Pension Board will meet with the investment manager at least quarterly to review market conditions, review the investment portfolio, and determine investment strategy. The Treasurer of the Pension Fund is responsible for ensuring that all investment transactions undertaken are consistent with the Fund's investment strategy.

PRUDENCE

Investments shall be made with judgment and care, under circumstances prevailing, which person of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return. The standards of prudence to be used by investment officials shall be the “Prudent Person” and shall be applied in the context of managing the portfolio.

PROHIBITED TRANSACTIONS

A Fiduciary with respect to the Fund shall not:

1. Deal with the assets of the Fund in their own interests or for their own account.
2. In their individual or other capacity act in any transaction involving the Fund on behalf of a party whose interests are adverse to the interests of the Fund or the interests of its participants or beneficiaries.
3. Receive any consideration for their own personal account from any party dealing with the Fund in connection with a transaction involving the assets of the Fund.

INVESTMENT INSTRUMENTS

The Fund may invest in any type of investment instrument permitted by Illinois law, as described in Chapter 40 of the Illinois Compiled Statutes, 40 ILCS 5/1-113.1 through 113.4. Permitted investment instruments include, but are not limited to:

1. Interest bearing direct obligations of the United States of America.
2. Interest bearing obligations to the extent that they are fully guaranteed or insured as to payment of principal and interest by the United States of America.
3. Interest bearing bonds, notes, debentures, or other similar obligations of agencies of the United States of America. For the purposes of this section, “Agencies of the United States of America” include:
 - a. The Federal National Mortgage Association and the Student Loan Marketing Association
 - b. Federal Land Banks, Federal Intermediate Credit Banks, Federal Farm Credit Banks, and any other entity authorized to issue direct debt obligations of the United States of America under the Farm Credit Act of 1971 or amendments to that Act

- c. Federal Home Loan Banks and the Federal Home Loan Mortgage Corporation
 - d. Any agency created by Act of Congress that is authorized to issue direct debt obligations of the United States of America.
4. Interest bearing savings accounts or certificates of deposit, issued by federally chartered banks or savings and loan associations, or by State of Illinois chartered banks or savings and loan associations, to the extent that the deposits are insured by agencies or instrumentalities of the federal government.
 5. Interest bearing bonds of the State of Illinois.
 6. Pooled interest bearing accounts managed by the Illinois Public Treasurer's Investment Pool in accordance with the Deposit of State Moneys act, interest bearing funds or pooled accounts of the Illinois Metropolitan Investment Funds, and interest bearing funds or pooled accounts managed, operated, and administered by banks, subsidiaries of banks, or subsidiaries of bank holding companies in accordance with the law of the State of Illinois.
 7. Interest bearing bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois.
 8. Direct obligations of the State of Israel.
 9. Money Market Mutual Funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies; provided that the portfolio of the money market mutual fund is limited to:
 - a. Bonds, notes, certificates of indebtedness, treasury bills, or other securities that are guaranteed by the full faith and credit of the United States of America as to principal and interest.
 - b. Bonds, notes, debentures, or other similar obligations of the United States of America or its agencies.
 - c. Short term obligations of corporations organized in the United States with assets exceeding \$400,000,000, provided that i) the obligations mature no later than 180 days from the date of purchase, ii) at the time of purchase, the obligations are rated by at least 2 standard national rating services at one of their 3 highest classifications, and iii) the obligations held by the mutual fund do not exceed 10% of the corporation's outstanding obligations.
 10. Separate accounts that are managed by life insurance companies authorized to transact business in Illinois and are comprised of diversified portfolios consisting of common or preferred stock, bonds or money market instruments or mutual funds that meet the following requirements:

- a. The mutual fund must be managed by an investment company registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953.
- b. The mutual fund must have been in operation for at least 5 years.
- c. The mutual fund must have total net assets of \$250,000,000 or more.
- d. The mutual fund must be comprised of a diversified portfolio of common or preferred stocks, bonds, or money market instruments.

If the pension fund has assets less than \$2,500,000, the investment in item #10 is not to exceed 10% of the portfolio of the market value of the pension fund's net present assets stated in its most recent annual report on file with the Illinois Department of Insurance.

- 11. Corporate bonds, managed through an investment advisor, and the bonds meet the following requirements:
 - a. The bonds must be rated as investment grade by one of the two largest rating services at the time of purchase.
 - b. If subsequently downgraded below investment grade, the bonds must be liquidated from the portfolio within 90 days after being downgraded by the manager.
- 12. A pension fund with net assets of \$2,500,000 or more, may invest in separate accounts that are managed by life insurance companies authorized to transact business in Illinois and are comprised of diversified portfolios consisting of common or preferred stock, bonds or money market instruments or mutual funds that meet the following requirements:
 - a. The mutual fund must be managed by an investment company registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953.
 - b. The mutual fund must have been in operation for at least 5 years.
 - c. The mutual fund must have total net assets of \$250,000,000 or more.
 - d. The mutual fund must be comprised of a diversified portfolio of common or preferred stocks, bonds, or money market instruments.
- 13. A pension fund with net assets of \$5,000,000 or more and has appointed an investment adviser under Section 1-113.5, may invest in common and preferred stocks that meet the following requirements:
 - a. The common stocks must be listed on a national securities exchange or board of trade (as defined in the Federal Securities Exchange Act of 1934 and set forth in paragraph G of Section 3 of the Illinois Securities Law of 1953) or quoted in the National Association of Securities Dealers Automated Quotation System National Market System.

- b. The securities must be of a corporation in existence for at least 5 years.
- c. The market value of stock in any one corporation may not exceed 5% of the cash and invested assets of the pension fund, and the investments in the stock of any one corporation may not exceed 5% of the total outstanding stock of that corporation.
- d. The straight preferred stocks or convertible preferred stocks must be issued or guaranteed by a corporation whose common stock qualifies for investment by the board.

14. If the Fund has net assets of \$10,000,000 or more and has appointed an investment adviser under Sections 1-101.4 and 1-113.5, it may, through that investment adviser, invest an additional portion of its assets in common and preferred stocks and mutual funds that meet all of the following requirements:

These stocks must meet all of the following requirements:

- a. The common stocks must be listed on a national securities exchange or board of trade (as defined in the Federal Securities Exchange Act of 1934 and set forth in paragraph G of Section 3 of the Illinois Securities Law of 1953) or quoted in the National Association of Securities Dealers Automated Quotation System National Market System.
- b. The securities must be of a corporation in existence for at least 5 years.
- c. The market value of stock in any one corporation may not exceed 5% of the cash and invested assets of the pension fund, and the investments in the stock of any one corporation may not exceed 5% of the total outstanding stock of that corporation.
- d. The straight preferred stocks or convertible preferred stocks must be issued or guaranteed by a corporation whose common stock qualifies for investment by the board.

These mutual funds must meet the following requirements:

- a. The mutual fund must be managed by an investment company registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953.
- b. The mutual fund must have been in operation for at least 5 years.
- c. The mutual fund must have total net assets of \$250,000,000 or more.
- d. The mutual fund must be comprised of a diversified portfolio of common or preferred stocks, bonds, or money market instruments.

The Fund's total investment in the items authorized under Sections 10, 12, 13 & 14 shall not exceed 45% prior to June 30, 2011, 50% effective July 1, 2011 and 55% effective July 1, 2012 of the market value of the pension fund's net present assets stated in its most recent annual report on file with the Illinois Department of Insurance.

The Board of Trustees may register the investments of the Fund in the name of the Pension Fund, in the nominee name of a bank or trust company authorized to conduct trust business in Illinois, or in the nominee name of the Illinois Public Treasurer's Investment Pool.

PERFORMANCE MEASUREMENTS

Performance will be calculated using professional standards as established by the Association for Investment Management Research. The Pension Board shall utilize the following benchmarks for evaluating the Fund's performance:

| <u>Application</u> | <u>Benchmark</u> |
|---|--|
| Cash Equivalents | 90 - day U.S. Treasury Bills |
| Fixed Income (excludes Corporate Bonds) | B of A Merrill Lynch Treasury/Agency Index |
| Corporate Bond | B of A Merrill Lynch 1-10 Year Corporate |
| Large Capitalization Equities | Standard & Poor's 500 Stock Index |
| Mid Capitalization Equities | Standard & Poor's 400 Stock Index |
| Small Capitalization Equities | Russell 2000 Stock Index |
| International Equities (includes developed and emerging markets) | Morgan Stanley Capital International Europe/Australia/Far East Index |

CONTROLS

The Fund maintains its books and records in conformance with generally accepted accounting principles. The internal controls shall be established by the Treasurer and reviewed by the Pension Board and an independent auditor. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees and officers of the Pension Board.

DIVERSIFICATION / STRATEGY

Fixed Income:

The average maturity/duration of the portfolio will be managed based upon the current existing interest rate environment. Under most circumstances the maturity/modified duration of the portfolio will be maintained at approximately 5.0 years and will range from 2.0 years to 7.0 years. This type of strategy will result in increasing the maturity/duration of the portfolio when interest rates are rising and decreasing the maturity/duration of the portfolio if interest rates are

declining. The investment manager may change the duration of the portfolio as the market conditions permit.

The allocation guidelines, by asset class, for the fixed income investments are as follows:

| | <u>Target Allocation</u> ³ | <u>Range of Allocation</u> |
|--|---|--------------------------------|
| Cash, Money Market, IPTIP accounts: ¹ | 0% | 0 - 10% |
| Bank Certificates of Deposit: ² | 0% | 0 - 10% |
| U.S. Treasury Securities: | 10% | 0 - 40% |
| U.S. Government Agency Securities: | 50% | 0 - 75% |
| U.S. Government Agency MBS's: | 0% | 0 - 20% |
| Taxable Municipal Securities: | 10% | 0 - 20% |
| Corporate Bonds: | 30% | 0 - 50% |

Notes:

1. Cash will be maintained to manage cash flow of the Fund or as a transition asset.
2. Bank certificates of deposit will only be used if market returns are favorable. They will be used as a substitute for the Treasury and Agency portion of the portfolio.
3. Under normal market conditions the structure of the portfolio will be within these limits; however the portfolio manager may diverge from the above suggestions due to abnormal market conditions.

Equities:

Once the fund reaches the equity allocation approved by the Board and permitted by law, normal asset allocation range for equity portfolio allocation weightings should be:

| | <u>Target Allocation</u> | <u>Range of Allocation</u> |
|-------------------------------|------------------------------|--------------------------------|
| U.S. Large Company Stocks | 55% | 0-75% |
| U.S. Mid-Sized Company Stocks | 10% | 0-15% |
| U.S. Small Company Stocks | 10% | 0-20% |
| Foreign Stocks | 15% | 0-25% |
| Real Estate | 5% | 0-10% |
| Alternative Investment | 5% | 0-20% |

Portfolio allocations should be rebalanced at least annually at the end of the fiscal year or when the portfolio allocation to equities rises above the limit established and confirmed at each board meeting.

COLLATERALIZATION - It is the policy of the Fund to require that all deposits in excess of FDIC insurable limits (applies to bank Certificates of Deposit) be secured by collateral in order to protect deposits from default.

1. Eligible collateral instruments and collateral ratios (market value divided by deposit) are as follows:

- | | | |
|----|--|--------|
| a. | U.S. Government Securities | = 110% |
| b. | Obligations of Federal Agencies | = 115% |
| c. | Obligations of the State of Illinois | = 115% |
| d. | Local and Municipal Bonds rated "A" or better by Moody's | = 115% |

The ratio of fair market value of collateral to the amount of funds secured shall be reviewed at least quarterly and additional collateral shall be requested when the ratio declines below the level required.

2. Safekeeping of collateral

a) Third party safekeeping is required for all collateral. To accomplish this, the securities can be held at the following locations:

1. A Federal Reserve Bank or branch office.
2. At another custodial facility - generally in a trust department through book-entry at the Federal Reserve, unless physical securities are involved. If physical securities are involved, at a third party depository in a suitable vault and insured against loss by fire, theft and similar causes.

b) Safekeeping of collateral shall be documented by a written agreement approved by the Treasurer. This may be in the form of a safekeeping agreement, trust agreement, escrow agreement or custody agreement.

c) Substitution or exchange of securities held in safekeeping as collateral may occur without prior written notice to the Treasurer provided that the market value of the replacement securities are equal to or greater than the market value of the securities being replaced. The Treasurer shall be notified in writing within two days of all substitutions.

CUSTODY AND SAFEKEEPING OF INVESTMENTS

1. Third party safekeeping is required for all securities owned by the Fund. To accomplish this, the securities shall be held in a trust department through book-entry at the Depository Trust Company.

2. Safekeeping shall be documented by an approved written agreement. The agreement may be in the form of a safekeeping agreement, trust agreement, escrow agreement or custody

agreement. Fees for this service shall be mutually agreed upon by the Pension Board and the safekeeping bank.

ETHICS AND CONFLICTS OF INTEREST

Any fiduciary with respect to the Fund shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

INDEMNIFICATION

Pension Board members, investment officers, and the Treasurer acting in accordance with this Investment Policy and such written procedures as have been or may be established, in relation thereto, and exercising due diligence, shall be relieved of personal liability for an individual security's credit risk or market changes.

REPORTING

On a monthly basis, the Treasurer shall submit to the Pension board an investment report which shall describe the portfolio in terms of investment securities, maturity, cost, transactions and earnings for the current period. The Treasurer shall also submit a comprehensive annual report on the investment program and activity.

MEETING SCHEDULE

The Board shall schedule periodic meetings for the purposes of portfolio and investment performance review. Special meetings may be called as needed to conduct the business of the pension Board.

AUDIT

The Fund is subject to periodic examination by the Illinois Department of Insurance.

DEFINITIONS

Beneficiary - person eligible for or receiving benefits from a pension fund.

Book Entry Security - securities that can be transferred from institution to institution using the federal electronic wire system, thus eliminating the physical transfer of certificates. Records are maintained on a computer system at the Federal Reserve.

Collateral - the pledging of a security to guarantee performance of an obligation.

Commercial Paper - unsecured promissory notes of corporations issued for 270 days or less.

Fiduciary - person entrusted with the control of assets for the benefit of others.

Investment Manager - an individual or organization that provides investment management services for a fee, either on a discretionary or nondiscretionary basis. Under Illinois law, an investment manager is considered a fiduciary with respect to the Fund.

IL Funds (also known as the Illinois Public Treasurers' Investment Pool) - a short-term money market fund for public funds in Illinois.

Market Value - the present price of a given security.

B of A Merrill Lynch Corporate 1-10 Year Index - benchmark index based upon publicly issued intermediate corporate debt securities.

B of A Merrill Lynch Treasury Index - benchmark index that quantifies the price and yield performance of all U.S. Treasury obligations with a maturity of at least one year and an outstanding par value of at least \$100 million. The securities comprising the index are rebalanced on a daily basis.

B of A Merrill Lynch US Treasury/Agency Index: The U.S. Government/Agency Index tracks the performance of the combined U.S. Treasury and U.S. Agency Markets. It includes U.S. dollar- denominated U.S. Treasury and U.S. Agency Bonds, issued in the U.S. domestic bond market, having at least one year remaining term to maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 Billion for U.S. Treasuries and \$150 Million for U.S. Agencies. The index is re-balanced on the last calendar day of the month.

Morgan Stanley Capital International (EAFE) - Indices are based on the share prices of approximately 1,600 companies listed on stock exchanges in the twenty-two countries that make up the MSCI National Indices.

Return - the profit or interest as payment for investment.

Russell 2000 Stock Index - is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 11% of the Russell 3000 total market capitalization. The Index was developed with a base value of 135.00 as of December 31, 1986.

Security - any note, stock, bond, certificate of interest or certificate of deposit.

Separate Account - term used of variable annuities. Because the risk is borne by the investor in a variable annuity, the issuer may not commingle funds invested in the variable annuity with the general funds of the issuer.

Standard & Poor's 400 Midcap Stock Index – is comprised of 400 stocks chosen for market size, liquidity and industry group representation. All stocks within the S & P 500 are not eligible for inclusion.

Standard & Poor's 500 Stock Index - is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index was developed with a base level of 10 for the 1941-43 base period.

Treasury Bill - short-term debt obligation of U.S. government which will mature within ten years at the time of original issuance.

Treasury Bond - longer debt obligations of U.S. government which will mature in ten years or longer at the time of original issuance.

Yield - percentage measured by taking annual interest from an investment and dividing by current market value.

AMENDMENT

The Board shall review this Policy periodically to ensure its effectiveness in meeting the Pension Fund's needs for safety, liquidity, rate of return, and diversification, and its general performance. Any changes shall be presented to the Pension Board for its approval. Whenever this policy is amended, the Board shall file a copy of the new policy with the Illinois Department of Insurance within thirty (30) days.

CONFLICT

In the event of any conflict between this Policy and the Illinois Compiled Statutes or case decisions of the State of Illinois, the Statutes and case law decisions shall govern.

FILING OF POLICY; PUBLIC AVAILABILITY

The Board shall file this policy with the Illinois Department of Insurance within thirty (30) days of its adoption. The Board shall make a copy of this Policy available to the public at the main administrative office of the Pension Fund.

ADOPTION

Adopted by the Willowbrook Police Pension Fund Board of Trustees, as amended, on this day of _____, 2011.

President

Trustee

Secretary

Trustee

Treasurer

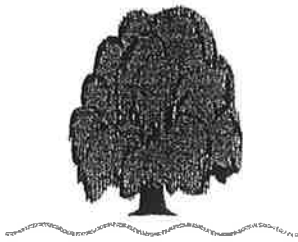
Trustee

04/2011

RETIRED POLICE CHIEF RICHARD KLEVEN

TIMELINE

| | |
|------------------|---|
| January 21, 2011 | Chief Shelton notified by Ruth Kleven that Chief Kleven had passed away. |
| January 25, 2011 | First letter sent offering condolences from the Pension Board and requesting death certificate and signed tax forms. |
| March 23, 2011 | Second letter sent requesting death certificate and signed tax forms. |
| April 27, 2011 | Information provided to Pension Board regarding failure to return requested documents. |
| May 4, 2011 | Third letter sent requesting death certificate and signed tax forms. Letter stated that failure to do so will result in suspension of pension payments. Letter sent certified and by standard mail. |
| May 7, 2011 | Certified letter signed for by daughter, Cindy Kleven. |
| June 30, 2011 | Still no receipt of requested documents. |



Village of Willowbrook

7760 Quincy Street
Willowbrook, IL 60527-5594

Phone: (630) 323-8215 • Fax: (630) 323-0787 • www.willowbrookil.org

January 25, 2011

Mrs. Ruth Kleven

Village President

Robert A. Napoli

Village Clerk

Leroy R. Hansen

Village Trustees

Dennis Baker

Umberto Davi

Terrence Kelly

Michael Mistele

Sandra O'Connor

Paul Schoenbeck

Dear Mrs. Kleven:

It is with deepest sympathy to hear of the passing of your husband, Richard. The Willowbrook Police Pension Board was notified of your request to change from a regular pension to a surviving spouse pension. Enclosed is a copy of the revised pension calculation.

Please note that the monthly benefit payment will remain at \$3,209.37. The total payment for the month of January 2011 will remain at \$3,209.37 but we are required to split the payment between the regular pension amount of \$2,174.09 for 21 days in Richard's name and the surviving spouse pension amount of \$1,035.28 for 10 days in your name. We will be sending separate payments to the bank account we have on file. This will ensure that accurate 1099-R's are issued at the end of 2011.

Also, when you have it available, could you please provide a copy of Richard's death certificate for our pension file.

If you have any questions or concerns, please feel free to contact me at 630-325-2808.

Sincerely,

Officer Tim Kobler
Willowbrook Police Pension Fund
Vice President

Enclosure

CC: Willowbrook Police Pension Board
Richard Kleven-Pension File



Village of Willowbrook

7760 Quincy Street
Willowbrook, IL 60527-5594

Phone: (630) 323-8215 • Fax: (630) 323-0787 • www.willowbrookil.org

March 23, 2011

Village President

Robert A. Napoli

Village Clerk

Leroy R. Hansen

Mrs. Ruth Kleven

Dear Mrs. Kleven:

On behalf of the Willowbrook Police Pension Board, I hope that this letter finds you well. As a reminder, I am sending another copy of the W-4P, Withholding Certificate, which needs to be filled out for tax purposes. Please fill this form out and return in the enclosed, self-addressed, stamped envelope as soon as possible.

Also, will you please provide a copy of Richard's death certificate for our pension file.

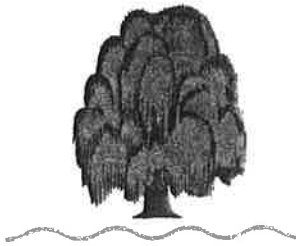
If you have any questions or concerns, please feel free to contact me at 630-325-2808.

Sincerely,

Officer Tim Kobler
Willowbrook Police Pension Fund
Vice President

Enclosure

CC: Willowbrook Police Pension Board
Richard Kleven-Pension File



Village of Willowbrook

7760 Quincy Street
Willowbrook, IL 60527-5594

Phone: (630) 323-8215 • Fax: (630) 323-0787 • www.willowbrookil.org

Village President

Robert A. Napoli

Village Clerk

Leroy R. Hansen

Memo To: Willowbrook Police Pension Board

From: Tim Kobler, Vice President

Subject: Richard Kleven

Date: April 12, 2011

As most of you know, former police chief, Richard Kleven, passed away in January of this year. As noted in the expenditures, his widow is now receiving his monthly pension of \$3,209.37. Per statute, this payment will no longer increase.

Attached are copies of two letters that were sent to Ruth Kleven pertaining to requested information that is required for tax purposes. As of this date, the Pension Board has still not received them.

TK/cs
Attachments



Village of Willowbrook

7760 Quincy Street
Willowbrook, IL 60527-5594

Phone: (630) 323-8215 • Fax: (630) 323-0787 • www.willowbrookil.org

May 4, 2011

Sent via Certified Mail

THIRD NOTICE

Village President

Robert A. Napoli

Village Clerk

Leroy R. Hansen

Mrs. Ruth Kleven

Dear Mrs. Kleven:

On behalf of the Willowbrook Police Pension Board, I again hope that this letter finds you well. As a reminder, I am sending another copy of the W-4P, Withholding Certificate, which needs to be filled out for tax purposes. Please fill this form out and return in the enclosed, self-addressed, stamped envelope by May 17, 2011 to avoid any disruption that may occur with your pension payments.

Also, include a copy of Richard's death certificate for our pension file.

PLEASE NOTE THAT IN THE EVENT THAT WE DO NOT HAVE A RESPONSE FROM YOU BY MAY 31, 2011, PAYMENTS OF YOUR PENSION BENEFITS WILL BE SUSPENDED, PENDING RECEIPT OF THE REQUESTED DOCUMENTS.

If you have any questions or concerns, you may contact me at 630-325-2808.

Sincerely,

Officer Tim Kobler
Willowbrook Police Pension Fund
Vice President

Enclosure

CC: Willowbrook Police Pension Board
Richard Kleven-Pension File

MEMORANDUM

From: John Broihier

To: Cindy Stuchl

May 16, 2011

Re: Pension Fund Questions

Cindy:

I'm writing in response to the questions you posed by e mail on Friday. The first question has to do with the calculation of an officer's pension in the event that officer is reduced in rank due to the possible restructuring of the rank order within the department. The employee would be reverting to a patrol officer's position from the higher rank of commander/sergeant. Section 3-111 (a) of the Illinois Pension Code ((40 ILCS 5/3-111(a)) provides in part, as follows:

"A police officer age 50 or more with 20 or more years of creditable service, who is not a participant in the self-managed plan under Section 3-109.3 and who is no longer in service as a police officer, shall receive a pension of ½ of the salary attached to the rank held by the officer on the police force for one year immediately prior to retirement or, beginning July 1, 1987, for persons terminating service after that date, the salary attached to the rank held on the last day of service or for one year prior to the last day whichever is greater. ..."

The officer has the option of choosing to have his pension based on the salary level of the rank he occupies prior to taking his pension or it can be based upon his total salary for the entire year prior to his becoming a pensioner, whichever is greater. Obviously, his pension is adjusted upward incrementally for each year of service beyond the basic 20 years up to 30 years of service.

In answer to your second question, if an employee has 6 years of military reserve time, how much can be purchased back towards creditable service time for pension purposes, the applicable pension code contemplates two scenarios—1) military service incurred prior to employment as a police officer with your department; and, 2) military service incurred after the employee's employment as a member of the department. In this instance, you indicated that the individual involved was concerned about his military service prior to his employment with the department. As of July 23, 2010, P. A. 96-1260, became effective and allows a police officer to obtain credit for military service incurred prior to his employment as a police officer. The controlling language can be found in 40 ILCS 5/3-110(b-5) which provides in part, as follows:

"Creditable service includes all periods of service in the military, naval, or air forces of the United States entered upon before beginning service as an active police officer of a municipality, provided that, in accordance with the rules of the board, the

police officer pays into the fund the amount the police officer would have contributed if he or she had been a regular contributor during such period, plus an amount the determined by the Board to be equal to the municipality's normal cost of the benefit, plus interest at the actuarially assumed rate calculated from the date the employee last became a police officer under this Article. The total amount of such creditable service shall not exceed 2 years."

I am sending, by facsimile, a six page guideline prepared by the Illinois Department of Insurance, which explains in detail how to calculate the amount required by the officer to include his pre-employment military service as part of his pension benefit. Even though the officer is seeking credit for 6 years of service, he is limited by the statute to, at most, 2 years of creditable service provided he pays into the fund the costs identified above.

I hope this has been helpful. If you wish to discuss this in more detail, just contact me.

John Broihier

FAX TRANSMISSION

Law Office of J. C. Broihier
931 W 75th Street, Suite 137-272
Naperville, Illinois 60565
Tel. No.: 630 470 9774
Fax: 630 470 9774

To: Cindy Stuchl Date: May 16, 2011.
Fax #: 1 630 323 7915 Pages: 9 including this cover
From: John Broihier sheet.

Subject: Creditable Service Pre-employment Military Service

Comment:

Cindy,

Hope the following is helpful.

John Broihier

MEMORANDUM

From: John Broihier

To: Cindy Stuchl

May 16, 2011

Re: Pension Fund Questions

Cindy:

I'm writing in response to the questions you posed by e mail on Friday. The first question has to do with the calculation of an officer's pension in the event that officer is reduced in rank due to the possible restructuring of the rank order within the department. The employee would be reverting to a patrol officer's position from the higher rank of commander/sergeant. Section 3-111 (a) of the Illinois Pension Code ((40 ILCS 5/3-111(a)) provides in part, as follows:

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The officer has the option of choosing to have his pension based on the salary level of the rank he occupies prior to taking his pension or it can be based upon his total salary for the entire year prior to his becoming a pensioner, whichever is greater. Obviously, his pension is adjusted upward incrementally for each year of service beyond the basic 20 years up to 30 years of service.

In answer to your second question, if an employee has 6 years of military reserve time, how much can be purchased back towards creditable service time for pension purposes, the applicable pension code contemplates two scenarios—1) military service incurred prior to employment as a police officer with your department; and, 2) military service incurred after the employee's employment as a member of the department. In this instance, you indicated that the individual involved was concerned about his military service prior to his employment with the department. As of July 23, 2010, P. A. 96-1260, became effective and allows a police officer to obtain credit for military service incurred prior to his employment as a police officer. The controlling language can be found in 40 ILCS 5/3-110(b-5) which provides in part, as follows:

"Creditable service includes all periods of service in the military, naval, or air forces of the United States entered upon before beginning service as an active police officer of a municipality, provided that, in accordance with the rules of the board, the

police officer pays into the fund the amount the police officer would have contributed if he or she had been a regular contributor during such period, plus an amount the determined by the Board to be equal to the municipality's normal cost of the benefit, plus interest at the actuarially assumed rate calculated from the date the employee last became a police officer under this Article. The total amount of such creditable service shall not exceed 2 years."

I am sending, by facsimile, a six page guideline prepared by the Illinois Department of Insurance, which explains in detail how to calculate the amount required by the officer to include his pre-employment military service as part of his pension benefit. Even though the officer is seeking credit for 6 years of service, he is limited by the statute to, at most, 2 years of creditable service provided he pays into the fund the costs identified above.

I hope this has been helpful. If you wish to discuss this in more detail, just contact me.

John Broihier



Illinois Department of Insurance

The Siren

Toll Free 1-800-207-6958

Fax 217-524-5978

Pat Quinn
Governor

December 1, 2010

Michael T. McRath
Director
Department of Insurance

Legislative Update Police Pension Funds

Update Update Update **Public Act 096-1260** Update Update Update
Senate Bill 3022 signed into law July 23, 2010
Effective July 23, 2010

Additions to Illinois Law:

Public Act 096-1260/SB 3022 provides that Article 3 police officers may receive credit for military service served prior to employment by a municipality, 40 ILCS 5/3-110 (b-5) (new). The new law allows an Article 3 police officer to receive creditable service in the pension fund, not exceeding 2 years, for military service served prior to employment as an active police officer of a municipality.

(40 ILCS 5/3-110 (b-5))

(b-5) Creditable service includes all periods of service in the military, naval, or air forces of the United States entered upon before beginning service as an active police officer of a municipality, provided that, in accordance with the rules of the board, the police officer pays into the fund the amount the regular contributor during such period, plus an amount determined by the Board to be equal to the municipality's normal cost of the benefit, plus interest at the actuarially assumed rate calculated from the date the employee last became a police officer under this Article. The total amount of such creditable service shall not exceed 2 years.

Synopsis:

Public Act 096-1260/SB 3022 amends Article 3 of the Illinois Pension Code, providing a police officer the opportunity to receive no more than 2 years of creditable service time in the police officer's pension fund for time served in the military, naval, or air forces of the United States prior to employment by the municipality as an active police officer.

Due to the lack of statutory clarity and documented legislative guidance, the Illinois Department of Insurance Legal Division is unable to provide definitive interpretive assistance to the Public Pension Division with regard to Public Act 096-1260. The Illinois Department of Insurance is working with the General Assembly to clarify this Act.

The following guidance for implementing this Act is based upon a related provision governing the purchase of military service set forth in Article 4 of the Pension Code and is furnished to assist the Article 3 pension funds until further statutory guidance is provided.

The police officer must be in active service as a police officer on or after July 23, 2010.

The police officer is required to make written application to the police officer's pension fund to receive credit for the service in the military, naval, or air forces of the United States. Discharge papers or separation documents, the DD Form 214, Certificate of Release or Discharge from Active Duty, or a similar form, should be provided to the pension fund board as proof of service in the military, naval, or air forces of the United States.

The police pension fund should make rules on the manner in which the police officer is to pay the appropriate amount for the purchase of military service to the pension fund.

The police officer must make contributions to the police officer's pension fund equal to:

- i) the amount the police officer would have contributed if he or she would have been a regular contributor during the period of time, plus ii).

The employee contributions are to be based on the rates during the applicable number of months immediately prior to the date of membership in the police pension fund. The date of membership in the fund is the date of membership in the police officer's current pension fund. The salary to be used in computing the contributions is the salary of the police officer on the date of membership in the pension fund.

- ii) an amount determined by the pension fund board to be equal to the employer normal cost of the benefits accrued for that military service, plus iii).

The salary to be used in computing this amount is the same salary used to compute the employee contributions under item i), the salary at time of membership in the fund. The employer normal cost amount as a percentage of salary is and has been provided on the Illinois Department of Financial and Professional Regulation / Illinois Department of Insurance, annual Actuarial Valuation Balance Sheet / Actuarially Determined Tax Levy reports, or by an independent actuary. Further explanation of this determination is below.

**** For the purpose of computing the contributions required under i) and ii) the Total Normal Cost percentage found on the Actuarial Valuation Balance Sheet / Actuarially Determined Tax Levy report will be used in the example that follows. The Total Normal Cost percentage is the sum of the employee contribution rate under i) plus the employer normal cost percentage under ii).**

- iii) interest at the actuarially assumed rate calculated from the date of membership to the date of payment on the amounts under items i) and ii). The Department of Insurance Public Pension Division recommends that the actuarially assumed rate of interest used in the interest calculation be the rate assumed and used annually for funding purposes. This rate is determined by the Department Of Insurance Public Pension Division or by the independent actuary. The assumed interest rates provided by the Illinois Department of Financial and Professional Regulation / Illinois Department of Insurance equaled:
 - a. 6.5% prior to the fund's fiscal year ending in 1987, and
 - b. 7.0% for the fund's fiscal year ending in 1987 and after.

Computing Police Officer's Contributions To The Fund

Employee Contributions Under i) and Employer Normal Cost Under ii)

The police officer is required to contribute to the Article 3 police pension fund employee contributions as described under i) above and the municipality's or employer normal cost as described under ii) above. The employee contributions and the employer normal cost can be computed in one step by using the total normal cost percentage and the police officer's salary.

The total normal cost percentage can be found on the actuarial valuation report, or tax levy report, provided by the actuary. On the Illinois Department of Financial and Professional Regulation / Illinois Department of Insurance Actuarial Valuation Balance Sheet / Actuarially Determined Tax Levy report, this percentage can be found on the second page, third line, which reads, "Percent of Total Normal Cost to Total Annual Salaries of \$ **.*% is **.***%." This percentage includes the police officer's employee contribution percentage to the Article 3 police pension fund as well as the municipality's normal cost contribution percentage. The police officer's salary to be used for the service time being credited to the Article 3 police pension fund is to be the police officer's salary on the date of membership in the police pension fund. For the creditable service time being credited, the total of the amounts under i) plus ii) above equals the sum of each fiscal year's total normal cost. Each fiscal year's total normal cost should equal: 1) the total normal cost percentage for a fiscal year for which creditable service time is being credited (the year or two prior to the police officer's date of membership in the fund), multiplied by 2) the salary received at the date of membership.

Interest on the Employee Contributions Under i) and Employer Normal Cost Under ii)

Interest is computed on the total normal cost amount (the police officer contributions plus the municipality's normal cost amount) under Section 3-110(b-5) described above as i) and ii) from the date of membership in the fund through the date of payment.

The following example illustrates the computations to determine the police officer's cost:

Example:

Information Needed:

- 1) Time being credited to the Article 3 Police Pension Fund for military service.

21 months, 17 days

- 2) Police Officer's date of membership in the pension fund.

August 12, 1991

- 3) The police officer's salary on the date of membership.

\$27, 895

- 4) Fiscal year end of Article 3 Police Pension Fund.

April 30

- 5) Dates for which creditable service is being credited to the Article 3 police pension fund.

October 26, 1989 through August 11, 1991

- 6) The total normal cost percentage for the Article 3 police pension fund corresponding to the fiscal year for which creditable service time is being credited (See Table 1 below).

- 7) Date of payment to credit additional service time.

9/30/2010

TABLE 1: Total Normal Cost Percentages

| Police Pension Fund Fiscal Year End (FYE) | Total Normal Cost Percentage (Police Fund) (as of FYE) |
|---|--|
| April 30, 1990 | 23.72% |
| April 30, 1991 | 23.57% |
| April 30, 1992 | 23.81% |

Determination of the Amount the Police Officer will need to Pay to the Article 3 Police Pension Fund:

- 1) Determine the total normal cost [the employee contribution, i), plus employer normal cost, ii)], in a particular fiscal year by multiplying the salary by the total normal cost percentage for the corresponding year.

Total Normal Cost Calculation

| <u>Police Fund Fiscal Year End (FYE)</u> | <u>Assumed Salary as Military Employee (through FYE)</u> | <u>Total Normal Cost Percentage (as of FYE)</u> | <u>Total Normal Cost: (Employee Contributions and Employer Normal Cost)</u> |
|--|--|---|---|
| April 30, 1990 | Salary from October 26, 1989 through April 30, 1990 is for 6 months, 5 days = \$ 27,895.00 X [(6/12) + (5/365)] = \$ 27,895.00 X [.5 + .0137] = \$ 27,895.00 X [.5137] = \$ 14,329.66 | | |
| | \$ 14,329.66 | X 23.72% | = \$ 3,399.00 |
| April 30, 1991 | Salary from May 1, 1990 through April 30, 1991 is for 1 year = \$ 27,895.00 | | |
| | \$ 27,895.00 | X 23.57% | = \$ 6,574.85 |
| April 30, 1992 | Salary from May 1, 1991 through August 11, 1991 is for 3 months, 11 days = \$ 27,895.00 X [(3/12) + (11/365)] = \$ 27,895.00 X [.25 + .0301] = \$ 27,895.00 X [.2801] = \$ 7,813.39 | | |
| | \$ 7,813.39 | X 23.81% | = <u>\$ 1,860.37</u> |

Total Normal Cost (Employee Contributions and Employer Normal Cost):

$$\text{\$ 3,399.00} + \text{\$ 6,574.85} + \text{\$ 1,860.37} = \text{\$ 11,834.22}$$

- 2) Determine the interest on the employee contributions and employer normal cost per 40 ILCS 3-110(b-5). First determine the interest period, the period of time between the date of membership in the fund and the date of payment. Second, determine the interest rate to be used. Assuming the Department Of Insurance Public Pension Division tax levy report was used for funding purposes, for periods of time through the fiscal year ending in 1986 a 6.5% interest rate should be used, while for the periods of time after the fiscal year ending in 1986 a 7.0% interest rate should be used.

Interest Period

Date of membership in the pension fund: August 12, 1991
 Date of Payment: September 30, 2010

Interest Period: August 12, 1991 through September 30, 2010
 = 19 years, 1 month, 19 days
 = $19 + [(1/12) + (19/365)]$
 = $19 + [.0833 + .0521]$
 = $19 + [.1354]$
 = 19.1354 years

Total Normal Cost (Employee Contribution and Employer Normal Cost) Plus Interest

| | | |
|--|--------------------|--|
| Total Normal Cost (Employee Contribs. and Employer Normal Cost) (Contribution Amount) | Interest Period | Contribution Plus Interest = [(Contribution Amount) X $\{(1+.07)^{(\text{Interest Period})}\}$ |
| \$ 11,834.22 | 19.1354 | \$ 43,192.66 |

Total Police Officer Contribution required to
 be paid to the Article 3 Police Pension Fund: **\$ 43,192.66**

2011 IPPFA Midwest Pension Conference

October 4-7, 2011

The IPPFA is proud to present as the
keynote speaker

Richard Picciotto

on October 5, 2011



FDNY Chief and Highest Ranking Firefighter to Survive the World Trade Center Collapse

When the North Tower of the World Trade Center collapsed on September 11, 2001, Richard Picciotto, a FDNY battalion commander, was inside it, on a stairwell between the sixth and seventh floors, along with a handful of rescue personnel and one "civilian."



The highest-ranking firefighter to survive the World Trade Center collapse, and the last fireman to escape devastation, Richard "Pitch" Picciotto is the author of the *New York Times* bestseller *Last Man Down*.

Please join us to hear Chief Picciotto relate his experiences on that terrible day in United States history. Chief Picciotto will be available after his presentation to sign copies of his book *Last Man Down*.

For over 25 years the IPPFA has offered Public Pension Trustees the best and latest in trustee training. With the recent far reaching changes in pension law and with the difficult challenges yet to come, the IPPFA strives to prepare pension trustees for the future. Please join us for Training in Ethics, Investment Procedures, Fiduciary Responsibilities, Legal and Legislative Updates, and much, much more and all with nationally renowned speakers.

The Trustee Workshop will be offered on Tuesday, October 4th, designed for those trustees that need a refresher or are new to a board. And as every year the IPPFA Golf Outing will be held before the conference on October 4th. This year's course is *The Highlands*.



After a busy day attending the conference, enjoy one of the many recreational facilities the Grand Geneva has to offer or dine, relax and network at one of the several restaurants and lounges on site. Need to get out? Drive less than 10 minutes to one of Downtown Lake Geneva's many restaurants.

IPPFA Continuing Trustee Education

By attending the IPPFA Midwest Pension Conference trustees are eligible to receive up to 16 hours of Continuing Pension Trustee Education which will satisfy the State of Illinois requirements for Article 3 & 4 pension fund trustees.

Our programs will also benefit trustees of other Illinois public pension funds and trustees from public pension funds and retirement systems outside the state of Illinois.

In addition to receiving a Continuing Trustee Education certificate from the IPPFA, attendees will also qualify for CEU's from Northern Illinois University.

Register at www.ippfa.org

NIU Outreach
NORTHERN ILLINOIS UNIVERSITY

Rooms are filling up fast, room rate is \$138.00 per night plus taxes. Make sure to mention you are attending the IPPFA Conference to receive the IPPFA rate. Make reservations at 1-800-558-3417 or 1-262-248-8811



Annual Golf Outing Registration

Please Join Us for a Scramble Round of Golf,
Lunch & Beverages on the Course

Tuesday, October 4, 2011 The Highlands - Grand Geneva

\$90 per Golfer / \$360 per foursome

Price Includes golf with cart, lunch and beverages on the course



LIMITED SPACE AVAILABLE – REGISTER EARLY



Best Ball Shotgun Start @ 11am Check in Starts @ 9:30am

*** If you are not signing up as a complete foursome please specify players you would like to be Paired with for the day; all attempts will be made to accommodate these requests.**

_____ **Golf for one** _____ **Foursome** _____ **Combo Deal**

Player Names: (please print)

1: _____
2: _____
3: _____
4: _____

*** Combo Deal, please list sponsorship selection and complete Reverse side of this form:** _____

Total enclosed \$ _____

Full Payment required to secure your spot RECEIVED before SEPTEMBER 9TH

SEE REVERSE SIDE FOR SPONSORSHIP OPPORTUNITIES

ALL PAYMENTS MADE PAYABLE TO: NIU

PAYMENT INFORMATION (check one)

_____ I am paying by check: # _____

_____ I am paying by credit card: Visa _____ MC _____ Am Ex _____ Discover _____ Expiration Date _____

Please note, the charge to your credit card will appear as NIU Outreach

Card Number: _____

Name on Card and Signature: _____

Billing Address: _____ City: _____ State: _____ Zip: _____

E-mail: outreachregistration@niu.edu

NIU fax: 815 753-6900

Mail to: Registration Office, Outreach Services, Northern IL University, DeKalb, IL 60115

CANCELLATION NOTICE: 100% refund of registration fee will be issued only if written notification is received prior to September 9, 2011. There will be no refund issued if notification is received after September 9, 2011. All refunds will be mailed after the conference.

NO GOLF REFUNDS AFTER 09/09/11

NON MEMBER INVESTMENT SERVICES: Please call the IPPFA office for registration information (630-784-0406)



IPPFA 2011 MIDWEST PENSION TRUSTEE CONFERENCE

PENSION TRUSTEE REGISTRATION FORM

NIU Outreach
NORTHERN ILLINOIS UNIVERSITY

| | |
|----------------------|-------------------|
| Fund Name: | IPPFA Member: Y N |
| Street Address: | |
| City/State/Zip: | |
| Contact Person: | |
| Daytime Telephone #: | |
| E-mail Address: | |

IPPFA MEMBERS ONLY: Please list your **DELEGATE** for voting purposes in the space provided below
Print your name as you would like it to appear on your badge & please include your e mail address

DELEGATE NAME: _____ e-mail _____

Attendees:

Please print your name as you would like it to appear on your badge & please include your e mail address in the space below

Name: _____ e-mail _____

Name: _____ e-mail _____

Name: _____ e-mail _____

Name: _____ e-mail _____

Name: _____ e-mail _____

Name: _____ e-mail _____

TRUSTEE REGISTRATION (Check One) - Register Before August 1, 2011 and SAVE

IPPFA MEMBER TRUSTEES ONLY:

- ☐ \$275.00 before August 1, 2011
- ☐ \$350.00 after August 1, 2011
- ☐ \$400.00 after September 18, 2011
- ☐ \$30.00- Spouse/Guest Luncheon Fee*

NON-MEMBER PENSION TRUSTEES:

- ☐ \$400.00 before August 1, 2011
- ☐ \$450.00 after August 1, 2011
- ☐ \$725.00 after September 18, 2011
- ☐ \$45.00- Spouse/Guest Luncheon Fee*

*Spouse/Guest Luncheon Fee can be paid on site at conference registration

PAYMENT INFORMATION (check one)

Total Amount \$ _____

___ I am paying by check: # _____

___ I am paying by credit card: Visa ___ MC ___ Am Ex ___ Discover ___ Expiration Date _____

Card Number: _____

Name on Card: _____

Billing Address: _____ City: _____ State: _____ Zip: _____

Signature: _____

All payments made payable to: **NIU**

Mailed to: **Registration Office, Outreach Services , Northern IL University, DeKalb, IL 60115**

Email: outreachregistration@niu.edu

Registration Questions: 815-753-7922 (8:00 am to 4:30 pm)

NIU Fax: 815-753-6900

NON MEMBER INVESTMENT SERVICES: Please call the IPPFA office for registration information (630-784-0406)

CANCELLATION NOTICE: A charge of \$25.00 applies to any cancellation prior to 09/01/11. A charge of \$50.00 applies to any cancellation after 09/01/11 but prior to 09/23/11. A cancellation made after 09/23/11 will forfeit the conference registration fee.

NO REFUNDS AFTER 09/23/11