

Meeting Date: January 24, 2011

Meeting Time: 5:30pm

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Meeting Location: Police Department

Attendance: Dan Davis (Smith Barney), Board President David Wetherald, Board Vice-President Scott Sodaro, City appointed and Board Secretary Mary McDonald, Retiree Elected Board Member Robert J Troy, City Treasurer Dan M Schramm
Jim Kardelis was not present

Dan Davis presented the 2010 portfolio performance numbers. The 2010 beginning portfolio value was \$14,885,086. The total value at the end of the 2010 year was \$16,375,046. The next change which includes contributions and withdrawals was \$1,489,956 for a net return of 10.01%.

When reviewing the investments the Growth Fund of America, even though it is making money, the money manager appears to be under performing his peers. This investment should be reviewed at the April meeting for possibly changing funds.

Dan Davis recommended that with the receipt of the city's contribution that the \$350,000 that the board wants to invest a step-up callable bond to be purchased. It starts at 3% and goes out for 13 years.

Ten year treasuries are currently yielding .3.4%. The bond will get 3% for 3 years step up to 4.35%, 5.25%. The board unanimously agreed to purchase the investment.

Dan Davis discussed that the fees to the fund is on a transaction fee basis versus a manage money approach. We have used the transaction approach for the last 20 years as long as Dan Davis has been working with our pension fund. The mark up on the fixed income purchases average 1%. When it comes to mutual fund investments the average investment commission is 25 basis points. The money manage approach would have an average cost of 75 basis points on the full portfolio value.

Dan Schramm stated that the city 50% contribution of \$300,000 was made in January which is normally made in December. The property taxes were not received by Cook County until December to be able to forward to the pension fund. The next property tax collections will not be received until April. The pension fund will receive the levy balance of \$300,000 by April 30th.

The minutes of the October 27th 2010 meeting were approved.

Chief Vodicka has no problem with the pension board having a link to the police website. He said that the board should work with Brett Potter. Mary said that minutes, agendas, meeting dates and legislative notifications would be on the website, but she told the Chief she would just run non-standard items through him as it is the police website. Bob Troy agreed to work on this project

Since at the conference the issue of whether the K9 stipend should be pensionable or not is outstanding. It is currently not pensionable. Mary is to investigate further with the Chief and the State Pension Board to see how our agreement falls when it comes to the matter of the pension,

Mary will be going to training for discussion of the military service buy back. Mary also asked for approval for her to attend the April 28th and 29th Spring conference in St. Charles. This was approved.

After discussion by the board agreed to pay the one year membership fee to NCPERS (National Conference of Public Employees Retirement System) of \$150.00 and see what benefits the board obtains.

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Mary needs to verify Delia's beneficiary information on the retiree verification form as he did not list his wife. The fund needs a copy of Mulack's son's birth certificate, and a copy of exhibit a of the divorce decree. Mr. Gibb's marriage and his wife's birth certificate are missing from his files.

Mary mentioned that the active member's election will be April 10th 2011. Nomination letter will be going out with the next city payroll.

Next scheduled meeting will be in April, when the time gets closer we will check everyone's schedules.

Meeting adjourned 7:02pm.