

City of Hickory Hills  
Police Pension Board Meeting Minutes  
Thursday, April 18, 2013 5:40pm  
Hickory Hills Police Station

Attendance: Dan Davis of Morgan Stanley, David Wetherald –President, Robert Troy-Vice President, Dan McCauley-Trustee, James Kardlis – Trustee, Mary McDonald-Secretary

Dan Davis did a portfolio review of the pension fund which as of today has a current market value of \$18.8 million. It was decided by the board to sell the two MetLife annuities as their performance since purchased by the fund has been weak. The proceeds from the sale will be determined when the funds are received and recommendations provided by Mr. Davis, but not later than the next board meeting in July. The current balance of \$1.4 million in the money market less \$100,000 for payroll and other possible expenditures will be invested in GNMA's with an average time period of 3-5 years at interest rate of 1.5-1.75%. The decision was based on the mix of current assets held and the restrictions of the Department of Insurance capping the equity investments for the fund at 60% of the funds market value. Mr. Kardelis introduced the idea of investing in short term bank loans. Dan Davis will investigate this option for the fund for the next meeting.

The next meeting will be Wednesday, July 17<sup>th</sup> at 5:30pm at the Police Station.

Mary reported that the election in April was held for the two board positions from the active members. Twenty eight ballots were distributed. Thirteen ballots were returned on time. The vote was Dan McCauley thirteen votes, David Wetherald twelve votes. The board voted to retain the present board positions, David Wetherald as President and Robert Troy as Vice-President.

The board voted and accepted the minutes from the January board meeting. It was reported that the pension board minutes were not current on the web page. Mary will check and contact Mr. Potter.

Mary presented the current invoice from Attorney Reimer in the amount of \$1,071.54 for approval and payment. The board voted to issue payment to Mr. Reimer.

Mary presented the letter received from Mr. Boyle, who is currently with the Cicero Police Dept., stating he would like to do a buy-back of his time with the City of Hickory Hills. Illinois Pension Administrative Code requires that Mr. Boyle contacts the Cicero Police Pension Board in this matter and not the City of Hickory Hills directly. Mary will respond to Mr. Boyle directing him to contact his current fund board.

Robert Troy wanted to remind Mary that Mr. Tardi will be turning age 55 so he should be receiving a bumped up amount in his pension in June.

The board approved the advance of \$105.00 to Mary McDonald as she will be attending the Spring Pension Conference in Springfield.

The meeting ended 6:32pm

HICKORY HILLS POLICE PENSION FUND  
Update for 4.16.2013

Description	Purchase Date	Purchase Amount	Adjusted Total Cost	Market Value	Yield	Maturity Date
MS AA Money Trust	Daily	\$1,540,842	\$1,540,842	\$1,540,842	0.01%	Open
Euro Pacific Fund	various	\$799,994	\$799,994	\$1,062,079	N/A	Open
Fundamental Investors Fund	various	\$377,029	\$377,029	\$523,869	N/A	Open
Nuveen Dividend Growth Fund	various	\$2,125,000	\$2,125,000	\$2,439,978	N/A	Open
New Perspective Fund	various	\$575,000	\$575,000	\$767,378	N/A	Open
IVY International Core Equity Fund	various	\$975,000	\$975,000	\$1,137,593	N/A	Open
IVY Mid Cap Growth Fund	various	\$625,000	\$625,000	\$765,972	N/A	Open
IVY Small Cap Growth Fund	various	\$2,025,000	\$2,025,000	\$2,359,270	N/A	Open
Nationwide Annuity	01/29/02	\$804,699	\$804,699	\$1,212,292	N/A	Open
Metlife Annuity	09/07/00	\$150,000	\$150,000	\$151,854	N/A	Open
Metlife Annuity	11/16/00	\$400,000	\$400,000	\$457,215	N/A	Open
Treasury STRIPS	11/13/98	\$168,745	\$362,816	\$374,696	5.396%	11/15/13
BMW Bank CD	02/06/12	\$245,000	\$245,000	\$245,960	0.700%	02/10/14
Bank of China NY CD	01/30/12	\$245,000	\$245,000	\$245,980	0.650%	02/10/14
Goldman Sachs Bank CD	01/30/12	\$245,000	\$245,000	\$245,443	0.750%	02/10/14
Ally Bank CD	01/30/12	\$245,000	\$245,000	\$245,960	0.650%	02/10/14
Discover Bank CD	01/30/12	\$245,000	\$245,000	\$246,080	0.700%	02/10/14
Banco Bilbao Vizcaya ARG CD	01/30/12	\$245,000	\$245,000	\$245,985	0.800%	02/14/14
GE Cap Ret BK Draper UT CD	05/18/12	\$245,000	\$245,000	\$245,323	0.750%	05/19/14
FirstBank CD	07/26/12	\$100,000	\$100,000	\$100,348	0.900%	08/01/14
GE Cap BK Salt Lake City UT CD	08/29/12	\$245,000	\$245,000	\$245,620	0.900%	09/02/14
Sovereign Bank Wilmington DE CD	08/29/12	\$245,000	\$245,000	\$245,818	0.800%	09/05/14
Everbank CD	01/24/13	\$150,000	\$150,000	\$150,023	0.700%	01/16/15
Sallie Mae Bank CD	11/16/12	\$245,000	\$245,000	\$245,870	1.000%	11/23/15
Comenity Bank CD	12/05/12	\$100,000	\$100,000	\$99,609	1.050%	12/14/15
GNMA #163246	11/03/86	\$130,000	-	\$233	9.500%	07/15/16
GNMA #161449	08/01/86	\$100,000	-	\$368	9.000%	08/15/16
GNMA #160478	11/24/86	\$100,000	-	\$304	9.000%	09/15/16
GNMA #184538	-	-	-	\$256	9.500%	10/15/16
GNMA #399882	03/22/96	\$115,000	\$5,603	\$6,478	7.000%	03/15/26
FNMA #256802	05/24/12	\$800,000	\$126,631	\$124,647	5.500%	07/01/27
GNMA #563338	12/18/01	\$250,251	\$780	\$904	6.500%	09/15/31
GNMA #003785	11/29/05	\$450,000	\$110,895	\$121,933	5.000%	11/20/35
GNMA #003795	02/11/09	\$664,927	\$181,902	\$193,414	5.000%	12/20/35
FNMA #922260	05/31/12	\$500,000	\$56,540	\$56,772	5.500%	12/01/36
GNMA #638592	10/28/10	\$150,000	\$67,381	\$68,699	4.500%	03/15/39
GNMA #646745	08/18/10	\$554,444	\$151,142	\$154,638	4.500%	03/15/39
GNMA #701419	04/28/09	\$600,000	\$183,890	\$190,921	5.000%	04/15/39
GNMA #713876	09/08/10	\$1,000,000	\$598,549	\$619,047	4.000%	08/15/39
GNMA #004511	05/20/10	\$200,000	\$129,259	\$133,545	4.000%	08/20/39
GNMA #711483	08/18/10	\$508,812	\$451,036	\$475,199	4.000%	01/15/40
GNMA #711171	02/19/10	\$500,000	\$380,071	\$418,297	4.000%	02/15/40
GNMA #740046	09/01/10	\$516,097	\$418,337	\$426,984	4.500%	07/15/40
FHLMC 30 YR	11/15/12	\$400,000	\$298,260	\$293,798	4.000%	03/01/42

Totals

\$18,887,494 2.398%