

Meeting date: Wednesday, April 25, 2012

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Meeting time: 5:30pm

Meeting Place: Hickory Hills Police Station

Meeting Attendee: Robert Troy, David Wetherald, Daniel McCauley, Mary McDonald, James Kardelis, Dan Schramm, Mr. Richard Reimer (6:30pm)

Mary presented the minutes of the January 25, 2012 meeting for approval. There was a discussion as to the amount of detail in the minutes especially relating to the investments. Mary will focus on supplying attachments regarding the investment activity with a limited narrative. The board members vote was unanimous to approve the minutes of the previous meeting.

Mr. Dan Davis of Smith Barney could not attend the meeting, but did provide a recent statement, updated maturity schedule and the asset allocation detail report as of April 20, 2012 for the boards review. With the current equity allocation at 50.3% (the equity investment cap per statute being 50% until July 1st when it becomes 55%) Mr. Davis recommended investing \$250,000 in a two-year Certificate of Deposit earning .75% leaving a balance sufficient to meet cash needs for the next three months. The board members vote was unanimous to move forward with this investment.

Mary stated that Officer Steve Wagner retired on March 31, 2012. Mary contacted Chief Vodicka and David Wetherald to verify the details of Officer Wagner's employment to assure an accurate the pension payment and that his personal pension file was complete, which it was. Officer Wager has attained 30 years of service.

Mr. Troy was congratulated as he won the retire election and will be starting a second term. Sixteen ballots were mailed out and fifteen were returned. Mr. Troy received thirteen votes. After a board discussion David Wetherald will retain the position of President and Robert Troy will be the Vice President.

Mary reminded the Board members who have not completed their Statement of Economic Interests or taken the required Open Meetings Act on line training to please do so soon.

Mary asked James Kardelis if he would accept another term as an appointed trustee. He acknowledged he would accept another two year term.

Then next scheduled meeting of the pension board will be scheduled for Wednesday, July 25th at 5:30pm at the Police Station.

Mr. Gibbs did return his Annual Verification Form, but suggests that we remove the banking information as he feels that there is a banking risk with the information required. The Board agreed after some discussion and the new form will only require the banking information if there is to be a change.

Mr. Reimer arrived at 6:30pm. At this meeting he did not discuss the specifics of the pending disability application, but only the process that will take place. He did discuss that the board will need to make a decision on what doctors to use for the IMEs (Independent Medical Examinations) to move forward with the disability process. Upon Mr. Reimer's recommendation and a discussion, motions, and a unanimous yes vote of the board an independent company named INSPE will take this responsibility to provide not

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bias as to the doctors chosen. The company reviews the medical records and finds doctors in the needed fields to perform the IMEs. The estimated cost will be \$2,000 per doctor for a total of approx. \$6,000.

Mary inquired as to if the board should be verifying the current employment activity of disabled police officers. The attorney stated that the state statute only requires that this be done if the disabled police officer has not attained the age of 50.

Mary asked if updated pension forms are available for the pension board's use as the ones we have are very old. Mr. Reimer said that he would provide the pension board with a current version of the Administrative Rules and Regulations as well as draft forms to the pension board.

The board adjourned the meeting at 7:11pm.

HICKORY HILLS POLICE PENSION FUND
Update for 4.23.12

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Description	Purchase Date	Purchase Amount	Accreted Value	Market Value	Yield	Maturity Date	Maturity Amount
MS AA Money Trust	Daily	\$511,608	N/A	\$511,608	0.01%	Open	\$511,608
Euro Pacific Fund	various	\$549,944	N/A	\$709,956	N/A	Open	\$709,956
Fundamental Investors Fund	various	\$377,029	N/A	\$456,054	N/A	Open	\$456,054
Nuveen Dividend Growth Fund	various	\$1,075,000	N/A	\$1,160,450	N/A	Open	\$1,160,450
New Perspective Fund	various	\$575,000	N/A	\$679,204	N/A	Open	\$679,204
Lord Abbett Equity Fund	various	\$1,575,000	N/A	\$2,142,660	N/A	Open	\$2,142,660
IVY International Core Equity Fund	various	\$725,000	N/A	\$778,711	N/A	Open	\$778,711
IVY Mid Cap Growth Fund	various	\$625,000	N/A	\$703,767	N/A	Open	\$703,767
IVY Small Cap Growth Fund	various	\$625,000	N/A	\$686,938	N/A	Open	\$686,938
Nationwide Annuity	01/29/02	\$804,699	N/A	\$1,060,159	N/A	Open	\$1,060,159
Metlife Annuity	09/07/00	\$150,000	N/A	\$135,617	N/A	Open	\$135,617
Metlife Annuity	11/16/00	\$400,000	N/A	\$409,048	N/A	Open	\$409,048
Treasury STRIPS	03/12/97	\$207,042	\$577,554	\$599,568	6.910%	11/15/12	\$600,000
Treasury STRIPS	11/13/98	\$168,745	\$345,086	\$373,403	5.396%	11/15/13	\$375,000
BMW Bank CD	02/06/12	\$245,000	N/A	\$243,466	0.700%	02/10/14	\$245,000
Bank of China NY CD	01/30/12	\$245,000	N/A	\$243,248	0.650%	02/10/14	\$245,000
Goldman Sachs Bank CD	01/30/12	\$245,000	N/A	\$243,684	0.750%	02/10/14	\$245,000
Ally Bank CD	01/30/12	\$245,000	N/A	\$243,248	0.650%	02/10/14	\$245,000
Discover Bank CD	01/30/12	\$245,000	N/A	\$243,466	0.700%	02/10/14	\$245,000
Banco Bilbao Vizcaya ARG CD	01/30/12	\$245,000	N/A	\$243,898	0.800%	02/14/14	\$245,000
Federal Farm Credit Bank CD	01/30/12	\$1,000,000	N/A	\$998,510	0.400%	08/07/14	\$1,000,000
Treasury STRIPS	11/13/98	\$169,585	\$348,652	\$396,032	5.437%	11/15/14	\$400,000
Treasury STRIPS	04/19/99	\$150,251	\$317,714	\$383,850	5.840%	11/15/15	\$390,000
GNMA #163246	11/03/86	\$130,000	N/A	\$291	9.500%	07/15/16	\$293
GNMA #161449	08/01/86	\$100,000	N/A	\$456	9.000%	08/15/16	\$461
GNMA #160478	11/24/86	\$100,000	N/A	\$370	9.000%	09/15/16	\$373
GNMA #184538	-	-	N/A	\$310	9.500%	10/15/16	\$313
GNMA #399882	03/22/96	\$115,000	N/A	\$6,792	7.000%	03/15/26	\$5,809
FNMA	04/28/11	\$300,000	N/A	\$300,165	2.000%	05/18/26	\$300,000
GNMA #563338	12/26/01	\$250,251	N/A	\$1,403	6.500%	09/15/31	\$1,208
GNMA #003785	11/29/05	\$450,000	N/A	\$179,846	5.000%	11/20/35	\$166,261
GNMA #003795	02/11/09	\$664,927	N/A	\$274,537	5.000%	12/20/35	\$254,146
GNMA #638592	10/28/10	\$150,000	N/A	\$128,123	4.500%	03/15/39	\$116,889
GNMA #646745	08/18/10	\$554,444	N/A	\$302,653	4.500%	03/15/39	\$288,039
GNMA #701419	04/28/09	\$600,000	N/A	\$303,677	5.000%	04/15/39	\$284,477
GNMA #713876	09/08/10	\$1,000,000	N/A	\$876,916	4.000%	08/15/39	\$817,671
GNMA #004511	05/20/10	\$200,000	N/A	\$188,737	4.000%	08/20/39	\$181,958
GNMA #711483	08/18/10	\$508,812	N/A	\$500,056	4.000%	01/15/40	\$463,614
GNMA #711171	02/19/10	\$500,000	N/A	\$490,389	4.000%	02/15/40	\$454,678
GNMA #740046	09/01/10	\$516,097	N/A	\$517,507	4.500%	07/15/40	\$472,037

Totals

\$17,718,772 3.291%