

Meeting Date: April 27, 2011 Meeting Time: 5:30pm
Meeting Place: Police Department Page 1 of 2
Attendance: Dan Davis (Smith Barney), Officer Dan McCauley, Officer Scott Sodaro, Officer David Wetherald, Secretary Mary McDonald, Robert Troy, James Kardelis, Treasurer Dan M. Schramm

The board welcomed Officer Daniel McCauley as the newly elected active member to the board. His term officially begins with the new fiscal year May 1, 2010. Scott is the voting member for tonight's meeting.

The board thanked Officer Scott Sodaro for serving two consecutive terms (four years), his contributions and dedication to the Pension Fund.

Dan Davis reported that the Dow Jones 30 is up over 8% a better measure may be the NASDAQ up over a little 7% the S&P 500 Index, a broad index, is up a little over 7%. Interesting enough, if you look at value stocks versus growth stocks most indices are about the same so we can kind of make a broad statement that "the market year to date is up about 7%".

On the front page of the March 31, 2011 statement between the mutual funds and the annuities we are up a little over 49% and just to refresh everyone's memory as of today the state dictates that the fund's investment in equity is capped at 45%. July 1, 2011 the equity cap is going to 50% and July 1, 2012 it is going to 55%. We are not forced to take profits off the table; we may decide to do so. The 49% is due to appreciation because the markets have been good the last 2-2 ½ years. As far as performance the lower right hand corner for the month of March 2011 statement is up a little over \$71,000 for the month and for the calendar year up over \$400,000 or 2.66%. If you annualize that number it should be about 10%.

Dan Davis presented the Portfolio Review Statement, this breaks down our asset classes with the exception of our annuity contracts.

Looking at the maturity schedule it tells us how much we have to invest and what we have at a liquidity stand point and you will see the first balance is a little over \$414,000 which includes the \$300,000 city contribution check we have a small money market balance of a little over \$12,000 in the other fund.

Scott Sodaro left the meeting due to an explosion in the city.

Dan Davis made the recommendation for the board to purchase a step up bond for \$300,000 using the funds received from the city leaving a balance of a little over \$100,000 for expenditures. The bond will pay 2% the first two years and then jumps to 6% the next 13 years after that it is callable in 18 months (November 2013) worst case scenario we still get 2% on the investment. If interest do move up the investment will have a 6% coupon in two years and stays at 6% for 13 years when it reaches the maturity date. A two year treasury is currently earning .65%.

Jim Kardlis made a motion to purchase the bond. Robert Troy seconds the motion. The board approved. Dan Davis left the meeting.

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Mary mentioned that a change the January minutes to mention the approval of membership to NCPERS for one year of \$150.00 to see what benefits the board obtains. David Wetherald made a motion to approve the January 2011 minutes with the change. Robert Troy seconded the motion. The board approved the prior meeting minutes with the change.

The board discussed the military buy back. The board agreed that thirty days after the initial notification of military buy back cost the payment must be paid in full. If payment is not made interest will then begin accruing again

McCauley was going to check the IPPFA website to schedule himself for the trustee training required within the first year of the term for newly elected board members.

Bob said that the minutes approved tonight after modifications can be posted on the website. He has been in conversation with Bret Potter, Radio Operator/IT.

Mary stated that the results of the election for the April 2011 active pension board members were attached to the April 15th paycheck of the active members.

The pension board has elected to have Robert Troy to be Vice President of the Board, and David Wetherald will remain as President.

Meeting adjourned 6:21pm.

