

City of Hickory Hills Police Pension Board Meeting Minutes

Wednesday, April 22, 2015 5:30pm

Attendance: David Wetherald, President; Robert Troy, Vice-President; Dan Schramm (left meeting 6:00pm), Treasurer; Mary McDonald, Secretary; James Kardelis, Trustee; Dan Davis, Senior VP Morgan Stanley

Dan Davis presented comments on the marketplace and what has happened in the first quarter 2105; reviewed the pension funds current investments; and made investment recommendations for the cash available in in the money market of \$773,000 which included a \$395,000 contribution by the City.

The current percentage of equities to fixed income in the portfolio is 67.4% due to asset appreciation so any additional investments in equity can only be done if we rebalance the portfolio and bring that percentage down under 65% due to Il State Statues. The review of the portfolio with the currently owned mutual funds and fixed income assets shows a 4.1% net return through April 15th of this year. The board sees no reason to change the portfolio asset classes at this time, so additional investing would have to be done on the fixed income side of the portfolio. Recommended was to invest \$700,000 in a GNMA bond with an average life of 4-5 years and a rate of 2.3%. With the five year Treasury being a 1.4% you are picking up almost a full 1% over that. The investment in the GNMA's will help us manage the monthly cash required for payroll through monthly principal returns and interest payments. David Wetherald made a motion to invest the \$700,000 currently held in the money market in a GNMA bond at a rate of 2.3%. Robert Troy seconded the motion. The board voted unanimously to make the recommended 4-5 year GNMA investment of \$700,000 with an interest rate of 2.3%.

The board agreed that the next meeting date for the pension board would be Wednesday, July 22nd at 5:30pm in the police department conference room.

The pension board minutes for the January21, 2015 meeting was presented for approval.

James Kardelis made a motion to approve the minutes. Robert Troy seconded the motion. The board unanimously approved the January minutes.

The results of the election were with twenty nine ballots issued and seventeen ballots returned. David Wetherald received thirteen votes. Mark Benaitis received fourteen votes. Adam Gulczynski received five votes. Scott Sodaro received two votes. David Wetherald stated that he had received an email a couple of days before the meeting from Mark Benaitis stating that he would not be able to serve on the pension board. Mary will reach out to Scott Brandt of the Department of Insurance to verify the steps to be taken to fill the now vacant position on the board.

The board after discussion will be leaving the positions the same with David Wetherald as President, Robert Troy Vice-President and Mary McDonald, Secretary.

There is a new pension fund participant, Scott Chicoine. He was sworn in on December 11, 2014 and started the academy in January 5, 2015.

We now have to have an actuary done every year per the City's auditors due to the new accounting guidelines. After a brief discussion the board agreed to again retain the services of Tepfner Consulting to provide the funds actuarial report for fiscal year ending 4/30/15.

Mary requested a travel advance of \$88.00 for her attendance at the May 2015 conference in East Peoria.

David made a motion to approve the advance. Bob seconded the motion. The board approved the expenditure.

David Wetherald made a motion to close the meeting. Jim Kardelis second motion. The board unanimously agreed to close the meeting at 6:25pm.