



VILLAGE OF HANOVER PARK
POLICE PENSION COMMITTEE
REGULAR MEETING

Municipal Building: 2121 W. Lake Street
Hanover Park, IL 60133

Tuesday January 18, 2011
4:00 p.m.

MINUTES

1. CALL TO ORDER - ROLL CALL

Chairman Sullivan called meeting to order at 4:10pm.

PRESENT: Committee
Members: President Sullivan, Secretary
Langhenry, Trustee Seidel, Trustee
Linear

ABSENT: Committee
Members: Trustee Walther

ALSO PRESENT: Fund Attorney Bob Zelek, Craig Larsen-Apple Hill
Consulting, Steven Eitel and John Barry, PNC Institutional
Investments

2. FINANCIAL PRESENTATIONS/ REPORTS:

2-a. PNC Institutional Investments, Steven Eitel and John Berry reported on the quarterly investment performance ending Dec 2010. It was reported inflation was running below desired levels. The Fed is likely to hold interest rates into 2012. The second round of Quantitative Easing is likely to increase the FED balance sheet through 2nd quarter 2011. As a result 10 year treasury is moving up which is now at 3%. The pension fund portfolio outperformed the benchmark during all the measured time periods. 1 year total portfolio return stood at 5.32%. They continue to

underweight agencies and feel more value can be found in MBS due to favorable long term risk adjusted value.

- 2-b. Craig Larsen-Apple Hill Consulting, reported on the quarterly investment performance ending Dec 2010. He distributed the Review and Analysis and provided the board with current economic conditions that may be influencing the funds performance. Mr Larson discussed the equity market returns and bond investment outlook. The 4th quarter economic growth is moving slow and QE2 may improve performance. For all of 2010 the equity markets turned strong returns. PNC performance is doing well since coming to 3rd year. Total returns are at 4.89% well the benchmark was at 4.25%. Sawyer Falduto lagged the benchmark at 3.6%. Mr Larsen reported Sawyer Falduto will be watched more closely for improvement. He also provided an overview of the new pension law allowing expansion into corporate bonds and higher equity levels. Mr Larsen proposed to the board for their consideration a change in asset allocation to meet current Law allowing 55% equity.

4. APPROVAL OF MINUTES:

Motion by President Sullivan to approve minutes of October 19, 2010.
Second by Secretary Langhenry.

Voice Vote:
All Ayes.
Motion Carried

5. ACTION ITEMS:

- 5-a. Motion Motion by President Sullivan to replace Tom Dahl as the Security Administrator for the pension fund with Trustee Linear. Seconded by Trustee Seidel.

Voice Vote:
All Ayes.
Motion Carried

- 5-b. None
5-c. None
5-d. None
5-e. None

6. OLD BUSINESS (NON-ACTION ITEMS):

- 6- a. Fund Attorney Bob Zelek updated the board on the status of Brenda Ingebrigtsen's disability pension. Her attorney filed a complaint against the board to reverse the board's decision to deny her claim. The next hearing date is set for 2/7/11
- 6-b. President Sullivan advised the board former Police Officer Bob Evans has received the amount of \$42,433.78 from the fund. The amount was the portion the fund was required to pay regarding the pension buy back Officer Evan received for the time he was a member.
- 6-c. Pension fund member Sgt Ciancio has requested a proposed cost for him to buy back the Military years he has received while serving in the United Stated Marine. President Sullivan reported the finance department has not provided the amount to the board.

7. NEW BUSINESS (NON-ACTION ITEMS):

- 7-a. President Sullivan reported the 2011 Municipal compliance report is due to be filed soon. Lauterbach & Amen LLP completed the report for the prior year and will complete the current year's report. A completed copy will be giving to the board.

8. ADJOURNMENT:

Motion by President Sullivan to adjourn at 5:50pm.
Second by Trustee Seidel.

Voice Vote:
All Ayes.
Motion Carried.