

3-b Craig Larsen-Apple Hill Consulting, reported on the quarterly investment performance ending June 2013. 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. Hanover Park Police Pension Fund overall performance for the quarter came in at -.10% growth. The benchmark was at -.40%. Sawyer/Falduto fixed income returns for the quarter was at -1.87% with a benchmark of -1.37%. PNC had a return of -1.47%. Some of the downturn in fixed assets was the result of Fed Reserve Chairman Ben Bernanke mention of the possibility of tapering of bond purchases if economy continues to progress.

Mr Larsen also discussed with the Board on a observation by a Department of Insurance Attorney on American Depository Receipts (ADR). ADR is a stock of a foreign company that also trades on US stock exchanges. ADR's are a very common investment and are a way to purchase stock in foreign companies by buying them on a US stock exchange. The asset class allows greater diversification and a way for Pension funds to invest in international stocks. The Hanover Park Pension Fund invests in two ADRs, The Fidelity International Index Fund and the DFA Emerging Markets Core Fund. The attorney's observation for the DOI said that ADRs cannot be invested in by direct purchase or indirectly by a mutual fund. The DOI governing laws also prohibit the render of formal legal opinions or interpretations. The letter is only one attorney's observation. Mr Larsen advised the board he will continue to monitor the issue for a clear answer by the DOI.

3-c Derek Flessner from Lauterbach /Amen attended the Pension board meeting and reported to the Trustees on the financial statements for the quarter. Derek informed the Board he will now be the contact person for Lauterbach/Amen.

4. APPROVAL OF MINUTES:

Motion by President Sullivan to approve minutes for April 16, 2013.

Motion seconded by Trustee Walther.

Voice Vote:

All Ayes. Motion Carried

5. ACTION ITEMS:

5-a. Motion Motion by President Sullivan to approve 2nd quarter accounts payable and pension benefits totaling \$559,144.72

Seconded by Trustee Walther.
Voice Vote:
All Ayes. Motion Carried

- 5-b. Motion None
- 5-c. Motion None
- 5-d. Motion None
- 5-e. Motion None
- 5-f. Motion Motion by President Sullivan to approve the Pension refund to former Officer William Scott totaling \$103,078.45 and former Officer Greg Stranski totaling \$28,237.61.

Motion seconded by Trustee Walther.
Voice Vote:
All Ayes. Motion Carried

- 5-g. Motion Motion by President Sullivan to approve a one time payment of \$300 to the IPPFA Coalition for Qualified Plan Status for Illinois Article 3 Police Pension Funds. The plan status letter is issued by the IRS and is a favorable determination on Article 3 funds.

Seconded by Trustee Walther.
Voice Vote:
All Ayes. Motion Carried

- 5-h. Motion Motion by President Sullivan to approve a letter of agreement with Chicago Clearing Corporation to utilize their service on investment recovery claims.

Seconded by Trustee Seidel.
Voice Vote:
All Ayes. Motion Carried

6. TOWNHALL SESSION: None

7. OLD BUSINESS (NON-ACTION ITEMS):

- 7- a. None

8. NEW BUSINESS (NON-ACTION ITEMS):

- 8-a. General discussion of the Illinois Open Meetings Act.
- 8-b. President Sullivan informed the Board the Cook County Clerk requires an annual Statement of Economic Interest filed by each member. Trustee Walther and Trustee Flakus have submitted their statements to the clerk.
- 8-c. President Sullivan advised the Pension Board former Officer Pedro Diaz has submitted a request to have pension contributions transferred to his new employer Bloomington/Normal Police Department

9. ADJOURNMENT:

Motion by President Sullivan to adjourn at 5:20pm.

Second by Trustee Walther.

Voice Vote:

All Ayes. Motion Carried.

Recorded and transcribed by,
Trustee Langhenry
Hanover Park Police Pension Secretary