

[DRAFT]

**MINUTES OF THE REGULAR MEETING
BARRINGTON HILLS POLICE PENSION BOARD
January 25, 2010**

Call to Order. President Hammelmann called the meeting of the Barrington Hills Police Pension Board to order at 7:30 a.m. in the conference room of the Village Hall.

Roll Call. Present - Trustees Borck, White and President Hammelmann (3). Absent - Trustee Fernandez. Also present were Investment Advisor Dave Wall and Board attorney Nanci Rogers. Guest Peter Hyland was also present.

Approval of Minutes. The Board reviewed a copy of the minutes from the October 26, 2009 meeting. Motion by Borck, seconded by White, to approve the minutes of the October 26, 2009 meeting.

Ayes: President Hammelmann, Trustees Borck and White (3).

Nays: None. Motion carried.

Payment of Bills. Motion by Borck, seconded by Hammelmann, to pay the following bills:

Robbins Schwartz	\$ 6,359.48	(separate checks of \$3,775.73 and \$2,583.75)
Lauterbach & Amen	\$ 2,200.00	(separate checks of \$1,520.00 and \$680.00)
Wall & Associates	\$ 2,393.62	

Ayes: President Hammelmann, Trustees White and Borck (3).

Nays: None. Motion carried.

Board Attorney Report. Attorney Rogers reported that the Coalition for Qualified Plan Status (of which the Board is a participant) was successful in acquiring a determination letter issued by the Internal Revenue Service (IRS) in late October 2009 for the Police Pension Fund Structure as to the qualification of the Police Pension Fund under Internal Revenue Code (Code) Section 401(a) and the related trust under Code Section 501(a).

Attorney Rogers further reported on a recent amendment to the Open Meetings Act (OMA), effective January 1, 2010, which requires all public bodies, including the Police Pension Board, to designate an Open Meetings Act designee for the purpose of receiving training on the requirements of the OMA. The OMA designee will be required to complete an electronic training session to be available on the Illinois Attorney General's website. Rogers recommended that the OMA designee be one of the Trustees who regularly attend Board meetings. It was discussed and decided that Trustee Borck, who is the Board's FOIA officer, would also serve as the Board's OMA

designee.

It was further reported that electronic training for FOIA officers is now available via the Attorney General's website, which needs to be completed by the Board's FOIA officer no later than June 30, 2010.

Accountant Report. Nathan Gaskill was not present, but had provided the Board with copies of a financial report prepared by Lauterbach & Amen LLP depicting the statement of plan net assets for the Fund as of December 31, 2009, and the related statement of changes in plan net assets for the one month and twelve months ended December 31, 2009. The report shows that as of December 31, 2009, plan net assets held in trust were \$3,422,374.04, including accrued interest of approximately \$15,000. The report also shows that plan net assets increased by \$766,056.80 for the twelve months ending December 31, 2009. The report also presents supplementary financial information including a summary of cash and investments and Fund asset allocations as of December 31, 2009, and a detailed report of Fund revenues and expenses for the one month and twelve month periods ended December 31, 2009. A copy of the report is attached to these minutes.

Investment Report and Recommendations. Investment Advisor Dave Wall distributed a report showing the status of the Fund's investment portfolio as of the fourth quarter of 2009. A copy of the report is attached to these minutes.

The Fund portfolio is currently invested 12% in equities, 6% in cash, and 82% in fixed income securities. Wall reviewed the performance of the Fund's investments for the fourth quarter noting that the Fund experienced an investment gain of approximately \$26,000 during the quarter, with plan assets valued at approximately \$3.4 million as of December 31, 2009. The Fund's overall rate of return for the year ending December 31, 2009 was approximately 6¼%. Wall reported that overall it was a difficult year for the bond market. However, the Fund's bond portfolio gained about 3½% in value over the past year, compared to a decline in the benchmark index of approximately ¼% over the same period. As of the fourth quarter of 2009, the Fund held just over \$3 million in fixed income securities. The Fund's equity portfolio gained \$23,014 during the fourth quarter and has experienced a gain in value of 34% since April 30, 2009, which represents about a 2% value added compared with the gains in the Fund's comparable indices.

Wall gave an overview of the general economic and financial environment noting that he is cautiously optimistic regarding equity markets. He noted, however that earnings gains continue to come as a result of cost-cutting rather than bottom line growth. Following further discussion of the financial and economic environment, the Board agreed with Wall's recommendation to re-balance the Fund's equity investments by beginning to conservatively move some of the Fund's cash position into domestic equities.

Vacant Board Seat Discussion. Mayor Abboud has not yet advised the Board of his appointment to replace former Trustee Hyland who resigned effective October 27, 2009.

Guest Speakers.

None.

Further Matters for Discussion. It was confirmed that the Trustees are registered to take the Trustees' training course on February 12, 2010.

Next Meeting. It was announced that the next regular Board meeting will be April 26, 2010 at 7:30 a.m. at the Village Hall in the Village of Barrington Hills.

Adjournment. On motion by President Hammelmann, second by Trustee Borck, and unanimously carried by voice vote, the meeting was adjourned at 8:10 a.m.

APPROVED:

President Hammelmann

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