

REGULAR MEETING OF THE
CAROL STREAM POLICE PENSION FUND BOARD
Village of Carol Stream, County of DuPage, Illinois
Wednesday, January 5, 2011, 9:00 a.m.

I. Call to Order and Roll Call

The regular meeting of the Carol Stream Police Pension Fund Board of Trustees was called to order by President John Numrich at 9:07 a.m.

Present: President John Numrich, Vice President Diane Wells, Secretary Rich Garza, Assistant Secretary Ralph Salatino, Trustee Jim Ridge

Also Present: Kelly Krueger from Lauterbach & Amen, LLP, Finance Director Jon Batek, and Assistant Finance Director Dawn Damolaris

II. Secretary's Report

A. Vice President Diane Wells motioned to approve the minutes of the October 21, 2010 regular meeting. Motion was seconded by Secretary Rich Garza. All ayes. Motioned carried.

III. Treasurer's Report

- A. Kelly Kruger from Lauterbach and Amen, LLP, presented a brief explanation of the Treasurer's report through November 30, 2010. President John Numrich inquired about the timeframe for reclassification of a Non-Duty Disability Pension for a deceased officer to a Surviving Spouses Pension. Kelly Kruger indicated she would follow up on this issue. Secretary Rich Garza motioned to approve the Treasurer's report through November 30, 2010. Assistant Secretary Ralph Salatino seconded the motion. All ayes. Motion carried.
- B. Trustee Jim Ridge motioned to approve the check register from October 19, 2010 through December 30, 2010. Assistant Secretary Ralph Salatino seconded the motion. All ayes. Motion carried.
- C. Financial Advisor Mary Tomanek presented the investment report to the Board for the period of October 1 through November 30, 2010. She stated that the economy is looking more optimistic. With the new legislation as of July, equities can be 50% of your portfolio and allows the purchase of high quality corporate bonds. Mary Tomanek recommended that the Board consider investing in bonds in the future. The Board requested that

Mary investigate the bond market and provide a recommendation to the Board at a special meeting in February. In addition Jon Batek would revise the Investment Policy to reflect the new legislative guidelines.

Mary Tomanek also recommended to the Board that custody of mutual fund assets be transferred to U.S. Bank. This would result in timelier reporting and reduce costs. Secretary Rich Garza motioned to authorize transferring the mutual fund assets to U.S. Bank as custodian. Vice President Diane Wells seconded the motion. All ayes. Motion carried.

IV. **Old Business**

- A. Secretary Rich Garza reported on the two-year military service buy-back option. Lauterback provided all the applicants with their buy-back calculations as of August 1, 2010 with a State recommended interest rate of 6 ½ - 7%. President John Numrich will draft a letter to the applicants stating the buy-back options. Vice President Diane Wells motioned that applicants have until February 1, 2011 to make a declaration as to whether or not they are going to take part in the military buy-back at this time. During that decision period between August 1, 2010 and February 1, 2011 there will be no interest charged. After February 1, 2011 interest will continue to accrue and include the decision period of August 1, 2010 through February 1, 2011. In the event that a decision is made to buy-back military service, the Pension Board is willing to offer a plan similar to the IMRF buy-back which allows repayment over a five-year period at a 6% interest rate. The motion is pending approval by the attorney. Trustee Jim Ridge seconded the motion. Four ayes and one abstained. Motion carried.
- B. Secretary Rich Garza stated that Officer Kevin Babor was provided buy-back calculations from Actuarial Tim Sharpe. No decision has been made at this time and further discussion will take place at the next Board meeting.

V. **New Business**

- A. Finance Director Jon Batek reviewed the preliminary actuarial results provided by Tim Sharpe. Investment returns for the fund were 9.71% for fiscal year FY10. The tax levy will increase from \$1.25m to \$1.4m.
- B. President John Numrich presented a brief explanation of the Municipal Compliance Report. Secretary Rich Garza motioned to approve the Municipal Compliance Report. Assistant Secretary Ralph Salatino seconded the motion. All ayes. Motion carried.

- C. President John Numrich presented an explanation of the pension changes to the Police Pension Code which are effective as of January 1, 2011 for all new hires. When a copy of the new law is available, it will be incorporated into the pension packet provided to new police hires.

VI. Correspondence

- A. IPPFA training will be held on January 27, 2011 in Naperville. Secretary Rich Garza and President John Numrich will be attending.

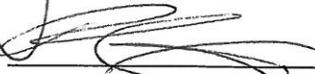
VII. Adjournment

- A. The next regular meeting is scheduled for April, 2011, and a special meeting will be held in February. Motion was made to adjourn by Secretary Rich Garza and seconded by Assistant Secretary Ralph Salatino. All ayes. Motion carried. Meeting adjourned at 10:38 a.m.

FOR THE PENSION FUND



John Numrich, President



Rich Garza, Secretary