

**Police Pension Fund Board**  
**Meeting Minutes | January 28, 2015**

**Call to Order**

7:03 am

**Roll Call**

The following were present:

Michael Neimark, President  
Bruce Becker, Trustee  
Christopher Pfaff, Trustee  
Joseph Walter, Trustee

The following were absent:

Peter Neville, Trustee

The following were also present:

David A. Clark, Treasurer

Also present Representing Great Lakes Advisors, LLC. (GLA):

William Gregg, Senior Portfolio Manager, Fixed Income  
Christy Coon, Senior Portfolio Manager  
Jon Quigley, Chief Investment Officer SMIDCP Equity Team (via telephone)

And

Laura Olson, Senior Vice President, Chicago Trust

**Public Comment Time**

Director of Public Safety Cary Lewandowski introduced himself to the members of the Board.

**Approval of the October 22, 2014 Minutes**

Upon motion made, seconded and unanimously adopted by those present, the minutes of the October 22, 2014 meeting were approved as submitted.

**Review Financial Activity with Great Lakes Advisors**

Mr. Gregg, from Great Lakes Advisors, presented the portfolio summary for the period ending December 31, 2014. Since October 1, 2014 the portfolio increased from \$30.2 Million to \$31.2 Million. Equities represented 53% of the portfolio, fixed income represented 42% of the portfolio and cash represented 3% of the portfolio. Mr. Gregg introduced Jon Quigley, Chief Investment Officer of GLA's SMIDCAP Equity Team. The Board next reviewed the following recommendations:

<u>SECURITY</u>	<u>AMOUNT</u>	<u>ACTION</u>	<u>NOTES</u>
GLA DISCIPLINED SMID CAP EQUITY	1,700,000	BUY	NEW SMID
ARTISAN INTERNATIONAL INVESTOR FD	410,000	BUY	NEW MANAGER/FUND
CAUSEWAY EMERGING MKTS FD INSTL CL	100,000	BUY	REBALANCE
ISHARES IBOXX \$ HIGH YIELD CORP BD	148,227	BUY	DOLLAR COST OVER QTR
EATON VANCE FLOATING RATE FD	327,785	BUY	DOLLAR COST OVER QTR
TEMPLETON GLOBAL BOND FD	338,659	BUY	DOLLAR COST OVER QTR
TCW FUNDS EMERGING MKT INC FD	165,939	BUY	DOLLAR COST OVER QTR
CASH EQUIVALENTS	25,483	BUY	AS REQUIRED
TOTAL PURCHASES	3,216,093		
<u>SECURITY</u>	<u>AMOUNT</u>	<u>ACTION</u>	<u>NOTES</u>
T. ROWE PRICE MID-CAP	(411,570)	SELL	FUND SMID
VANGUARD MID-CAP VALUE INDEX	(566,119)	SELL	FUND SMID
T. ROWE PRICE SMALL CAP STOCK FUND	(672,681)	SELL	FUND SMID
VANGUARD SMALL CAP INDEX	(482,042)	SELL	FUND SMID
FIDELITY DIVERSIFIED I NTERNATIONAL FD	(276,035)	SELL	UNDERPERFORMING
ISHARES MSCI EM ETF	(40,272)	SELL	REBALANCE
COHEN AND STEERS REALTY SHARES FD	(170,000)	SELL	REBALANCE
VANGUARD REIT	(170,000)	SELL	REBALANCE
GLA FIXED INCOME (CUSTOM)	(427,374)	SELL	DOLLAR COST OVER QTR
TOTAL SALES	(3,216,093)		

Mr. Gregg indicated that the SMID separate account would be within the existing fee structure of the account. Following further discussion, Trustee Becker moved, seconded by Trustee Pfaff, to approve the investment instructions and to authorize the creation of a separate account at Chicago Trust for the Disciplined SMID Fund. Said motion was approved by the following vote:

AYES: Becker, Pfaff, Walter, Neimark (4)  
NAYES: None (0)  
ABSENT: Neville (1)

Members of the Board offered suggestions for modifying the reporting process for consideration in draft prior to the next Board meeting.

The Board next discussed custody services provided by Chicago Trust. Mr. Gregg apologized for the recent disbursement in error from the custody account as an accounts payable payment for GLA service fees. In the future all accounts payable transactions will be invoiced to the treasurer for consideration and payment from the appropriate bank account. Following further discussion and in recognition that the duties expected of the custody bank are increasing in complexity, upon motion made by Trustee Pfaff, seconded by Trustee Becker, a 1.5 basis point Chicago Trust management fee was authorized subject to completion of appropriate banking

agreements with said fee to be charged to the custody account. Said motion was approved by the following vote:

AYES: Becker, Pfaff, Walter, Neimark (4)  
NAYES: None (0)  
ABSENT: Neville (1)

**Receive Municipal Compliance Report**

Treasurer Clark presented the Municipal Compliance Report to the Board. The report was included with the Tax Levy Ordinance approved by the Village Board in December 2014.

**Approve Quarterly Payments and Disbursements**

President Neimark presented the quarterly pension fund annuity payments in the amount of \$486,049.15 and quarterly accounts payable payments of \$1,174.42. Upon motion made, seconded and unanimously adopted by those present, the quarterly payments and disbursements were approved as submitted.

**Approve Annual Budget**

Treasurer Clark presented the annual budget including \$2,569,314 in revenue and \$2,002,328 in expenditures. Upon motion made, seconded and unanimously adopted by those present, the annual budget was approved as submitted.

**Review Annual Calendar**

Review of annual calendar was deferred to the next meeting.

**Training: Duties and Liabilities of Pension Fund Fiduciaries**

The training topic was addressed in accordance with the Police Pension Fund' Board's Training Policy.

**Adjournment**

There being no further business to come before the Police Pension Fund Board, upon motion made, seconded and unanimously adopted by those present, the meeting was adjourned at 8:40 a.m.