

VILLAGE OF GLENCOE  
POLICE PENSION FUND BOARD

REGULAR MEETING MINUTES  
April 23, 2014

1. CALL TO ORDER

A regular meeting of the Police Pension Fund Board was called to order by President Neimark at 7:05 a.m. on Wednesday, October 23, 2013 in the Village Hall Conference Room.

2. ROLL CALL

The following members were present:

Michael Neimark, President  
Peter Neville, Trustee  
Christopher Pfaff, Trustee  
Joseph Walter, Trustee

The following member was absent:

Chad Smith, Trustee

The following were also present:

David A. Clark, Treasurer

The following were present representing Great Lakes Advisors, LLC:

Bill Gregg, Senior Portfolio Manager – Fixed Income  
Kelly Weller, Director of Client Services and Sales  
Christy Coon, Senior Portfolio Manager

The following was present from Chicago Trust Company (Custodial Bank):

Laura Olson, Senior Vice President

3. PUBLIC COMMENT TIME

No comment from the public.

4. APPROVAL OF JANUARY 22, 2014 MINUTES

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

5. SELECT PRESIDENT, VICE PRESIDENT, SECRETARY AND ASSISTANT SECRETARY

This matter was deferred to the next meeting with no change in officers until that time.

6. REVIEW BANKING INTERNAL CONTROLS

Treasurer David Clark reported that during the quarter that the advisors at GLA asked the custodial bank to create subaccounts for administrative and reporting purposes. The treasurer was not informed until after the fact. This matter was discussed by the Board and the Board agreed that all bank account changes in the future will require the prior approval of the Police Pension Board Treasurer and President as appropriate.

7. REVIEW CUSTODIAL BANKING SERVICES

At previous meetings, this matter has been discussed. The Treasurer was directed to meet with Chicago Trust and with US Bank to discuss custody services. Mr. Clark suggested that a representative from GLA participate in the review of custodial services in order to make sure that the needs of the treasurer and financial advisor are both met. The Treasurer will bring back the results of the review process with a recommendation to the next meeting.

8. REVIEW OF FINANCIAL ACTIVITY WITH GREAT LAKES ADVISORS (GLA)

The GLA Team present the portfolio for the period ending March 31, 2014. Since January 1, 2014 the portfolio increased from \$29.03 Million to \$29.51 Million. The fund completed the year-to-date with a 1.59% net return on investment. Cash and equivalents represented 2.20% of the portfolio, equities represented 52.98% of the portfolio, and fixed income represented 44.45% of the portfolio.

GLA recommended the following:

Sell

\$ 75,000 – Vanguard Small Cap Index Fund (NAESX)  
\$535,000 – iSHARE MSCI Emerging Markets ETF (EEM)  
\$610,000 – Total Sales

Buy

\$580,000 – Causeway Emerging Markets (CEMIX)  
\$ 15,000 – GLA Fixed Income – Separate Account  
\$ 15,000 - Cash and Equivalents  
\$610,000 – Total Purchases

The Board generally concurred with GLA's recommendation. Mr. Weller next introduced the investment policy, as revised, for consideration. The revisions included:

1. Replacing "Illinois Funds" with cash equivalents in Section 5.a.
2. Eliminating restriction that stocks be purchased from domestic corporations in Section 5.f.
3. Eliminating reference to Section 1-113.4 of the Illinois Pension Code in Section 5.f.
4. Adding language allowing investment allocations up to 65% in equities as allow by state law, provided that 10% of the allocation must be in mutual funds that meet statutory requirements (Section 5.g).

5. Add language requiring that corporate bond investments must be made through a registered investment advisor with a written contract stating that the advisor is a fiduciary of the plan (Section 5.h).
6. Add definition of Fixed Income Equity to Appendix A.
7. Add Fixed income allocation of 0-25% to Appendix B.

Trustee Pfaff moved seconded by Trustee Neville, to approve the investment policy as presented. Said motion was approved by the following vote:

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

9. REVIEW QUARTERLY PAYMENTS AND DISBUREMENTS

Treasurer Clark presented quarterly pension fund annuity payments in the amount of \$480,331.98 and quarterly accounts payable payments of \$21,746.79 for approval by the Board. Following brief discussion by the Board, Trustee Neville moved, seconded by Trustee Walter, to approve payments and disbursements as presented by the Treasurer.

Said motion was approved by the following vote:

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

10. APPROVE RETIREMENT OF JOSEPH FRIEDMAN

Treasurer Clark presented information concerning the retirement of Joseph Friedman, as follows:

Date Hired: 10/23/2005  
Date Retired: 03/14/2014; 8 years of service  
Original Pension: \$18,901 per year effective 7/24/2026  
Date of first increase: 08/01/2027

Following review by the Board, Trustee Neville moved, seconded by Trustee Walter, to approve the retirement of Joseph Friedman as presented by the Treasurer.

Said motion was approved by the following vote:

AYES: Neville, Walter, Neimark (3)  
NAYES: None (0)  
ABSENT: Pfaff, Smith (2)

11. APPROVE JAMES DECRESCENZO FOR POLICE PENSION ELIGIBILITY AS A NEW PUBLIC SAFETY OFFICER

Trustee Walter moved, seconded by Trustee Neville to approve James Decrescenzo for Tier 2 participation in the Police Pension Fund as the new Public Safety Officer effective his date of hire. Said motion was approved by the following vote:

AYES: Neville, Walter, Neimark (3)  
NAYES: None (0)  
ABSENT: Pfaff, Smith (2)

12. APPROVE RESIGNATION OF CHRISTOPHER BRUBAKER

Treasurer Clark presented information concerning the resignation of Christopher Brubaker, as follows:

Date Hired: 09/09/2013  
Date Resigned: 04/10/2014; 1 year of service  
Rollover Amount: \$3,799.70 (accumulated employee contribution total)

Following review by the Board, Trustee Walter moved, seconded by Trustee Neville, to approve the resignation of Christopher Brubaker as presented by the Treasurer.

Said motion was approved by the following vote:

AYES: Neville, Walter, Neimark (3)  
NAYES: None (0)  
ABSENT: Pfaff, Smith (2)

13. APPROVE NEW OFFICER RYAN HARRISON

Treasurer Clark presented information concerning the recent hiring of Ryan Harrison as a Public Safety Officer and introduced his consideration for eligibility in the Police Pension Fund, as follows:

Date Hired: 03/21/2014  
Starting Salary: \$60,000

Following review by the Board, Trustee Walter moved, seconded by Trustee Neville, to approve new officer of Ryan Harrison for Police Pension eligibility as presented by the Treasurer.

Said motion was approved by the following vote:

AYES: Neville, Walter, Neimark (3)  
NAYES: None (0)  
ABSENT: Pfaff, Smith (2)

14. APPROVE MILITARY SERVICE REQUEST BY MICHAEL TALEND

Treasurer Clark presented information a request submitted by Michael Talend to purchase military service prior to being hired as a public safety officer as service credit in the Police Pension Fund, as follows:

Date Hired:	09/20/2008
Military Service:	2 years active duty (2 years maximum)
Date of Request:	02/06/2013
Date of Payment:	05/01/2014
Employee Cost	\$36,344.19 (payable 5/1/2014)

The request was originally made on 2/6/2013. If the amount due had been processed as payable 3/1/2013, the cost would have been \$33,586.44. Following review by the Board, Trustee Neville moved, seconded by Trustee Walter, to approve the calculation of the cost of military service credit for Michael Talend in the amount of \$33,586.44 originally payable as of 3/1/2013 as lump sum or as otherwise allowed under statute to be paid in installments.

Said motion was approved by the following vote:

AYES:	Neville, Walter, Neimark (3)
NAYES:	None (0)
ABSENT:	Pfaff, Smith (2)

15. CONDUCT ILLINOIS OPEN MEETINGS ACT AND FREEDOM OF INFORMATION ACT TRAINING

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

16. ADJOURNMENT

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