

VILLAGE OF GLENCOE
POLICE PENSION FUND BOARD

Regular Meeting
Village Hall Conference Room
675 Village Court

Wednesday, January 16, 2013
7:00 a.m.

A G E N D A

The Village of Glencoe is subject to the requirements of the Americans With Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or the facilities, are requested to contact the Village of Glencoe at least 72 hours in advance of the meeting at (847) 835-4114, or please contact the Illinois Relay Center at (800) 526-0844, to allow the Village of Glencoe to make reasonable accommodations for those persons.

1. CALL TO ORDER AND ROLL CALL

*Michael Neimark, President
Peter Neville, Trustee
Christopher Pfaff, Trustee
Chad Smith, Trustee
Joseph Walter, Trustee*

2. PUBLIC COMMENT TIME

Individuals interested in addressing the Board on non-agenda items may do so during this time.

3. APPROVAL OF THE OCTOBER 24, 2012 MINUTES

4. REVIEW FINANCIAL ACTIVITY WITH GREAT LAKES ADVISORS, INC.

5. REVIEW INVESTMENT POLICY

6. RECEIVE MUNICIPAL COMPLIANCE REPORT

7. REVIEW QUARTERLY PAYMENTS AND DISBURSEMENTS

8. APPROVE ANNUAL BUDGET

9. REVIEW ANNUAL CALENDAR

10. TRAINING: DUTIES AND LIABILITIES OF PENSION FUND FIDUCIARIES

11. OTHER BUSINESS

12. ADJOURNMENT

VILLAGE OF GLENCOE
POLICE PENSION FUND BOARD

REGULAR MEETING MINUTES
October 24, 2012

1. CALL TO ORDER

A regular meeting of the Police Pension Fund Board was called to order by President Neimark at 7:00 a.m. on Wednesday, October 24, 2012 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 were also present:

David A. Clark, Treasurer
Bill Gregg, Director of Fixed Income, Great Lakes Advisors, LLC
Jason Turner, Asset Allocation Manager, Great Lakes Advisors, LLC

Absent:
Chad Smith, Trustee

3. PUBLIC COMMENT TIME

No comment from the public.

4. APPROVAL OF MINUTES FROM THE JULY 18, 2012 MEETING

Upon motion made and seconded, the minutes of the July 18, 2012 meeting were approved as submitted by unanimous vote.

5. APPROVE CONTRACT WITH GREAT LAKES ADVISORS

Following completion of a request for proposal process, the incumbent financial advisor, Great Lakes Advisors, was retained. During the course of the contract services will be provided in accordance with the 2012 Glencoe Police Pension Fund Request for Proposal for consolidated investment management services and custodial banking services. Further the fee for services will be in accordance with GLA's consolidated 'Option -1 Flat Fee' proposal of 25 basis points for all requested services. Following further discussion, Trustee Neville moved, seconded by Trustee Walter to approve the contract with Great Lakes

Advisors for consolidated investment management services and custodial banking services. Said motion was approved by the following vote:

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

Next, Bill Gregg presented an amended investment policy for consideration by the Police Pension Fund Board. The amendments modified the investment in equities to the statutory limit (effective July 1, 2012) of 55%, includes language authorizing investment in corporate bonds, and creates an Appendix B equity investment range limits; Following further discussion, Trustee Walter moved, seconded by Trustee Neville to approve the amendments to the investment policy. Said motion was approved by the following vote:

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

6. REVIEW FINANCIAL ACTIVITY WITH GREAT LAKES ADVISORS

Bill Gregg and Jason Turner presented a portfolio report for the period ended September 30, 2012. Since June 30, 2012 increased from \$24.58 Million to 25.46 Million, a quarterly increase of nearly 3.6%. Cash and equivalents represented 6.4% of the portfolio, equities represented 48.2% of the portfolio, taxable fixed income represented 44.2% of the portfolio and alternative investments represented 1.3% of the assets.

Due to pending changes in benchmarks used by Vanguard for certain funds including the Emerging Markets Index Fund, Jason Turner recommended that the Pension Board sell all shares of Vanguard Emerging Market Index and purchase exchange traded funds (ETF) with the Ticker Symbol EEM. Following discussion by the Board, Trustee Pfaff moved, seconded by Trustee Walter to approve the sale and subsequent investment as recommended by GLA. Said motion was approved by the following vote:

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

Next, as part of a general strategy to increase income for the Police Pension Fund, Jason Turner recommended that all shares of Dodge & Cox mutual fund and Vanguard Value Fund be sold and that the proceeds be invested in GLA's separately managed large cap value account. Following further discussion, Trustee Neville moved, seconded by Trustee PFAF, to approve the sale and subsequent investment as recommended by GLA. Said motion was approved by the following vote.

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

ABSENT: Smith (1)

Other noteworthy items were discussed:

1. \$1.2 Million in cash on hand will be invested in fixed income;
2. Trustee Pfaff asked for a report on the average yield on the equity portfolio for the next meeting;
3. Treasurer Clark asked for alerts or confirms of all transactions be emailed to him.

7. APPROVE QUARTERLY PAYMENTS AND DISBURSEMENTS

Treasurer Clark reviewed \$15,293.25 in accounts payable disbursements since June 30, 2012 and \$391,524.56 in annuities paid since June 30, 2012. Upon motion made and seconded, the accounts quarterly payments and disbursements were unanimously approved as submitted.

8. REVIEW ACTUARIAL ASSUMPTIONS

Treasurer Clark presented a table of assumptions to be used by the Actuary to prepare various alternatives for the Fiscal Year 2014 Police Pension contribution. It was noted that the State of Illinois has decreased its investment return assumption from 7.00 % to 6.75%. Mr. Clark reported the discussion by the Village Finance Committee potentially suggesting that the Village's budgeted investment return assumption be reduced from 6.00% to 5.50%. The Pension Board discussed this matter and felt that the 6.00% figure still represented an achievable investment target. Further, the Board agreed by general consensus with the table of alternatives presented to the actuary.

9. TRUSTEE TRAINING: TRUSTEE ETHICS

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

10. RECEIVE FISCAL YEAR 2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Treasurer Clark mentioned that this report and other annual reports are available on the Village of Glencoe Website. He further mentioned that the annual report information concerning the Police Pension Fund is presented in accordance with actuarial assumptions used by the State of Illinois and not the budgeted actuarial assumptions.

11. OTHER BUSINESS

The Board agreed to invite Pension Fund Attorney Julie Tappendorf of Ancel Glink, etc. to attend the next meeting to discuss various policies and procedures related to considering hired officers for acceptance into the Pension Fund. The Board also agreed that representatives from the Village involved in the hiring process should also be invited. The Board will forward any other items for discussion to Treasurer Clark.

12. ADJOURNMENT

There being no further business to come before the Police Pension Fund Board, upon motion made, seconded and unanimously adopted, the meeting was adjourned at 9:05 a.m.