

VILLAGE OF GLENCOE  
POLICE PENSION FUND BOARD

REGULAR MEETING MINUTES  
July 18, 2012

1. CALL TO ORDER

A regular meeting of the Police Pension Fund Board was called to order by President Neimark at 7:16a.m. on Wednesday, July 18, 2012 in the Village Hall Conference Room.

2. ROLL CALL

The following members were present:

Michael Neimark, President  
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:

Peter Neville, Trustee  
Chad Smith, Trustee

3. PUBLIC COMMENT TIME

No comment from the public.

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

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

5. REVIEW FINANCIAL ACTIVITY WITH GREAT LAKES ADVISORS

Bill Gregg and Jason Turner presented a portfolio report for the period ended June 30, 2012. Since March 31, 2012 the portfolio decreased from \$25.48 Million to \$24.79 Million, a quarterly decrease of 1.52%, however the fund has increased year-to-date 5.08%. Cash and equivalents represented 6.9% of the portfolio, equities represented 44.7% of the assets, taxable fixed income represented 47.9% of the assets and alternative investments (REITS and Dow Jones Commodity Index) represented 0.5% of the assets.

Following discussion, the following recommendations were made:

Sources

\$1,738,000 – Cash on hand  
\$ 275,000 – T. Rowe Price Mid Cap Growth  
\$ 353,000 – Cohen & Steers Realty Shares (All Shares – value estimated)  
\$ 62,000 – Vanguard Developed Market Index (All Shares – value estimated)

\$2,428,000 – TOTAL SOURCES

Investments

\$ 1,000,000 – Best of Mortgage Backed Securities with 3 to 5 year average life  
\$ 275,000 – Vanguard Mid Cap Value  
\$ 553,000 – Vanguard REIT Index  
\$ 200,000 – Credit Suisse Commodity Index  
\$ 400,000 – S&P Dividend Aristocrats (SDY) – New Investment

\$2,428,000 – TOTAL INVESTMENTS

Trustee Pfaff moved, seconded by Trustee Walter, to approve the investment instructions with investments totaling \$2,428,000. Said motion was unanimously adopted by the following vote:

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

The Board had further recommendations for the financial advisors including:

1. Explore investment options to increase dividend potential including individual stocks and similar instruments;
2. Provide recommendation concerning investment in master limited partnerships (MLPs);
3. Recommend updates to investment guidelines and allocation strategy;

6. APPROVE QUARTERLY PAYMENTS AND DISBURSEMENTS

Treasurer David Clark reviewed \$21,713.41 in accounts payable disbursements since March 31, 2012 and \$392,006.57 in annuities paid since March 31, 2012. Upon motion made and seconded, the accounts payable and annuity disbursement report was unanimously approved as submitted.

7. REVIEW FY 2012 ANNUAL FINANCIAL REPORT AND ACTUARIAL ASSUMPTIONS FOR THE 2012 TAX LEVY

Treasurer David Clark briefly reviewed the Fiscal Year 2012 report and the history of assumptions used by the Village actuary for determining the actual amount of the contribution to the Police Pension Fund. Mr. Clark reported no proposed change in actuarial assumptions. The Pension Board concurred with the status quo approach to funding the Police Pension.

8. CONSIDER NEW OFFICER ANDREW ZARATE FOR TIER TWO PENSION ELIGIBILITY

Upon recommendation of President Neimark, following review of the medical information on hand, Trustee Pfaff moved, seconded by Trustee Walter to approve Andrew Zarate as a tier two participant in the Village of Glencoe Police Pension Fund. Said motion was approved by the following vote:

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

Following approval, the members of the Board expressed concern about the medical information available for the purposes of hiring versus the purpose of determining pension eligibility. The Board will reach out to the appropriate Village staff to discuss this matter further.

9. APPROVE BANKING SERVICE AND FINANCIAL SERVICES PROPOSAL FROM GREAT LAKES ADVISORS LLC.

Trustee Pfaff moved, seconded by Trustee Walter to approve the proposal submitted by Great Lakes Advisors, LLC for banking services and financial services per the terms of the Police Pension request for proposal. Said motion was approved by the following vote:

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

Following approval, Bill Gregg reported that he would prepare necessary documents for review by the Board and ratification at the next Board meeting.

10. REVIEW ANNUAL CALENDAR

The Board briefly discussed the calendar. No changes were made.

11. TRAINING: BASIC ACCOUNTING AND ACTUARIAL TRAINING

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

12. ADJOURNMENT

There being no further business to come before the Police Pension Board, upon motion made, seconded and unanimously adopted, the meeting was adjourned at 9:17 a.m.