

VILLAGE OF GLENCOE  
POLICE PENSION FUND BOARD

Regular Meeting  
Village Hall Conference Room  
675 Village Court

Wednesday, April 17, 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 JANUARY 16, 2013 MINUTES

4. CERTIFY ELECTION OF RETIRED PENSION FUND MEMBER (BIENNIAL)

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

6. REVIEW FINANCIAL ACTIVITY WITH GREAT LAKES ADVISORS.

7. REVIEW QUARTERLY PAYMENTS AND DISBURSEMENTS

8. TRAINING: ILLINOIS OPEN MEETINGS ACT AND FREEDOM OF INFORMATION ACT

9. OTHER BUSINESS

10. ADJOURNMENT

VILLAGE OF GLENCOE  
POLICE PENSION FUND BOARD

REGULAR MEETING MINUTES  
January 16, 2013

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, January 16, 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 were absent:

Chad Smith, Trustee

The following were also present:

David A. Clark, Treasurer

The following were present representing Great Lakes Advisors, LLC:

Bill Gregg, Director of Fixed Income  
Gary Lenhoff, Managing Director, Small Caps Securities Portfolio Manager  
Kate Szymanski, Client Services Associate

3. PUBLIC COMMENT TIME

No comment from the public.

4. APPROVAL OF MINUTES FROM THE OCTOBER 24, 2012 MEETING

Upon motion made and seconded, the minutes of the October 24, 2012 were approved as submitted by unanimous vote.

5. REVIEW FINANCIAL ACTIVITY WITH GREAT LAKES ADVISORS (GLA)

Bill Gregg introduced Gary Lenhoff, Managing Director Small Cap Securities, and Kate Szymanski, Client Services Associate. Next Mr. Gregg presented the portfolio report for the period ended December 31, 2012. Since September 30, 2012 the portfolio value increased from \$25.46 Million to \$25.73 Million, a

quarterly increase of nearly 1.1%. Cash and equivalents represented 1.6% of the portfolio, equities represented 47.0% of the portfolio, taxable fixed income represented 50.2% of the portfolio and alternative investments represented 1.2% of the portfolio.

Following discussion, Kate Szymanski introduced an amendment to the investment policy to remove the limitation that stock purchases must be of domestic based organizations. Ms. Szymanski reported that this amendment is consistent with investments allowed by the State of Illinois. Following further discussion, Trustee Pfaff moved, seconded by Trustee Neville, to approved the investment policy amendment as presented. Said motion was approved by the following vote:

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

Trustee Pfaff asked that GLA review the target asset allocation for equities listed in the investment report. Mr. Gregg reported that he would review the matter and report back to the Board at the next meeting.

Next, Gary Lenoff made a presentation on GLA's managed small cap equity objectives. He reported that the primary objective of the investment process is to identify a portfolio of stocks with a market capitalization between \$50 Million and \$3 Billion, that will potentially return 30%+ annual rate of return over a three-year period of time. The strategy seeks to provide net total returns that exceeds that of the Russell 2000 Index over long-term market cycles. The investment philosophy embodies three principal activities: security selection, portfolio construction and measuring, and monitoring and managing risk. Mr. Gregg recommended that \$1,063,000 (all shares) of the existing small cap portfolio (T. Rowe Price Small Cap Stock and Vanguard Small Cap Index) be sold and that a separate account be created in order to allow GLA's Small Cap Equity team establish and manage the small cap equity portion of the portfolio with the proceeds from the sale. Mr. Gregg further recommended that the management costs of the small cap separate account be based on an annual 75 basis point fee on the first \$1,000,000 of the portfolio and a annual 25 basis point fee on the balance in excess of \$1,000,000.

Following discussion, Trustee Pfaff moved, seconded by Trustee Neville to 1.) sell all small cap mutual fund shares (\$1,063,000); 2.) establish a separate account with the existing custodian bank (Chicago Trust), 3.) authorize GLA to manage the separate account with proceeds from the sale of small cap mutual fund shares, and 4.) agree to an annual fee of 75 basis points on the first \$1,000,000 and an annual 25 basis point fee on the remaining balance. Said motion was adopted by the following vote:

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

Next, Mr. Gregg introduced a recommendation to sell the portfolio of alternative investments (Credit Suisse) and put ½ in Vanguard REIT and ½ in Fidelity International Diversified. Following discussion with members of the Board this recommendation was deferred to the next meeting to allow GLA to further analyze additional alternatives.

6. REVIEW INVESTMENT POLICY

This matter was deferred to allow GLA to incorporate the change to the policy reviewed earlier and to review the target allocations. The investment policy will be on the next agenda for review. Trustee Pfaff asked for a copy of the policy as most recently revised.

7. RECEIVE MUNICIPAL COMPLIANCE REPORT

Following discussion, Trustee Neville moved seconded by Trustee Walter to accept the 2012 Municipal Compliance Report. Said motion was adopted by the following vote:

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

8. REVIEW QUARTERLY PAYEMENTS AND DISBURSEMENTS

Following discussion, Trustee Neville moved seconded by Trustee Walter to approve payments and disbursements for the quarter ended December 31, 2012. Said motion was adopted by the following vote:

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

9. APPROVE ANNUAL BUDGET

Following discussion, Trustee Neville moved seconded by Trustee Walter to approve the annual Fiscal Year 2014 Budget with revenue totaling \$2,699,532 and expenditures of \$1,661,355. Said motion was adopted by the following vote:

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

10. REVIEW ANNUAL CALENDAR

There were no comments on the annual calendar.

11. TRUSTEE TRAINING: DUTIES AND LIABILITIES OF PENSION FUND FIDUCIARIES

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

12. OTHER BUSINESS

1. Matthew Sachtleben was scheduled for an annual disability physical

13. 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 8:45 a.m.