

VILLAGE OF GLENCOE
POLICE PENSION FUND BOARD

REGULAR MEETING MINUTES
April 17, 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, April 17, 2013 in the Village Hall Conference Room.

2. ROLL CALL

The following members were present:

Michael Neimark, President
Peter Neville, Trustee
Christopher Pfaff, Trustee
Chad Smith, Trustee
Joseph Walter, 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 Private Wealth Management

3. PUBLIC COMMENT TIME

No comment from the public.

4. APPROVAL OF MINUTES FROM THE JANUARY 16, 2013 MEETING

Upon motion made and seconded, the minutes of the January 16, 2013 were approved as submitted by unanimous vote.

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

Bill Gregg introduced Kelly Weller and Christy Coon as associates with Great Lakes Advisors. He also presented the Board with a Great Lakes Advisor's organizational chart. Next Mr. Gregg presented the portfolio report for the period ended March 31, 2013. Since December 31, 2012 the portfolio value has increased from \$25.73 Million to \$26.78 Million, a quarterly increase of 4.1%. Cash and equivalents represented 1.1% of the portfolio, equities represented

50.6% of the portfolio and taxable fixed income represented 48.3% of the portfolio.

Mr. Weller reviewed recommendations for modification to the existing allocation strategy as follows:

<u>Class</u>	<u>Current</u>	<u>Proposed</u>	<u>+/-</u>
Cash Equivalents	1%	2%	0.9%
Domestic Fixed Income	48%	46%	-2.30%
Fixed Income - Equity	0%	0%	0%
Domestic Large Cap Equity	30%	27%	-3.10%
Domestic Mid Cap Equity	5%	3%	-2.20%
Domestic Small Cap Equity	4%	8%	3.30%
International Developed Markets Equity	7%	6%	-0.90%
International Emerging Markets Equity	2%	3%	1.10%
Real Estate	3%	6%	3.20%
Total	100%	100%	0%

Illinois statute now provides that 65% of the portfolio can be in equities so long as 10% is in mutual funds. Mr. Weller proposed that a revision to the investment policy be reviewed at the next meeting to allow the portfolio to be balanced to the extent allowed by state law rather than having a specific allocation listed in the investment policy. Mr. Weller also suggested that growth towards the allowable allocation over time. He specifically recommended the following allocation:

Cash	2%
Fixed Income	46%
Equity	<u>52%</u>
Total	100%

Mr. Kelly next introduced specific changes to the strategic allocation of the portfolio. Following further discussion by the Board of the recommended portfolio allocation, Trustee Pfaff moved seconded by Trustee Smith to approve changes to the strategic allocation strategy as follows:

	<u>Value</u>	<u>Approved +/-</u>
Cash	288,944	-
Fixed Income	13,002,202	(500,000)
Vanguard 500 Index	2,273,549	(200,000)
T Rowe Price Growth Stk Fund	1,588,129	(400,000)
Vanguard Growth Index Fund	1,150,079	-
Great Lakes Advisors - LCV	2,603,108	-

SPDR Series Trust S&P Divd ETF	461,930	-
T Rowe Price Mid Cap Growth Fund	629,753	(275,000)
Vanguard Mid Cap Value Index Fund	728,222	(295,000)
T Rowe Price Small Cap Growth Fund	759,009	(170,000)
Vanguard Small Cap Index Fund	438,496	-
Great Lakes Advisors - Small Cap	-	1,000,000
Fidelity Diversified Intl Fund	712,937	(240,000)
Oakmark International	1,081,979	-
iShares MSCI Emerging Markets ETF	483,301	290,000
Vanguard REIT Index Fund	693,972	50,000
Cohen & Steers Realty Shares Fund	-	740,000
Total	26,895,610	-

Said motion was approved by the following vote:

AYES: Neville, Pfaff, Smith, Walter, Neimark (5)
 NAYES: None (0)
 ABSENT: None (0)

The following items were further discussed:

1. Development of a blended benchmark using 2% cash, 46% fixed income and 52% equities.
 2. Use of Russell 3000 to help determine relative domestic return.
 3. Utilization of investment types, such as ETF's, as a way of replacing investment yield from fixed income.
 4. Review of investment policy with pension attorney Julie Tappendorf at the next regular meeting.
 5. Maintaining available cash of \$150,000 at the end of each month in order to pay pensions.
6. CERTIFY ELECTION OF SWORN PENSION FUND MEMBER

President Neimark noted that the agenda item should be election of sworn member of the pension board, not retired member. President Neimark counted the ballots with results as follows:

Neville – 19 votes
 Bookie – 1 vote
 Spoiled – 1 vote

Upon motion made and seconded the results of the 2013 Trustee election was unanimously approved by all members present.

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

The following officers were appointed upon motion made, seconded and unanimously adopted by members present:

President:	Michael Neimark
Vice President:	Chad Smith
Secretary:	Peter Neville
Assistant Secretary:	Joseph Walter

8. REVIEW QUARTERLY PAYEMENTS AND DISBURSEMENTS

Following review, Trustee Neville moved, seconded by Trustee Smith, to approved payments and disbursements for the quarter ended March 31, 2013. Said motion was approved by the following vote.

AYES:	Neville, Pfaff, Smith, Walter, Neimark (5)
NAYES:	None (0)
ABSENT:	None (0)

9. TRAINING ILLINOIS OPEN MEETINGS ACT AND FREEDOM OF INFORMATION ACT

The training topic was addressed in accordance with the Police Pension Board's Training Policy. President Neimark confirmed that members of the Board had completed the required online Open Meetings Act training.

10. OTHER BUSINESS

1. Statement of Economic Interest - President Neimark reminded members to complete the online statement by the due date.
2. President Neimark announced the retirement of Lieutenant Hiroshi Witt effective April 30, 2013

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. 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 8:55 a.m.