

VILLAGE OF GLENCOE
POLICE PENSION FUND BOARD

Regular Meeting
Village Hall Conference Room
675 Village Court

Wednesday, April 23, 2014
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 22, 2014 MINUTES

4. CERTIFY ELECTION OF ACTIVE PENSION FUND MEMBER

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

6. REVIEW BANKING INTERNAL CONTROLS

7. REVIEW CUSTODIAL BANKING SERVICES

8. REVIEW FINANCIAL ACTIVITY WITH GREAT LAKES ADVISORS

9. REVIEW QUARTERLY PAYMENTS AND DISBURSEMENTS

10. CONSIDER RETIREMENT OF JOSEPH FRIEDMAN

11. CONSIDER RESIGNATION OF CHRISTOPHER BRUBAKER

12. CONSIDER NEW OFFICER RYAN HARRISON

13. CONSIDER OFFICER MICHAEL TALEND MILITARY BUY BACK

14. TRAINING: ILLINOIS OPEN MEETINGS ACT AND FREEDOM OF INFORMATION ACT
15. OTHER BUSINESS
16. ADJOURNMENT

VILLAGE OF GLENCOE
POLICE PENSION FUND BOARD

REGULAR MEETING MINUTES
January 22, 2014

1. CALL TO ORDER

A regular meeting of the Police Pension Fund Board was called to order by President Neimark at 7:10 a.m. on Wednesday, January 22, 2014 in the Village Hall Conference Room.

2. ROLL CALL

The following members were present:

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

The following member was absent:

Christopher Pfaff, Trustee
Chad Smith, Trustee

The following were also present:

Philip Kiraly, Village Manager
David A. Clark, Treasurer

The following were present representing Great Lakes Advisors, LLC:

Bill Gregg, Senior Portfolio Manager – Fixed Income
Christy Coon, Senior Portfolio Manager

3. PUBLIC COMMENT TIME

No comment from the public.

4. APPROVAL OF OCTOBER 23, 2013 MINUTES

Upon motion made, seconded and unanimously adopted by those present, the minutes of the October 23, 2013 meeting were approved as submitted.

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

The GLA Team present the portfolio for the period ending December 31, 2013. Since October 1, 2013 the portfolio increased from \$27.75 Million to \$29.03 Million. The fund completed the year with a 12.96% net return on investment.

Cash and equivalents represented 2.60% of the portfolio, equities represented 54.78% of the portfolio, and fixed income represented 42.29% of the portfolio.

Due to issues of poor performance, GLA recommended selling all shares of SPDR S&P ETF (approximately \$508,340) and reinvesting in best allocation available. Following further discussion, Trustee Neville moved, seconded by Trustee Walter, to approve the recommendation to sell all shares of SPDR S&P ETF and reinvest proceeds in the best allocation available. Said motion was approved by the following vote:

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

6. REVIEW BANKING PRACTICES

GLA introduced the results of a search for a custodian to replace Chicago Trust. GLA reported that Chicago Trust is limited in their capabilities to provide desired reporting and that transactions were more cumbersome. GLA conducted a search and provided the results of proposals from 4 different custodians. GLA recommended US Bank, N.A. with a low proposals of 2.5 basis point cost and no transaction fees. GLA estimated the annual cost of \$7,258 for the services of US Bank, N.A. GLA recommended action on this proposal at the next meeting. President Neimark requested that the attorney review the process and the proposal for compliance with law.

7. REVIEW INVESTMENT POLICY

GLA reviewed proposed changes to the pension fund's investment policy. In summary, the changes included:

1. Change of investment type deleting Illinois Funds and adding cash equivalents.
2. Removing limitation that stocks purchased must be domestic based (U.S.A.) and deleting statutory reference from Section 1-113.4.
3. Introducing allocation language to increased total investment in equities from 55% to 65%
4. Adding language to require corporate bond purchases to be made through a registered investment advisor with a written contract stating that the advisor is a fiduciary under the plan.
5. Adding the definition of fixed income equity to include any security classified as fixed income by general market classifications, but considered as equity for the purposes of portfolio allocation limitations under the Illinois Pension Code. Examples including foreign debt, floating rate debt, high yield, and/or any other debt security not otherwise allowable under Section 1-113.2 of the Illinois Pension Code but allowable under Section 1-113.4A of the Illinois Pension Code.
6. Adding a range allocation of 0-25% in fixed income equity.

GLA recommended that the recommended changes to the investment policy be considered at the next meeting. GLA stated that they would provide evidence of guidance from the Department of Insurance and the State Attorney General related to the development of the proposed equity guideline. President Neimark asked that the attorney review the policy for conformance with law.

8. REVIEW MUNICIPAL COMPLIANCE REPORT

Treasurer Clark presented the required annual compliance report approved by the Village Board at their December 19, 2013. The report provides a summary of the financial condition of the Police Pension as of February 28, 2013. As of the end of Fiscal Year 2013, the Police Pension Fund had total assets of \$26.98 Million and was 66.4% funded as compared to \$25.00 Million in total assets and 65.8% funded the prior year. Following discussion, Trustee Walter moved, seconded by Trustee Neville to approve the Fiscal Year 2013 Municipal Compliance Report.

Said motion was approved by the following vote:

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

9. REVIEW QUARTERLY PAYMENTS AND DISBURSEMENTS

Treasurer Clark presented quarterly pension fund annuity payments in the amount of \$447,648.05 and quarterly accounts payable payments of \$18,769.45 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, Walter, Neimark (3)
NAYES: None (0)
ABSENT: Pfaff, Smith (2)

10. APPROVE ANNUAL BUDGET

Treasurer Clark introduced the annual budget for with total expenses in the amount of \$2,002,328. Most notably the annuity budget increased from \$1,592,510 to \$1,921,328 due to annual increases and 4 retirements during the prior fiscal year. Per the Village actuary, the employer contribution figure is reduced from \$1,646,932 to \$1,476,314 and therefore decreasing the revenue budget from \$2,699,532 to \$2,659,314. Following review by the Board, Trustee Neville moved, seconded by Trustee Walter, to approve the Fiscal Year 2015 Budget 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 RETIREMENT OF ELIZABETH SENO

Treasurer Clark presented information concerning the retirement of Elizabeth Seno, as follows:

Date Hired: 11/1/1984
Date retired: 11/15/2013; 29 years of service
Original Pension: \$88,865.43 per year
Date of first increase: 9/15/2015

Following review by the Board, Trustee Neville moved, seconded by Trustee Walter, to approve the retirement of Elizabeth Seno 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)

12. APPROVE RETIREMENT OF MARY O'SULLIVAN

Treasurer Clark presented information concerning the retirement of Mary O'Sullivan, as follows:

Date Hired: 12/30/1991
Date retired: 12/31/2013; 22 years of service
Original Pension: \$52,431.50 per year
Date of first increase: 1/1/2019

Following review by the Board, Trustee Neville moved, seconded by Trustee Walter, to approve the retirement of Mary O'Sullivan 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. REVIEW ANNUAL CALENDAR

Following review, President Neimark offered an amendment to the calendar to add election of one retired and one active member of the Police Pension Fund Board. Trustee Neville moved, seconded by Trustee Walter, to approve the annual calendar as amended.

Said motion was approved by the following vote:

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

14. CONDUCT DUTIES AND LIABILITIES OF PENSION FUND FIDUCIARIES TRAINING

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

15. 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 8:24 a.m.

Changes in Net Plan Assets
 Glencoe Police Pension Fund
 For Period Ending 03/31/2014

Account#	Description	PY YTD	PY Bud	CY YTD	CY Bud
ADDITIONS					
Contributions					
26-159-376-31220	EMPLOYER CONTRIBUTIONS	515,159.85	1,646,932.00	550,651.51	1,476,314.00
26-159-376-31705	PERSONAL PROPERTY REPLACEMENT TAX	1,809.71	6,000.00	2,629.93	6,000.00
26-159-376-32935	MEMBER CONTRIBUTIONS	26,189.50	317,000.00	24,419.61	335,000.00
	Total Contributions	<u>543,159.06</u>	<u>1,969,932.00</u>	<u>577,701.05</u>	<u>1,817,314.00</u>
Investment income					
26-159-376-32805	INTEREST ON INVESTMENTS	30.11	2,000.00	36.39	3,000.00
26-159-376-32810	MUTUAL FUND EARNINGS	29,450.91	215,600.00	31,502.36	240,000.00
26-159-376-32825	CD INTEREST	0.00	7,000.00	179.69	4,000.00
26-159-376-32830	FIXED INCOME INTEREST	57,376.29	505,000.00	63,040.32	505,000.00
	Interest Earned	<u>86,857.31</u>	<u>729,600.00</u>	<u>94,758.76</u>	<u>752,000.00</u>
	Total Investment Income	86,857.31	729,600.00	94,758.76	752,000.00
26-159-376-53120	FINANCIAL SERVICES	0.00	59,000.00	0.00	68,000.00
	Net Investment Income	<u>86,857.31</u>	<u>670,600.00</u>	<u>94,758.76</u>	<u>684,000.00</u>
	Total Additions	<u>630,016.37</u>	<u>2,640,532.00</u>	<u>672,459.81</u>	<u>2,501,314.00</u>
DEDUCTIONS					
Pensions & Refunds					
26-159-376-42710	PENSIONS - RETIRED MEMBER	91,137.54	1,094,000.00	118,168.92	1,418,027.00
26-159-376-42720	PENSIONS - WIDOWED/DEPEND	13,754.61	165,055.00	13,754.61	165,055.00
26-159-376-42730	PENSIONS - CHILD	1,804.60	21,655.00	1,804.60	21,655.00
26-159-376-42740	PENSION - DISABILITY DUTY	20,626.08	245,400.00	20,768.29	249,220.00
26-159-376-42760	QILDRO PENSION	5,528.37	66,400.00	5,614.24	67,371.00
	Total Pensions & Refunds	<u>132,851.20</u>	<u>1,592,510.00</u>	<u>160,110.66</u>	<u>1,921,328.00</u>
Miscellaneous					
26-159-376-53115	AUDITING SERVICES	2,200.00	5,200.00	0.00	6,000.00
26-159-376-52125	BANKING FEES	14.00	645.00	28.90	1,000.00
26-159-376-52290	MISC CONTRACTUAL SERVICES	775.00	2,000.00	0.00	4,000.00
	Total Prof. Services	<u>2,989.00</u>	<u>7,845.00</u>	<u>28.90</u>	<u>11,000.00</u>
	Total Deductions	<u>135,840.20</u>	<u>1,600,355.00</u>	<u>160,139.56</u>	<u>1,932,328.00</u>
	Change in Net Assets	<u>494,176.17</u>	<u>1,040,177.00</u>	<u>512,320.25</u>	<u>568,986.00</u>

DATE: 04/10/14

VILLAGE OF GLENCOE

EARNRPT3

TIME: 14:50:55

EARNINGS ANALYSIS REPORT

SELECTION CRITERIA: employee.home_orgn="376" and checkhis.iss_date between "01/01/2014" and "03/31/2014"

EMPLOYEE NO	NAME	PAY CODE	-----REGULAR-----		-----OVERTIME-----	
			HOURS	EARNINGS	HOURS	EARNINGS
95301	AYLWARD, NED	131	3.00	19,600.14	.00	.00
	TOTAL FOR EMPLOYEE: 95301		3.00	19,600.14	.00	.00
300256	BAK, THOMAS	131	3.00	12,442.95	.00	.00
	TOTAL FOR EMPLOYEE: 300256		3.00	12,442.95	.00	.00
20026	BATT, PAULA	131	3.00	6,584.01	.00	.00
	TOTAL FOR EMPLOYEE: 20026		3.00	6,584.01	.00	.00
20017	BONNEVILLE, ROBERT B	131	3.00	18,229.38	.00	.00
	TOTAL FOR EMPLOYEE: 20017		3.00	18,229.38	.00	.00
20018	CLARK, JAMES	132	3.00	8,159.94	.00	.00
	TOTAL FOR EMPLOYEE: 20018		3.00	8,159.94	.00	.00
300183	FAY, JOHN	131	3.00	11,448.87	.00	.00
	TOTAL FOR EMPLOYEE: 300183		3.00	11,448.87	.00	.00
20005	FEIL, WILLARD B	131	3.00	5,269.50	.00	.00
	TOTAL FOR EMPLOYEE: 20005		3.00	5,269.50	.00	.00
94501	GALFORD, JOHN D	131	3.00	22,239.99	.00	.00
	TOTAL FOR EMPLOYEE: 94501		3.00	22,239.99	.00	.00
300208	GARY GIBE, SHAPIRO DEVELOPMENTAL CNTR FOR	137	3.00	2,706.90	.00	.00
	TOTAL FOR EMPLOYEE: 300208		3.00	2,706.90	.00	.00
20020	GIBE JR, JERRY	137	3.00	2,706.90	.00	.00
	TOTAL FOR EMPLOYEE: 20020		3.00	2,706.90	.00	.00
95601	HARLOW, PAUL	131	3.00	23,512.29	.00	.00
	TOTAL FOR EMPLOYEE: 95601		3.00	23,512.29	.00	.00
300182	HEALY, ANNE T.	139	3.00	7,997.82	.00	.00
	TOTAL FOR EMPLOYEE: 300182		3.00	7,997.82	.00	.00
20027	HENDRIX, CAROL I	131	3.00	14,200.32	.00	.00
	TOTAL FOR EMPLOYEE: 20027		3.00	14,200.32	.00	.00
20021	IVINS, JOHN	131	3.00	11,672.52	.00	.00
	TOTAL FOR EMPLOYEE: 20021		3.00	11,672.52	.00	.00
95101	JESSE, DANIEL	131	3.00	17,813.13	.00	.00
	TOTAL FOR EMPLOYEE: 95101		3.00	17,813.13	.00	.00
20022	LINOWIECKI, JOHN	131	3.00	11,820.90	.00	.00
	TOTAL FOR EMPLOYEE: 20022		3.00	11,820.90	.00	.00
300300	LITWITZ, DEBORAH	131	3.00	13,714.47	.00	.00
	TOTAL FOR EMPLOYEE: 300300		3.00	13,714.47	.00	.00
97203	LOPRESTI, NICHOLAS	132	3.00	14,750.97	.00	.00
	TOTAL FOR EMPLOYEE: 97203		3.00	14,750.97	.00	.00
300179	MILKS, MIKEL	131	3.00	30,630.99	.00	.00

DATE: 04/10/14

VILLAGE OF GLENCOE
EARNINGS ANALYSIS REPORT

EARNRPT3

TIME: 14:50:55

SELECTION CRITERIA: employee.home_orgn="376" and checkhis.iss_date between "01/01/2014" and "03/31/2014"

EMPLOYEE NO	NAME	PAY CODE	-----REGULAR-----		-----OVERTIME-----	
			HOURS	EARNINGS	HOURS	EARNINGS
	TOTAL FOR EMPLOYEE: 300179		3.00	30,630.99	.00	.00
300101	MILLER, LYNN	131	3.00	13,237.02	.00	.00
	TOTAL FOR EMPLOYEE: 300101		3.00	13,237.02	.00	.00
20028	MOHR, FLOYD	131	3.00	15,954.24	.00	.00
	TOTAL FOR EMPLOYEE: 20028		3.00	15,954.24	.00	.00
300248	NORRIS, ANTOINETTE E.P.	131	3.00	7,242.48	.00	.00
	TOTAL FOR EMPLOYEE: 300248		3.00	7,242.48	.00	.00
300316	O'SULLIVAN, MARY M	131	3.00	13,107.87	.00	.00
	TOTAL FOR EMPLOYEE: 300316		3.00	13,107.87	.00	.00
20014	POSTELNICK, THOMAS J	131	3.00	14,589.30	.00	.00
	TOTAL FOR EMPLOYEE: 20014		3.00	14,589.30	.00	.00
300118	RODSTROM, JEFFREY	132	3.00	14,224.92	.00	.00
		138	.00	641.01	.00	.00
	TOTAL FOR EMPLOYEE: 300118		3.00	14,865.93	.00	.00
300092	SACHTLEBEN, MATTHEW	132	3.00	13,412.58	.00	.00
	TOTAL FOR EMPLOYEE: 300092		3.00	13,412.58	.00	.00
300313	SENO, ELIZABETH	131	3.00	22,216.35	.00	.00
	TOTAL FOR EMPLOYEE: 300313		3.00	22,216.35	.00	.00
20001	SHARPE, DAVID D.	131	3.00	10,676.91	.00	.00
	TOTAL FOR EMPLOYEE: 20001		3.00	10,676.91	.00	.00
96701	SWEENEY JR, THOMAS J	132	3.00	11,115.45	.00	.00
	TOTAL FOR EMPLOYEE: 96701		3.00	11,115.45	.00	.00
300294	VOLLING, MICHAEL	131	3.00	24,196.56	.00	.00
	TOTAL FOR EMPLOYEE: 300294		3.00	24,196.56	.00	.00
300112	WADYCKI, THOMAS	131	3.00	23,922.81	.00	.00
	TOTAL FOR EMPLOYEE: 300112		3.00	23,922.81	.00	.00
300102	WALTER, JOSEPH	131	3.00	19,182.90	.00	.00
	TOTAL FOR EMPLOYEE: 300102		3.00	19,182.90	.00	.00
300221	WEPPLER, KATHRYN A.	139	3.00	8,844.90	.00	.00
	TOTAL FOR EMPLOYEE: 300221		3.00	8,844.90	.00	.00
95401	WEPPLER, TERRY	131	3.00	12,264.69	.00	.00
	TOTAL FOR EMPLOYEE: 95401		3.00	12,264.69	.00	.00
TOTAL REPORT			102.00	480,331.98	.00	.00

GLENCOE POLICE PENSION FUND
ACCOUNTS PAYABLE DISBURSEMENTS FROM 1/1/2014 THROUGH 3/31/2014

Check	Name	Check Amount	Check Date	Check Status	Invoice Total	Item Desc
						SINGLE AUDIT FOR THE FISCAL YEAR ENDED
40074	LAUTERBACH & AMEN, LLP	482.00	01/24/2014	Cleared	482.00	02/28/13
40075	NORTHERN ILLINOIS UNIVERSITY	300.00	01/31/2014	Cleared	150.00	IPPFA TRAINING-MICHAEL NEIMARK
40075	NORTHERN ILLINOIS UNIVERSITY	300.00	01/31/2014	Cleared	150.00	IPPFA TRAINING-PETER NEVILLE
40076	GREAT LAKES ADVISORS, LLC ANCEL, GLINK, DIAMOND, BUSH,	18,146.04	02/21/2014	Cleared	18,146.04	QUARTERLY MANAGEMENT FEE 10/01/13-12/31/13
40077	DICIANNI&KRAFTHFER,	618.75	03/20/2014	Cleared	618.75	LEGAL FEES 01/2014
40078	TIMOTHY W. SHARPE	2,200.00	03/20/2014	Cleared	2,200.00	SERVICES RENDERED 11/2013-02/2014 FOR PPF
TOTAL					21,746.79	