

VILLAGE OF GLENCOE
POLICE PENSION FUND BOARD

Regular Meeting
Village Hall Conference Room
675 Village Court

Wednesday, October 28, 2015
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
Bruce Becker, Trustee
Peter Neville, Trustee
Christopher Pfaff, 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. CONSIDERATION OF THE JULY 29, 2015 MINUTES

4. REVIEW FINANCIAL ACTIVITY WITH GREAT LAKES ADVISORS

5. REVIEW COPY OF VILLAGE COMPREHENSIVE FINANCIAL REPORT

6. APPROVE QUARTERLY PAYMENTS AND DISBURSEMENTS

7. TRAINING: TRUSTEE ETHICS

8. OTHER BUSINESS

9. ADJOURNMENT

VILLAGE OF GLENCOE
POLICE PENSION FUND BOARD

REGULAR MEETING MINUTES
July 29, 2015

1. Call To Order

Wednesday, July 29, 2015 at 7:00 a.m.

Roll Call

The following were present:

Michael Neimark, President
Bruce Becker, Trustee
Peter Neville, Trustee

The following were absent:

Christopher Pfaff, Trustee
Joseph Walter, Trustee

The following were also present:

David A. Clark, Treasurer

Also present Representing Great Lakes Advisors, LLC. (GLA):

Kelly Weller, Managing Director, Client Service
Christy Coon, Senior Portfolio Manager
Steven Schenker, Client Portfolio Manager

2. Public Comment Time

There was no one in attendance from the public.

3. Approval of April 22, 2015 Minutes

Upon motion made, seconded and unanimously adopted by those present, the minutes of the April 22, 2015 meeting were approved as submitted.

4. Review Financial Activity with Great Lakes Advisors

Mr. Weller, from Great Lakes Advisors, announced that Bil Gregg is no longer with Great Lakes Advisors. He stated that Mr. Gregg left for a better opportunity but could not comment any further than that. Next Mr. Weller presented the portfolio summary for the period ending May 31, 2015. GLA will be reporting based on the Village's fiscal quarters rather than the calendar quarters to be in compliance with State of Illinois regulations. Since January 1, 2015 the portfolio increased from \$31.8 Million to \$32.0 Million. Equities represented 51% of the portfolio, fixed income represented 45% of the

portfolio and cash represented 3% of the portfolio. During the period, fund appreciation of \$177,824 was reported with account current yield of 2.59%.

Mr. Weller reported the following changes in portfolio value:

<u>CLASS</u>	<u>BEGINNING</u>	<u>ADDITION</u> <u>/WITHDRAWALS</u>	<u>APPRECIATION</u>	<u>ENDING</u>
FIXED INCOME	11,983,054	(350,653)	55,804	11,688,205
MUTUAL FUNDS-FI	2,526,257	750,024	22,554	3,298,835
LARGE CAP VALUE	3,540,361	-	58,998	3,599,359
SMID CAP	1,773,451	760,000	10,439	2,543,890
SMALL CAP	1,332,604	-	(11,702)	1,320,902
MUTUAL FUNDS-EQ	10,718,653	(1,160,024)	41,731	9,600,360
TOTAL	31,874,380	(653)	177,824	32,051,551

The Board next reviewed the following recommendations:

<u>SECURITY</u>	<u>AMOUNT</u>	<u>ACTION</u>	<u>NOTES</u>
ISHARE RUSSELL MIDCAP ETF	609,233	SELL	SELL ALL (REBALANCE SMID)
GLA FIXED INCOME (CUSTOM)	<u>1,000,000</u>	SELL	DOLLAR COST
TOTAL	1,609,233		

<u>SECURITY</u>	<u>AMOUNT</u>	<u>ACTION</u>	<u>NOTES</u>
COHEN & STEERS REALTY SHARES	409,233	BUY	REBALANCE
ISHARE IBOXX \$HIGH YIELD CORP BD ETF	420,000	BUY	DOLLAR COST
TEMPLETON GLOBAL BOND FD	416,000	BUY	DOLLAR COST
TCW FUNDS EMERGING MKT INC FD	<u>364,000</u>	BUY	DOLLAR COST
	1,609,233		

Following further discussion, Trustee Becker moved, seconded by Trustee Neville, to approve the investment instructions and to approve the Investment Guideline Overview contained in the Quarterly Report . Said motion was approved by the following vote:

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

Members of the Board also made the following suggestions:

- That the quarterly report include a comparison of the actual portfolio allocation to the target portfolio allocation on the summary IPS Guidelines and Procedures page.

5. Review Actuarial Report for 2015 Tax Levy

Treasurer Clark reported the results of the annual actuarial report prepared by Tim Sharpe. Due to changes in reporting requirements, the report was completed earlier this year than in year's past. Due to the State of Illinois change in mortality and turnover, the anticipated contribution to be included in the Fiscal Year 2017 Budget will increase from \$1,562,863 to \$1,818,419. Absent the change in assumptions used by the State of Illinois, the increase would have been \$351. The anticipated contribution of \$1,818,419 is consistent with Village policy and past practice.

6. Approve Quarterly Payments and Disbursements

President Neimark presented the quarterly pension fund annuity payments in the amount of \$513,445.41 and quarterly accounts payable payments of \$29,729.42. Upon motion made, seconded and unanimously adopted by those present, the quarterly payments and disbursements were approved as submitted.

7. Review Annual Calendar

Review of annual calendar was deferred to the next meeting.

8. Training: Basic Accounting and Actuarial Training

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

9. 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 8:25 a.m.

VILLAGE OF GLENCOE, ILLINOIS

Police Pension Fund

Required Supplementary Information
 Schedule of Funding Progress and Employer Contributions
 February 28, 2015

Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
Feb. 28						
2010	\$ 20,658,001	\$ 35,633,310	57.97%	\$ 14,975,309	\$ 2,998,929	499.36%
2011	23,700,436	36,720,564	64.54%	13,020,128	3,036,145	428.84%
2012	24,826,359	38,811,771	63.97%	13,985,412	3,061,879	456.76%
2013	26,809,041	41,089,738	65.25%	14,280,697	3,238,907	440.91%
2014	30,075,160	45,138,395	66.63%	15,063,235	3,065,366	491.40%
2015	32,114,857	49,991,818	64.24%	17,876,961	3,298,679	541.94%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2010	\$ 1,407,637	\$ 1,037,562	135.67%
2011	1,740,339	1,342,900	129.60%
2012	1,632,363	1,216,128	134.23%
2013	1,471,318	998,140	147.41%
2014	1,652,932	1,027,127	160.93%
2015	1,482,314	1,114,467	133.01%

VILLAGE OF GLENCOE, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Employer Contributions

February 28, 2015

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 1,114,467	\$ 1,482,314	\$ 367,847	\$ 3,298,679	44.9%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	February 28, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 Years
Asset Valuation Method	Market value
Inflation	3.00%
Salary Increases	5.50%
Investment Rate of Return	6.75%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP 2000 CHBCA

Note: The information presented above is formatted to comply with the requirement of GASB Statement No. 67.

VILLAGE OF GLENCOE, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
February 28, 2015

	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 768,722
Interest	2,980,948
Differences Between Expected and Actual Experience	(111,871)
Change of Assumptions	3,168,019
Benefit Payments, Including Refunds of Member Contributions	<u>(1,952,395)</u>
Net Change in Total Pension Liability	4,853,423
Total Pension Liability - Beginning	<u>45,138,395</u>
Total Pension Liability - Ending	<u><u>49,991,818</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,482,314
Contributions - Members	317,645
Net Investment Income	2,209,655
Benefit Payments, Including Refunds of Member Contributions	(1,952,395)
Administrative Expense	<u>(17,521)</u>
Net Change in Plan Fiduciary Net Position	2,039,698
Plan Net Position - Beginning	<u>30,075,159</u>
Plan Net Position - Ending	<u><u>32,114,857</u></u>
Employers Net Pension Liability	<u><u>\$ 17,876,961</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.2%
Covered-Employee Payroll	\$ 3,298,679
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	541.9%

VILLAGE OF GLENCOE, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Investment Returns

February 28, 2015

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	7.60%

VILLAGE OF GLENCOE, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Net Position - Budget and Actual
For the Fiscal Year Ended February 28, 2015

	Appropriations		Original and Final Budget	Actual	Budget Variance Over (Under)
	Original	Final			
ADDITIONS					
Contributions - employer	\$ -	-	1,482,314	1,482,314	-
Contributions - plan members	-	-	335,000	317,645	(17,355)
Total contributions	-	-	1,817,314	1,799,959	(17,355)
Investment income					
Interest earned	-	-	752,000	904,620	152,620
Net change in fair value	-	-	-	1,383,965	1,383,965
	-	-	752,000	2,288,585	1,536,585
Less investment expenses	-	-	(68,000)	(78,930)	(10,930)
Net investment income	-	-	684,000	2,209,655	1,525,655
Total additions	-	-	2,501,314	4,009,614	1,508,300
DEDUCTIONS					
Pensions and refunds	2,202,561	2,202,561	1,921,328	1,952,395	31,067
Miscellaneous					
Contractual professional services	-	-	13,000	17,521	4,521
Total deductions	2,202,561	2,202,561	1,934,328	1,969,916	35,588
CHANGE IN NET POSITION	(2,202,561)	(2,202,561)	566,986	2,039,698	1,472,712
NET POSITION HELD IN TRUST FOR PENSION BENEFITS					
BEGINNING				30,075,159	
ENDING				32,114,857	

Police Pension Payables

July 1, 2015 through September 30, 2015

Check	Name	Check Amount	Check Date	Check Status	Item Desc
40096	LAUTERBACH & AMEN, LLP	1,213.00	09/04/2015	Cleared	IDOT REPORT PPF 2/28/15 & FINANCIAL SERVICES RENDERED IN CONNECTION WITH THE AUDIT
40094	GREAT LAKES ADVISORS, LLC	21,025.13	07/17/2015	Cleared	2ND QUARTER MANAGEMENT FEE
40093	LAUTERBACH & AMEN, LLP	3,072.00	07/10/2015	Cleared	PROFESSIONAL SERVICES RENDERED IN CONNECTION WITH THE AUDIT
40095	IPPFA	975.00	07/24/2015	Cleared	TRAINING - M. NEIMARK, P. NEVILLE, & J. WALTER
		<u>\$ 26,285.13</u>			

VILLAGE OF GLENCOE
EARNINGS ANALYSIS REPORT

SELECTION CRITERIA: employee.home_orgn="376" and checkhis.iss_date between "07/01/2015" and "09/30/2015"

EMPLOYEE NO	NAME	PAY CODE	-----REGULAR-----		-----OVERTIME-----	
			HOURS	EARNINGS	HOURS	EARNINGS
95301	AYLWARD, NED	131	3.00	20,188.14	.00	.00
	TOTAL FOR EMPLOYEE: 95301		3.00	20,188.14	.00	.00
300256	BAK, THOMAS	131	3.00	12,816.24	.00	.00
	TOTAL FOR EMPLOYEE: 300256		3.00	12,816.24	.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	18,776.25	.00	.00
	TOTAL FOR EMPLOYEE: 20017		3.00	18,776.25	.00	.00
300380	BRYAN KRYSZEWSKI, CAPITAL BANK & TRUST CO.	015	1.00	4,541.76	.00	.00
	TOTAL FOR EMPLOYEE: 300380		1.00	4,541.76	.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	13,502.19	.00	.00
	TOTAL FOR EMPLOYEE: 300183		3.00	13,502.19	.00	.00
20005	FEIL, WILLARD B	131	3.00	5,427.60	.00	.00
	TOTAL FOR EMPLOYEE: 20005		3.00	5,427.60	.00	.00
94501	GALFORD, JOHN D	131	3.00	22,907.19	.00	.00
	TOTAL FOR EMPLOYEE: 94501		3.00	22,907.19	.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	24,217.65	.00	.00
	TOTAL FOR EMPLOYEE: 95601		3.00	24,217.65	.00	.00
300182	HEALY, ANNE T.	139	3.00	9,432.24	.00	.00
	TOTAL FOR EMPLOYEE: 300182		3.00	9,432.24	.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	12,022.71	.00	.00
	TOTAL FOR EMPLOYEE: 20021		3.00	12,022.71	.00	.00
95101	JESSE, DANIEL	131	3.00	18,347.52	.00	.00
	TOTAL FOR EMPLOYEE: 95101		3.00	18,347.52	.00	.00
20022	LINOWIECKI, JOHN	131	3.00	12,175.53	.00	.00
	TOTAL FOR EMPLOYEE: 20022		3.00	12,175.53	.00	.00
300300	LITWITZ, DEBORAH	131	3.00	14,828.55	.00	.00
	TOTAL FOR EMPLOYEE: 300300		3.00	14,828.55	.00	.00
97203	LOPRESTI, NICHOLAS	132	3.00	15,083.70	.00	.00

DATE: 10/23/15

VILLAGE OF GLENCOE

EARNRPT3

TIME: 11:39:16

EARNINGS ANALYSIS REPORT

SELECTION CRITERIA: employee.home_orgn="376" and checkhis.iss_date between "07/01/2015" and "09/30/2015"

EMPLOYEE NO	NAME	PAY CODE	-----REGULAR-----		-----OVERTIME-----	
			HOURS	EARNINGS	HOURS	EARNINGS
	TOTAL FOR EMPLOYEE: 97203		3.00	15,083.70	.00	.00
300179	MILKS, MIKEL	131	3.00	31,549.92	.00	.00
	TOTAL FOR EMPLOYEE: 300179		3.00	31,549.92	.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	16,432.86	.00	.00
	TOTAL FOR EMPLOYEE: 20028		3.00	16,432.86	.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	13,359.30	.00	.00
	TOTAL FOR EMPLOYEE: 300316		3.00	13,359.30	.00	.00
300345	POSTELNICK, BARBARA	131	3.00	14,589.30	.00	.00
	TOTAL FOR EMPLOYEE: 300345		3.00	14,589.30	.00	.00
300118	RODSTROM, JEFFREY	132	3.00	14,772.03	.00	.00
	TOTAL FOR EMPLOYEE: 300118		3.00	14,772.03	.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	22,605.14	.00	.00
	TOTAL FOR EMPLOYEE: 300313		3.00	22,605.14	.00	.00
20001	SHARPE, DAVID D.	131	3.00	10,997.22	.00	.00
	TOTAL FOR EMPLOYEE: 20001		3.00	10,997.22	.00	.00
96701	SWEENEY JR, THOMAS J	132	3.00	15,117.00	.00	.00
	TOTAL FOR EMPLOYEE: 96701		3.00	15,117.00	.00	.00
300294	VOLLING, MICHAEL	131	3.00	25,345.89	.00	.00
	TOTAL FOR EMPLOYEE: 300294		3.00	25,345.89	.00	.00
300112	WADYCKI, THOMAS	131	3.00	24,640.50	.00	.00
	TOTAL FOR EMPLOYEE: 300112		3.00	24,640.50	.00	.00
300102	WALTER, JOSEPH	131	3.00	19,758.39	.00	.00
	TOTAL FOR EMPLOYEE: 300102		3.00	19,758.39	.00	.00
300221	WEPPLER, KATHRYN A.	139	3.00	9,110.28	.00	.00
	TOTAL FOR EMPLOYEE: 300221		3.00	9,110.28	.00	.00
95401	WEPPLER, TERRY	131	3.00	12,632.64	.00	.00
	TOTAL FOR EMPLOYEE: 95401		3.00	12,632.64	.00	.00
300356	WITT, HIROSHI	131	3.00	14,343.75	.00	.00
	TOTAL FOR EMPLOYEE: 300356		3.00	14,343.75	.00	.00
TOTAL REPORT			106.00	517,771.64	.00	.00