

GLENVIEW POLICE PENSION MEETING

April 21, 2011

Next Meeting: July 22, 2011 @ 8:30am

In Attendance:

J. Foley	R. Francois	Mary Tomanek - Graystone Consulting
G. Colis	T. Hileman – Village Mgr	Art Tepfer – Actuarial
K. Christell	P. Detlefs – Village Trustee	

ROLL CALL:

The meeting was called to order at 8:32 a.m. by Trustee J. Foley.

MINUTES:

The minutes from the January 12, 2011 meeting was approved with one change. (*New changes to the Illinois Pension Funds. Rules allow fund that were investing up to 40% will be now able to invest up to 50% in 2011 and 55% in 2012.*)

COLIS:

Addressed Art Tepfer – Actuary about the valuation process and the investment assumption used for the investment returns. The Board wanted to discuss this before the completion of the 2011 report.

After the discussion The Board recommended the use of 7.25% in Art's valuation report.

Request that Mary brings information on emerging markets to the next meeting and asked what is the fund's holdings number in emerging market with a response from Mary that it was around 12-15% in Euro-Pacific.

TEPFER:

Distributed his Actuarial Valuation report to the pension fund for the fiscal year of January 1, 2011 through December, 2011. The results of the valuation indicate the recommended minimum contribution to be made by the Village for the next tax year based on a Rate of Return of 7.50%.

Stated that the 2011 Rate of Return is just a matter of him dealing with **strict budgeting** and he is not opposed to changing the rate.

The Entry Age Cost Method (EACM) is a better method to use in comparison to the Projected Unit Credit Normal Cost (PUCNC). This will produce a level base contribution.

The pension fund is doing very well and is at 93% funded. If the Board goes with the Projected Unit Credit Normal Cost, the amount will increase yearly for the Village contribution.

Tier 2 employees will be calculated into his next valuation report. He will be working on patterns of retirement in 2012 where the average retirement age is 53.

TOMANEK:

Distributed the Strategy Asset Managers (SAM) report Quarterly Performance Review for the bond portfolio. Points touched on were...

- Return assumptions are lower in the near term than the long term for over 7-20 years
- Returns are slightly lower than last year

- Advises the Board to go to 7.25% rate of return as outlook is for slower growth
- Long term investment returns at 7.2% is estimated, so the rate change is appropriate

Distributed the market overview which states emerging markets economic growth is expected to be about 6% and the Board will be looking at a good return in the 1st quarter.

Expressed concern about the long-term interest rates for bonds and how the numbers are reflected in the Art's Valuation report. Mary's projected outlook was given and it can be next addressed in the SAM Report.

Mary is still waiting on the fee amount from US Bank for the money market funds custodial agreement. She feels the Board is losing execution ability and recommends having US Bank hold the funds to ease the process. There have been several delays in getting quick execution of the Board's recommended changes.

DETFLEFS:

Trustee Detlefs posed his question to Art on how often does he see percentage changes as in .25% and if a drop like this would smooth out the contribution on behalf of the Village? (example: 7.50% to 7.25%).

Art responded the contribution for the Village would generally increase when the rate is revised lower, depending on the fund's performance. Many funds have revised lower as returns have not kept up with expectation.

Art stated if the percentage rate was changed, he will create a new report showing the 7.25% at no additional cost.

FRANCOIS:

On April 21, 2011, Officer Francois along with Officer Calvey counted the ballots for the pension board position. From the votes submitted, J. Foley received the majority of the votes and has been re-elected to the position of pension board trustee.

FOLEY:

A disabled dependent certification document was received from Blue Cross/Blue Shield for Ryan Golden. The Board will have Attorney R. Reimer advise on Officer Golden's previous request for a disability designation for Ryan.

The IPPFA Pension Conference will be October 4-7, 2011. J. Foley and R. Francois requested to attend. Foley will receive his mandatory training at the conference. Costs will be presented at the next Board meeting.

Contacted D. Jamison requesting updated information on the sub-advisor document per Attorney Reimer's letter. Jamison is reviewing the changes.

A letter will be sent to former members P. Atto and J. Evans requesting instructions on their contributions still held in the fund.

Confirmed all Board members filed their Statement of Economic Interest with Cook County.

Advised 100% of retirees responded to request for verification of benefits.

Submitted the Board Secretary's Report.

MOTIONS:

Motion made by J. Foley to accept new officers, Joseph Curtis and Carlie Janowiak into the police pension fund. Motion seconded by R. Francois. All in favor.

Motion made by J. Foley that the Board agrees to move mutual funds into a custodial agreement with US. Bank Institutional Trust & Custody. Motion seconded by R. Francois. All in favor.

Motion made by G. Colis that Art use 7.25% in his valuation report. Seconded by J. Foley. All in favor. Tepfer state he would re-issue the 2011 valuation report using the new rate.

Motion was made to adjourn the meeting at 10:26am. Seconded by R. Francois. All in favor.

Kevin Christell – President
Glenview Police Pension Board