

GLENVIEW POLICE PENSION MEETING

October 26, 2017

Next Regular Scheduled Meeting Date: February 1, 2018

In Attendance:

K. Christell - President
J. Foley – Board Secretary
R. Francois – Trustee
M. Untiedt – Trustee

M. Tomanek – Morgan Stanley
M. Bosley – Village Finance
D. Flessner – L & A
G. Colis - Trustee

ROLL CALL:

The meeting was called to order at 8:30am by Board Secretary J. Foley.

MINUTES:

Motion to approve the July 27, 2017 minutes with one amendment. Motion made by J. Foley and seconded by R. Francois. All in favor.

TOMANEK:

Presented the Glenview Police Pension Fund Quarterly Performance Review ending September 30, 2017. Suggest board consider transferring funds from Harbor International due to underperforming into a different fund.

Quarter in Review –

International markets continued to outperform the US in the 3rd Quarter. Returns were driven by earnings growth in EM, Japan, and Europe higher than the US. In aggregate, S&P 500 companies posted 2Q earnings per share growth of 10.7%.

On a sector level, tech (anchored by strong earnings), energy (carried higher with crude recovering), and financials (lifted by the move higher in rates near quarter-end) all outperformed the broader market in 3Q. Real Estate and utilities (interest rate sensitive sectors), consumer discretionary (weaker consumer) and consumer staples (defensive) all underperformed the broader market.

Looking Ahead:

We believe international stocks are likely to outperform in the coming years, following 8-years of US out-performance, and leadership appears to be in the process of switching to international regions. The USD is likely to trend stable/weaker. The Morgan Stanley Global Investment Committee remains constructive on global risk assets and continues to maintain overweight across equities globally versus fixed income.

While the data is strong today and likely to support markets in the coming months, we acknowledge that when the data is strong as it has been recently, that it is likely to show, at the very least, a deceleration on the margin, at some point next year. Ideally, this would entail slower but still healthy growth.

Over the 4th Quarter we will be watching the China leadership “transition,” the Fed’s balance sheet reduction impact on rates, and any tightening actions out of the ECB.

Manager/Fund Issues:

Harbor International not meeting Scorecard Criteria
Franklin Mutual European PM change effective January 2018
Eaton Vance Income Fund PM change effective January 2018
American Funds Growth Fund of America, PM Departure effective Nov. 1

Graystone in the Quarter:

Attended IPPFA Fall Conference and presented "Millennials and Your Investments."
Assisted Finance in finalizing new fixed income investment

Items for Board Attention:

Rebalance equity allocation back to 55% maximum by investment guidelines. Transfer \$1.5M from Equities. Consider \$500,000 AMCAP Lg Growth, \$500,000 Washington Mutual Lg. Value, and \$500,000 Harbor International.

BOSLEY:

Presented the Glenview Police Pension Fund Cash Flow Analysis for 2016 Actuals, 2017 YTD, and 2018 Projections.

FLESSNER:

Presented the Glenview Police Pension Fund Monthly Financial Report for the Month Ending, September 30, 2017.

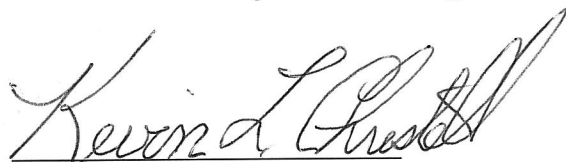
FOLEY:

Announced the hiring of pre-certified police officer, Michael Lyons on November 1, 2017.

Masterton transcripts received from the open meeting and executive session on August 30, 2017. The minutes will be delivered to all board members for their viewing. The board will meet to approve the transcripts and board decision. The meeting will tentatively be scheduled for a specified time in mid-November.

MOTIONS:

1. Motion made regarding a change in the investment guidelines (Roman Numeral IV, C1). The funds exposure to equities shall not exceed 60% of the total fund at the time of transaction. (G. Colis and K. Christell. All in favor).
2. Motion made to liquidate Harbor International (\$2.686M) and move \$1M into Oakmark International and split the balance between American Euro-Pacific Growth Fund and American International Growth & Income at 50% of the remainder (approximately \$843,000). (K. Christell and R. Francois. All in favor).
3. Motion made to move \$1M from Washington Mutual and move it into American Euro Pacific (\$500K) and American International Growth (\$500K). (K. Christell and R. Francois Motion Passed 4-1 Opposed by G. Colis).
4. Motion made to approve all disbursements outlined in the L & A report. (J. Foley and G. Colis. All in favor).
5. Motion for retirement disbursements to Deputy Chief Stefan Johnson after 28-years (\$8,449.00) and Sergeant James DeGroot after 32-years (\$8,212.92). (J. Foley and G. Colis. All in favor).
6. Motion made to approve payment of the IPPFA membership dues of \$795.00 for 2018. (J. Foley and K. Christell. All in favor).
7. Motion to adjourn the meeting at 10:10am.



Kevin Christell – President
Police Pension Board