

# GLENVIEW POLICE PENSION MEETING

January 27, 2016

Next Meeting – February 24, 2016

## In Attendance:

K. Christell - President  
G. Colis – Vice President  
J. Foley – Board Secretary  
M. Untiedt - Trustee  
D. Owen – Treasurer

M. Tomanek – Morgan Stanley  
M. Bosley – Village Finance  
R. Francois - Trustee  
D. Flessner – L & A  
L. Rappeport – L & A

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## ROLL CALL:

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

## MINUTES:

Minutes from the October 28, 2015 meeting were approved and accepted with 2 amendments. Minutes from the January 7, 2016 Actuary Search meeting were approved and accepted.

## TOMANEK:

Presented the Glenview Police Pension Fund Summary for the 4<sup>th</sup> Quarter – 2015.

## Quarter in review:

Despite currency volatility, oil turbulence, emerging market concerns, and the much anticipated Fed rate hike, all sectors within the S&P 500 generated positive returns for the quarter. Bonds were down slightly and large capitalization equities out-performed small and midcap. Bonds across the board were down for the quarter.

The Census Bureau reported in November that housing starts were 16% above 2014 and the December ISM Purchasing Manager's Index contracted 0.4 Percentage point from November reading to 48.6%, (above 43 and below 50 indicates sector is shrinking while broader economy is expanding).

## Looking Ahead:

Choppy...Global Fundamental Metrics-GDP, interest rates, and inflation are likely to converge in 2016. Global growth overall will remain slow. Europe is getting support from the ECB with QE, potentially paving the way for the end of fiscal austerity. We expect European earnings to finally rebound and equities to out-perform again in 2016 (ISM surveys for services and manufacturing at a 5-year high).

We are keeping an eye out for stabilization on currencies and oil prices (currently at a 12-year low).

Our "base case", the US economy will continue to grow, albeit at a slow pace. We expect it to be self-sustaining as evidenced by the Fed tightening monetary policy starting with the exit from

QE in 2014 and continuing with the December 2015 rate hike. This is typically a positive signal for further economic growth (+4% earnings growth 2016 and 2017).

Interest rates expected to remain low; the yield curve is still positively sloped, good for growth. As of 1/11/16, the S&P Dividend Yield (2.3%) is higher than the 10-Year Treasury note (2.12%) and is rarely seen in the past 60-years, a strong argument for stocks.

Graystone during the quarter completed transfer of cash equivalents to Glenview State Bank

There were no Manager/Fund issues with the holdings. Recommend the Board stay the course and rebalance.

**Recommendations:**

Rebalance 3% (\$1,000,000) from AMCAP Large Growth to American Funds Washington Mutual (Large Value) due to extensive growth out-performance.

\$2,650m fixed income coming due on February 15, 2016. Board should consider adding to fixed income "ladder", 2025 maturity, and/or equities (Gateway, Beta .036 or Washington Mutual Large Cap Value, Beta 0.95).

**FLESSNER:**

Presented the Monthly Financial Report for Month Ending December 31, 2015, Annual Benefit Increases for January 1, 2016 which includes changes through 11/2016 Payroll, Statement of Net Position – Modified Cash Basis as of December 31, 2015, and the Glenview Police Pension Fund Participant Board Report that utilizes a date of December 31, 2015 by organizing the pension funds participant data to be meaningful and allows the board to identify inaccuracies.

**BOSLEY:**

Presented the Pension Fund Glenview State Bank Cash Flow Analysis for 2015 Actuals and 2016 Projected.

**BOARD:**

Board President Christell and Vice President Colis will attend the February 16, 2016, Village Trustee Board Meeting as representatives of the pension and to be sworn in for the pension board.

**FOLEY:**

Board will be looking into the calculation of military buyback for specific personnel including cost and if the calculations must be completed by an Actuary.

**MOTIONS:**

Motion made to approve the October 28, 2015 minutes with amendments. (Christell and Untiedt with all in favor)

Motion made to approve the January 7, 2016 Actuary Search Minutes. (Foley and Colis with all in favor)

Motion made to sell one bond (2.650 million) due on February 15, 2016 as early as possible through PMA. Place 1.6 million into American Washington Mutual Large Cap Value and 1.05 million used for cash flow and placed in Glenview State Bank. (Christell and Colis with all in favor)

Motion made to hire Foster & Foster as the Board's Actuary. Jason Franken – FSA, EA, MAAA will be our account representative and shall be invited to a special pension meeting. A separate meeting on February 24, 2016 @ 8:30am will be scheduled to address the actuarial assumptions. (Colis and Francois with all in favor)

Motion made to renew the 2016 IPPFA membership in the amount of \$795.00. (Francois and Untiedt with all in favor)

Motion made to approve the authorization of COLA increases through L & A. (Christell and Foley with all in favor)

Motion made to approve training fees for Trustee Untiedt in the amount of \$150.00. (Christell and Foley with all in favor)

Motion made to approve training for Trustee Foley in the amount of \$149.00. (Christell and Untiedt with all in favor)

Motion made to release the current Executive Session minutes. (Foley and Christell with all in favor)

Motion made approve the pension benefit (\$76,681.08) for Officer Kenneth Anderson who retired on January 7, 2016 after 34 years of service. (Foley and Francois with all in favor)

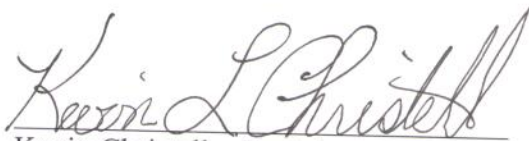
Motion made to sign a 3-year contract (\$1,000.00 annually) with L & A for management of the retiree eligibility verification forms. Affidavits will be sent to all retirees (Foley and Francois with all in favor).

Motion made giving Trustee Foley discretion to work with Rick Reimer on regular administrative matters at his discretion and pay appropriate invoices not to exceed \$2000.00 prior to scheduled meetings. (Colis/Untiedt with all in favor)

Motion made to adjourn the meeting at 10:18a.m. (Foley and Francois with all in favor)

The 2016 meeting dates are scheduled as follows:

February 24 (Special Meeting), April 28 (2Q), July 27(3Q), and October 25 (4Q)



Kevin Christell – President  
Police Pension Board