

GLENVIEW POLICE PENSION MEETING

August 1, 2014

Next Meeting: October 29, 2014 @ 8:30am

In Attendance:

J. Foley – Board Secretary
K. Christell – Board President
G. Colis – Board Vice President
D. Owen – Village Representative

Mary Tomanek – Morgan Stanley
Derek Flessner – L & A
M. Untiedt – Board Trustee
M. Bosley – Village Finance Representative

ROLL CALL:

The meeting was called to order by Trustee Foley at 10:15am. Roll call was taken and all Trustees were present with the exception for Trustee Francois.

MINUTES:

Motion made by Trustee Foley to accept and approve the Minutes from April 22, 2014 with one amendment. Motion seconded by Trustee Colis. All were in favor.

TOMANEK:

Presented the Police Pension Fund Monthly Financial Report and the Quarterly Performance Review for month ending June 30, 2014.

Quarter in Review: The equity rally in the US continued as on-going monetary stimulus was further embraced by major central bank throughout the world. The Dow Jones Industrial Average rose 2.8% and the S&P 500 +5.2% for the quarter. Energy and Utilities fared the best, Consumer Discretionary and Financials lagged peers. Small cap growth underperformed vs. larger capitalization styles. The bond market extended gains from the first quarter, with the 10-year Treasury yield dropping from 2.76% to 2.51%. In looking ahead, we believe our economy continues to be in a period of moderate economic expansion. The Federal Reserve is expected to end bond purchases in October and to begin raising interest rates and/or using other methods next year to take money out of the economy. While geopolitical risks are currently heightened, our recommendation is to "stay the course" with the Funds current diversified, moderate risk strategy.

During this quarter, Graystone assisted with the following transfers, reports, manager/fund issues and recommendations:

- Franklin Mutual European Z and American Funds Int'l Growth and Inc., and First American Money Market Account.
- Created Total Expected Return spreadsheet with MS Global Investment Committee asset class returns and researched Global Infrastructure Funds
- American Funds Euro-Pacific portfolio manager Lovelace transferred to another fund within American Funds and a new manager has been added (Kymisis)
- Recommends review of Global Infrastructure Analysis and transfer Cambiar Large Core to Vanguard Dividend and Growth Fund and potentially Global Infrastructure

Submitted the allocation assets study on funds showing estimated returns at 7.30% for 7 & 20 years.

Announced there are three bonds coming due over the next 9-months (9/14, 12/14, and 2/15).

Found a less expensive share class for Gateway and has submitted the authorization form for US Bank to make the change.

COLIS:

Requested to see the holdings in the two managed fixed income accounts. The information will be provided by Mary.

CHRISTELL:

Recommended equity, bond, and ladder management to Board as choices for the availability of funds.

FOLEY:

The new FOP union contract has been approved with a new tier (Tier II) for new hires and (Tier I) for officers hired prior to September 1, 2014.

FLESSNER:

Presented the Police Pension Fund Monthly Financial Report for Month ending June 30, 2014.

BOSLEY:

GASB 67 & 68 – Village recording pension plan:

67: will effect reporting of financial statement note (notes will be slated in the body of the report).

68: unfunded liability should be reported on financial statements

Changes:

- Communication between Village, Pension Board, and Actuary
- Auditors allowed to audit funds(s)
- Address any/all changes (financial reports)
- Assures Village and Board are communicating with each other

UNTIEDT:

Will be attending continued education training

MOTIONS:

- 1) Motion made by Colis and seconded by Foley to close Cambiar and monies deployed one-third equally to Vanguard (33%), Nuveen (34%), and Washington Mutual-American Fund (33%). All in favor.
- 2) Motion made by Foley and seconded by Christell to close the SmithBarney money market account and move the funds to Glenview State Bank. All in favor.
- 3) Motion made by Foley and seconded by Christell to exchange the Gateway Fund "A" to Gateway Fund "Y" to lower expenses. All in favor. The authorization for the exchange was signed by D. Owen.
- 4) Motion made by Foley and seconded by Christell to vote on and accept the actuary report by Art Tepfer who will be at the next meeting. All in favor.
- 5) Motion made by Foley and seconded by Christell to approve the DOI Compliance Fee for \$8000.00. All in favor. .
- 6) Motion made by Foley and seconded by Colis to update the Board on the pending retirement and pension status of Frank Stankowicz. They have approved the retirement subject to account review. His annual pension is expected to be \$95,908.55. All in favor.
- 7) Motion made by Foley and seconded by Colis for Trustee Untiedt to attend continued education training at a cost of \$200.00. All in favor.
- 8) Motion made to adjourn the meeting at 12:15pm by Trustee Foley and seconded by Trustee Untiedt. All in favor.

Kevin Christell



Police Pension Board President