

GLENVIEW POLICE PENSION MEETING

February 1, 2018

Next Regular Scheduled Meeting Date: May 8, 2018

In Attendance:

K. Christell - President

J. Foley – Board Secretary

M. Untiedt - Trustee

G. Colis – Vice President

M. Tomanek – Morgan Stanley (remote call-in)

M. Bosley – Village Finance

T. Gardner – L&A Client Manager

D. Owen – Deputy Village Manager

ROLL CALL:

The meeting was called to order at 8:36am by Board Secretary J. Foley.

MINUTES:

Motion to approve the October 26, 2017 minutes with amendments. Motion made by K. Christell and seconded by M. Untiedt. All in favor.

TOMANEK:

Phoned in from a remote location and presented the Glenview Police Pension Fund Quarterly Performance Review ending December 31, 2017.

Federal rates were increased three times in 2017 with an expectation to follow the same path in 2018, and 2017 bond returns were positive across the board.

Quarter in Review –

In 2017 equity investors enjoyed one of the best years in history! The S&P 500 Index increased 6.6% for the quarter. Nine of the 11 sectors within the S&P 500 generated positive returns in Q4-2017. The top-performing sector was Consumer Discretionary, which was up 9.9%. Financials and Technology rose 9.0% and 8.6%, respectively, and were also among the top-performing sectors. The biggest laggards were: Utilities, which decreased 0.2% and Healthcare, which rose 1.5%. The bond market registered slightly positive returns during the fourth quarter.

Looking Ahead –

While we believe that U.S. and non-U.S. earnings are likely to increase further in 2018, the growth rate will likely peak in the first half. We also believe that financial conditions will tighten this year and there are now signs we have entered into the “euphoria” stage of this bull market. We believe further upside will be muted, more speculative and lower quality than in 2017.

Manager/Fund Issues -

Franklin Mutual European (FME) announced PM Departure scheduled for May 2018. Recommended a move away from FME.

Graystone in the Quarter –

Completely approved changes to finalize the Investment Policy Statement Asset Liability analyses in process.

Provided on behalf of Graystone/Morgan Stanley, the new annual disclosures required pursuant to Sections 1-113.22 and 1-113.23 of the Illinois Pension Code. *(The Board will be made aware of opportunities and the process related to disclosures associated with the numbers of searches conducted referencing minority, female, veteran owned businesses, etc.)* This is a new State law.

Hosted institutional client CyberSecurity Safety and Awareness call.

Items for Board Attention –

Consider transferring Franklin Mutual European temporarily into Europacific Growth, Graystone doing search to replace Franklin Mutual European.

BOSLEY –

Presented the Glenview Police Pension Fund Cash Flow Analysis for 2016 Actuals, 2017 YTD Actuals, and 2018 Projections. Going forward, calculations for 2019 will be added to the report. In order to accommodate this change, 2016 information will be reduced to one column.

GARDNER –

Presented the Monthly Financial Report for the Month Ending December 31, 2017 and the Annual Benefit Increases for January 1, 2018.

A request was made by G. Colis, going forward, to separate the investment portion (52-190-01) of the report into two lines in future report. Trinette will look into his request.

Will calculate a 2% increase for the 2018 – 2020 L&A accounting contract and present the information to the Board members.

COLIS –

Would like the Board to keep an eye on Eaton Vance for discussion at the next pension meeting.

Board members are asking for a 2% (compared to 3%) increase of the L&A accounting contract in order to keep costs down.

Stated he was comfortable moving \$860,000 into Emerging Markets...

Requesting information about a revolving line of credit from the Village. Don and Maggie will check with Village Administrator – Matt Formica regarding the proposal and terms. The line of credit will allow the Board to be more prepared for monthly pension payments and addressing shortages.

FOLEY –

Pension board will continue to use Foster and Foster Actuary Services at a cost of \$6,226.00.

The Board Liability Contract will continue at the same rate of \$16,365.00.

All board members signed the Investment Policy. Copies will be shared with M. Bosley, Board members, and Trinette of L&A.

A review of the Advisor via Graystone - \$32,000 agreement contract was signed by M. Tomanek. This process is completed every 5-years. It was last signed October, 2013.

The IPPFA membership dues for 2018 is \$795.00. The Spring conference is scheduled for May 2-4, 2018, with Trustee Untiedt attending. The Mid-American Conference will take place October 2-4, 2018 and will be attended by Trustees Foley and Francois.

MOTIONS –

1. Motion made to close Franklin Mutual (\$874,579) and move half of the fund to Virtus Vontobel Emerging Markets (VREMX) and the other half to Oakmark International (OAYIX). Christell/Colis. All in favor.
2. Motion made to approve both the Open Minutes and the Executive Minutes from the Masterton Disability Hearing (Christell/Colis). Roll Call vote was conducted and All were in Favor..
3. Motion made to Approve and Post the Decision and Order from the Masterton Hearing (Christell/Colis). Roll Call vote was conducted and All were in Favor.
4. Motion to approve the disbursements submitted by Lauterbach & Amen (L&A). (Untiedt/Foley). All in favor.
5. Motion to except the application and new start date of 9/26/05 on Officer Heydo Zando who bought back 24-months of military time (\$56,462.28) as computed by L&A. (Christell/Foley). All in favor.
6. Motion made to approve annual COLA increases as computed by L&A. (Foley/Christell). All in favor.
7. Motion made to accept the application for membership of Officer Michael Lyons into the pension fund with a starting date of 11/1/17. (Foley/Untiedt). All in favor.
8. Motion made for retirement benefits of Officer John VanMatre and Officer Michelle Judas. Both officer shall retire on March 2, 2018. (Foley/Untiedt). All in favor.
9. Motion made to pay L&A January statement with a 2% increase from the 2017 rate and to approve a 3-year contract with the pricing schedule showing a 2% increase for 2018 – 2020. (Colis/Christell). All in favor.
10. Motion made to adjourn the meeting at 10:48am. The next meeting is May 8, 2018. (Foley/Untiedt). All in favor.


George Colis – Vice-President
Police Pension Board