



***Lincolnwood Police Pension Board  
Village of Lincolnwood  
6900 N. Lincoln Avenue,  
Lincolnwood, IL 60712***

Thursday January 22, 2015 at 2:00 PM  
Lincolnwood Village Hall  
Council Chambers

1. Call to Order
2. Approval of Minutes
3. Analysis of Investments-Wells Fargo/Madison followed by discussion and possible Board action related to investments.
4. Analysis of Investments-Graystone Consulting followed by discussion and possible Board action related to investments.
5. Treasurer's Report and Board Expense Report.
6. Discussion and possible action regarding the Cost of Living Adjustments (COLA) for qualifying pensioners.
7. Discussion and possible action regarding request for proposal (RFP) for managers/advisors.
8. Review of pension policies.
9. Discussion and possible action seeking to digitize all pension related records.
10. An Officer turned in a letter of resignation to the Chief of Police which will be effective on January 25<sup>th</sup>, 2015.
11. Good of the Order- a pensioner notified the pension board of a change of address. An officer was recently married and provided the pension board with a copy of the marriage

certificate along with a spousal birth certificate. An officer is requesting that his beneficiary be changed to a revocable living trust. Village is looking to digitize records

12. Public Forum

13. Adjournment



***Lincolnwood Police Pension Board  
Village of Lincolnwood  
6900 N. Lincoln Avenue,  
Lincolnwood, IL 60712  
Unapproved Minutes***

Thursday, October 23, 2014 at 2:00 PM  
Lincolnwood Village Hall  
Council Chambers

1. Call to Order

Meeting called to order at 2:00 PM. Present were President Timothy O'Connor, Trustee Joel Perzov, Trustee Peter Swanson, Treasurer Charles Greenstein and Finance Manager Robert Merkel. Excused were Vice President Marilyn Marwedel and Secretary Travis Raypole.

2. Approval of Minutes

Motion by President O'Connor to accept the minutes from the meeting of July 24, 2014 as presented. Motion seconded by Trustee Perzov and approved unanimously.

3. Analysis of Investments-Wells Fargo/Madison followed by discussion and possible Board action related to investments

Quarterly analysis of investments presented by Brian Carroll of Wells Fargo and Rob Roquitte of Madison Investments.

Motion by Trustee Perzov to transfer \$100,000.00 from the cash position in the Madison account to the Wells Fargo and direct Wells Fargo to purchase \$100,000.00 of Vanguard Small Cap Value Index Admiral (VSIAX) on or about November 3, 2014. Motion seconded by President O'Connor and passed unanimously.

4. Analysis of Investments-Graystone Consulting followed by discussion and possible Board action related to investments.

Quarterly analysis of investments presented by Ron Tomanek of Graystone Consulting.

5. Discussion and possible action relating to Graystone's offer to provide consolidated analysis of the Fund's investment portfolios
6. Discussion and possible action on changes to asset allocation guidelines of the Statement of Investment Policy adopted on April 25, 2013

Trustee Perzov presented to the Board changes to the asset allocations in the Board Investment Policy. Discussion followed and Trustee Perzov motioned the Board make the following changes in the Target allocations; Fixed Income, U.S. Obligations to a range of 35% to 65%; Fixed Income, Corporate to a range of 35% to 65%; within Equities move to a Large Cap target of 80% and a Small/Mid Cap target of 20%. Also to be changed is the balance between value and growth investing to within 15% target of a 50%-50% balance. Motion seconded by President O'Connor and passed unanimously.

7. Treasurer's Report and Board Expense Report –Quarterly

Treasurer's report submitted by Joe Mangan, Finance Department accountant. Motion to approve the report by Trustee Perzov, seconded by President O'Connor and passed unanimously. Board expense report was discussed.

8. Applications for Benefits- Brian Righeimer, Thomas Polston and Richard Solomon

Applications for benefits were presented for Officers Brian Righeimer, Thomas Polston and Sergeant Richard Solomon. Motion to approve those benefits was made by Trustee

Swanson and seconded by President O'Connor. Motion approved unanimously.

9. Applications for Membership- Justin Wolfe and Michael Pignato

Applications for Membership were presented for Justin Wolfe and Michael Pignato. Motion to approve membership was made by President O'Connor and seconded by Trustee Swanson. Motion approved unanimously.

10. Discussion relating to report to the Village Board, November 18, 2014.

Short PowerPoint presentation will be prepared following the outline provided by Vice President Marwedel with input by Board members.

11. Discussion relating to 2013-2014 Department of Insurance Report

Report is being finalized by Lauterbach and Amen for submission.

12. Discussion and possible action regarding annual budget recommendation and January COLA for pensioners.

Budget recommendation will be proposed at presentation of November 18, 2014 to Village Board. Pensioners qualifying for the January 2015 adjustment will be presented at the January meeting.

13. Request for Proposal for fund/manager advisor

RFP required every five years, RFP will be presented for the January 2015 meeting.

14. Good of the Order

All trustees completed their annual training in October that included eight hours of Ethics training. Training was sponsored by IPPAC and Judson University. Retaining of legal counsel was discussed. IPPFA membership renewal was discussed. President O'Connor motion that IPPFA membership be renewed, seconded by Trustee Swanson and approved unanimously.

15. Public Forum- No comments

16. Meeting adjourned at 5:05 PM

## REQUEST FOR PROPOSAL FOR PENSION FUND CONSULTANT

1. Firm Information
  - a. Name and Address of Proposing Firm
  - b. Name , telephone number, email address and title of individual with authority to commit firm.
  - c. Please disclose any entity that is a parent of, or owns a controlling interest in your firm. Please also disclose any entity that is a subsidiary of, or in which a controlling interest is owed by, your firm.
2. Description of Organization
  - a. Firm
    - i. The year the firm was founded.
    - ii. Current Illinois Police and Firefighter Pension Fund accounts under management:
      1. list all Illinois Police and Firefighter Pension Fund Accounts managed by your firm;
      2. provide the total market value for the portion of each Fund your firm managers; and
      3. include the number of years your firm has worked with each fund.
    - iii. List the Illinois Police and Firefighter Pension Fund accounts that have terminated their relationship with your firm in the last five (5) years, provide the year of termination and include the name of the firm that succeeded your firm as investment advisor/manager.
  - b. Portfolio Managers, Relationship Managers and Administrators who would have primary responsibility for the management of this account:
    1. Name, title and years of service with your firm
    2. Biographies of key personnel
    3. Number of total accounts (including police and firefighter pension funds) under management for the firm, portfolio manager and assigned to the administrator
    4. Years of personal Illinois Police or Firefighter Pension Fund management experience
    5. Names, responsibilities and tenure of key member of the Illinois Police and Firefighter Pension Fund management team that have left the firm within the last five (5) years
    6. Representatives of the firm that will attend pension board meetings
  - c. Describe any special expertise and experience your firm has in providing investment advisory services to Illinois Police and Firefighter Pension Funds in Illinois. Describe the competitive advantage your firm enjoys over its competitors in the Illinois Police and Firefighter Pension Fund field.

3. Business Arrangements
  - a. Please disclose and describe all sources of income you receive in connection with investment advisory services to Illinois Police and Firefighters Pension Funds, either direct or indirect. What third parties will you receive compensation from, including, but not limited to, commissions, 12(b)(1) fees, referral fees, etc.?
  - b. Discuss recommendations for custody. Are you affiliated with this custodian? Do you receive any compensation for this custodian in regard to this client? Are any custodian services delegated to other firms? Itemize all cost to client should they choose to take your recommendations in regard to custody.
4. Investment Procedures and Approaches
  - a. Briefly describe the philosophy and methodology of your security selection for the equities and fixed income. If you feel any of the more common "investment styles" apply to your philosophy, please so indicate.
  - b. Describe your capabilities in developing, implementing and modifying investment objectives, guidelines and investment policies on behalf of your clients.
  - c. Explaining your views on passive versus active management. What is your recommended allocation between active and passive management?
  - d. To what extent does your firm manage individual bonds and equities, as opposed to mutual funds or other managers as sub-advisors?
  - e. Do you consider your firm a consultant or an investment adviser as defined by Article I of the Illinois Pension Code?
5. Investment Performance and Reporting
  - a. Please submit composite performance data for the last one-year, three-year and ten-year periods ending \_\_\_\_\_, Also, provide composite performance for each full year your firm has managed Illinois Police and Fire Pension Funds through \_\_\_\_\_. Please provide equity and fixed income composite performance separately. Specify if these returns comply with CFA Institute-GIPS performances presentation standards. Fixed income returns should include accrued interest. Indicate the composition of the composite and compare the composite performance against the appropriate market index/benchmark. The composite should contain ONLY Illinois Police and Fire Pension Fund accounts managed by your firm. Disclose if any Illinois Police and Fire Pension Fund clients were left out of the composite. If so, why were they left out.
  - b. Please provide an example of your reporting format for quarterly meetings.
  - c. Are reports available in electronic format?
  - d. Describe the benchmark that your firm feels the equity and fixed income portions of the portfolio should be managed against and why.
6. Fees
  - a. Proposed fee structure, including full disclosure of direct and indirect fees, commissions, penalties and other compensation, including reimbursement for expenses, start-up fees, annual fees, and other fees.



- b. Detailed description of the services to be provided in the exchange for the proposed fees.
  - c. Provide a sample investment contract with fee schedule (please attach).
7. Miscellaneous
- a. Please provide a list of at least three (3) Illinois Police and Fire Pension Fund client references with contact names, addresses and telephone numbers.
  - b. Please provide a list of formal complaints, sanctions, or litigation against your firm in the last ten (1) years, if any.
  - c. Has your firm, its principal(s) or affiliate(s) ever:
    - i. been part of a non-routine Securities and Exchange Commission (SEC) inquiry or investigation or a similar inquiry or investigation for any similar federal, state or self-regulatory body or organization;
    - ii. been a party to any litigation concerning fiduciary responsibility to other investment related matters; or
    - iii. submitted a claim to your errors and omissions, fiduciary, liability, and/or fidelity bond insurance carrier(s)?
  - d. If yes to any, please provide details.
  - e. Provide a list of any/or all affiliates with financial institutions, insurance companies, mutual funds, and/or brokerage firms. Please provide a description of each affiliation.
  - f. Please state whether you are willing to acknowledge that you are a fiduciary of the pension fund as defined in Section 1-101.2 of the Illinois Pension Code (40 ILCS 5/1-101.2).
  - g. Please state whether you agree to venue for any judicial proceeding to be in the State of Illinois.
  - h. If requested, what other services could your firm provide (on-site training, etc.) for trustees and staff?
  - i. Does your firm provide pensioner payment and tax reporting services? If yes, please describe and provide sample forms and procedures for this service.
  - j. Specify how your firm would handle transfer of assets. Describe how your firm would assist in transition management.
  - k. Do any of the composites provided include any portfolios that are not Illinois fire and police pension funds?
  - l. Please also provide a complete list of all your composites that you maintain and designate which of those composites include Article 3 and 4 pension funds.
  - m. Please also provide a copy of your most recent verification letter from an independent firm that provides verification of GIPS compliance. If you are not verified, explain why.
  - n. Your experience with police and fire pension funds is important. Please attach a table including your five oldest Article 3 and/or 4 pension fund accounts and include the following information:
    - 10 year net and 5 year net performance for the entire fund with a comparison to the funds' blended benchmark;
    - the excess return over that benchmark;

- the standard deviation for 10 and 5 years and the standard deviation of the funds' blended benchmark.
- the Sharpe ratio for each period and the Sharpe ratio of the blended benchmark;
- the R-squared, alpha, and beta of the entire portfolio for each period.