



***Village of Lincolnwood  
Lincolnwood Police Pension Board Agenda***

**Police/Fire Training Room  
Village of Lincolnwood  
6900 N. Lincoln Avenue  
Lincolnwood, IL 60712  
Special Meeting  
2:00 pm, Thursday, June 18th, 2015**

- 1) Call to Order**
- 2) Approval of Minutes**
- 3) Presentation from Private Bank**
- 4) Presentation from BMO Harris Bank**
- 5) Board Election**
- 6) IDOI-Ten year profile for the Lincolnwood Police Pension Fund**
- 7) Good of the Order**
- 8) Public Forum**

**Posted 06/15/2015 Village Website, Village Hall and Police Department**



***Village of Lincolnwood  
Lincolnwood Police Pension Board Agenda***

**Council Chambers  
Village of Lincolnwood  
6900 N. Lincoln Avenue  
Lincolnwood, IL 60712  
2:00 pm, Thursday, April 23, 2015  
Unapproved Minutes**

**1) Call to Order-**

President O'Connor, Trustee Marwedel, Trustee Perzov, Trustee Swanson, Finance Director Robert Merkel, Village Treasurer Charles Greenstein

**2) Approval of Minutes-**

Trustee Perzov, moved to approve minutes, seconded by President O'Connor

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

Carroll reported that fixed income is up 94 base points (\$86,514) equities were up 2.0%. Carroll talked about investing new income into International investments, but still believes in staying away from emerging markets.

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

Mary Tomanek- reported a good quarter but talked about a lot of volatility. She believes the interest rates will not increase until the end of the year. She also advocated adding more small and mid-cap stocks. Total return for the quarter was reported at 1.18%. Yacktman appears to be under performing, talked about possible investment into small and midcap stocks if the performance level doesn't increase.

**5) Discussion and possible action in reference to Request for Proposals (RFP) for Board Investment Advisors.-**

Wells Fargo is the only one that needs an RFP, Graystone Consulting was already renegotiated and Madison doesn't need one because they are a manger and not a consultant. Board will contact Rick Reimer to ask about protocol for RFP's. Changes need to be made to 3B in reference to the RFP's

**6) Discussion and possible action in reference to a Letter of Engagement, retaining Lauterbach and Amen, LLP, as the accounting service for the Fund.**

President O'Connor motioned to retain the services of Lauterbach and Amen, LLP as the accounting services for an additional three-year term. Motion seconded by Trustee Swanson. Passed unanimously.

**7) Discussion and Review of Investments/Board Elections**

Trustee Perzov discussed and reviewed the investments; Wells Fargo averaged a 2.02 percent return; US Bank returned .5 percent and blended was 1.24 percent. Fixed income 1.13 percent

**8) Discussion and possible action on new officer, Patrick Falson**

President O'Connor motioned to accept Patrick Falson's application to the police pension fund O'Connor second Perzov. Passed unanimously.

**9) Application for Benefits- Mark R. Brines.**

President O'Connor motioned to accept benefits calculations for Lieutenant Mark Brines. Motioned seconded by Trustee Swanson. Passed unanimously.

**10) Good of the Order**

Sergeant Cahill purchased two years of his military time. Revised date of hire will reflect, January 3<sup>rd</sup>, 1990. Board discussed consolidation of bank accounts. Board will consider MB Financial for consolidation of funds. Board will speak with Madison Investment Advisors about the withdrawal of \$400,000 on our about June 15<sup>th</sup> and advise them to make liquid funds available that day. Trustee Marwedel talked about asking Tim Sharpe to use the 6.75% on rate of return for the actuarial report instead of the 7.00.

**11) Public Forum- No Report, meeting adjourned at 4:24 PM**

LINCOLNWOOD POLICE PENSION FUND

10 Year Profile

KEY DATA	04/30/14	04/30/13	04/30/12	04/30/11	04/30/10	04/30/09	04/30/08	04/30/07	04/30/06	04/30/05
Net Present Assets - Market Value	18,219,691	17,093,985	16,417,076	16,037,540	15,182,164	14,242,039	14,516,353	13,768,308	12,910,448	12,317,287
Actuarial Liability - Dept Calc	40,497,633	37,411,836	37,609,928	34,527,870	34,527,870	32,266,157	30,988,295	29,332,697	27,611,310	26,123,960
Funding position over (under)	-22,277,942	-20,317,851	-21,192,852	-18,490,330	-19,345,706	-18,024,118	-16,471,942	-15,564,389	-14,700,862	-13,806,673
Percent Funded - Market	45.0%	45.7%	43.7%	46.4%	44.0%	44.1%	46.8%	46.9%	46.8%	47.1%
Change in Funding Position	-1,960,091	875,001	-2,702,522	855,376	-1,321,588	-1,552,176	-907,553	-863,527	-894,189	-789,434
IDOI funding suggestion **2 Yr Lag	1,402,029	1,410,184	1,410,184	1,282,289	1,164,310	1,099,167	1,021,430	947,317	887,083	808,186
Contributions from municipality	1,454,636	1,453,031	1,393,004	1,204,983	1,195,909	1,048,741	947,317	887,083	808,185	710,200
Contribution v. idoi suggested levy ratio	103.8%	103.0%	98.8%	94.0%	102.7%	95.4%	92.7%	93.6%	91.1%	87.9%
Was levy based on Dept's valuation	No	No	No							
Active participants	32	32	32	33	33	33	32	33	33	33
Inactive participants	33	31	31	29	29	27	27	26	24	25
Average Active Salary	86,938	85,501	82,577	81,617	81,617	76,660	76,136	73,966	71,682	68,497
Total Salary	2,782,007	2,736,019	2,642,462	2,693,358	2,693,358	2,529,769	2,436,354	2,440,869	2,365,517	2,260,395
Investment Return (IRR) - 10 YR anualized	4.18%									
Investment Return (IRR) - 5 YR anualized	5.18%									
Payroll Growth Rate - 10 YR annualized	2.36%									
Payroll Growth Rate - 5 YR annualized	1.92%									
<b>Balance Sheet</b>										
<b>ASSETS</b>	4/30/2014	4/30/2013	4/30/2012	4/30/2011	4/30/2010	4/30/2009	4/30/2008	4/30/2007	4/30/2006	4/30/2005
Money market, N.O.W., etc.	1,177,453	1,741,804	2,143,375	1,413,853	1,112,906	1,403,629	1,720,693	1,734,624	1,512,411	1,194,757
CDs	0	0	426,366	455,519	877,212	863,885	735,387	1,005,755	965,781	1,081,878
State, local, corp. debt	4,257,282	3,611,033	2,109,758	0	0	0	0	0	0	0
US Gov. and agency debt	4,782,134	5,698,267	7,815,771	8,533,316	10,123,285	9,908,652	9,188,713	8,044,102	7,737,041	7,711,212
Ins. Co. contracts - gen. acct.	0	0	0	0	0	0	0	0	0	0
Ins. Co. contracts - sep. acct.	0	0	0	0	0	0	0	0	791,136	688,248
Pooled Investments	0	0	0	0	0	0	0	0	0	0
Comm. and Pf. Stock	0	3,443,538	3,062,127	4,755,631	2,668,860	1,935,952	2,814,768	2,890,579	1,805,161	1,536,918
Mutual Funds	7,919,634	2,487,463	728,550	719,156	271,508	0	0	0	0	0
Receivable	0	24,409	26,607	39,738	17,089	17,089	0	0	0	0
Accrued Interest	80,189	87,472	104,523	120,328	111,304	112,830	114,071	93,247	98,918	104,274
Other Assets	2,999	-1	-1	-1	0	2	0	1	0	0
<b>Total Assets</b>	<b>18,219,691</b>	<b>17,093,985</b>	<b>16,417,076</b>	<b>16,037,540</b>	<b>15,182,164</b>	<b>14,242,039</b>	<b>14,573,632</b>	<b>13,768,308</b>	<b>12,910,448</b>	<b>12,317,287</b>
<b>LIABILITIES</b>										
Current Liabilities	0	0	0	0	0	0	57,279	0	0	0
Accrued actuarial liability	40,497,633	37,411,836	37,609,928	34,527,870	34,527,870	32,266,157	30,988,295	29,332,697	27,611,310	26,123,960
<b>Total liabilities</b>	<b>40,497,633</b>	<b>37,411,836</b>	<b>37,609,928</b>	<b>34,527,870</b>	<b>34,527,870</b>	<b>32,266,157</b>	<b>31,045,574</b>	<b>29,332,697</b>	<b>27,611,310</b>	<b>26,123,960</b>
<b>Over/Under Funded</b>	<b>-22,277,942</b>	<b>-20,317,851</b>	<b>-21,192,852</b>	<b>-18,490,330</b>	<b>-19,345,706</b>	<b>-18,024,118</b>	<b>-16,471,942</b>	<b>-15,564,389</b>	<b>-14,700,862</b>	<b>-13,806,673</b>

LINCOLNWOOD POLICE PENSION FUND

10 Year Profile

<u>Operating Income/Expenses</u>	4/30/2014	4/30/2013	4/30/2012	4/30/2011	4/30/2010	4/30/2009	4/30/2008	4/30/2007	4/30/2006	4/30/2005
<u>Income</u>										
From municipality	1,454,636	1,453,031	1,393,004	1,204,983	1,195,909	1,048,741	947,317	887,083	808,185	710,200
From members	306,261	264,575	270,588	262,391	265,173	250,168	298,319	248,203	245,166	240,592
Other revenue	0	-17,051	1	0	-1,527	-1,242	20,823	-5,671	-5,356	56,118
<b>Total Operating Revenue</b>	<b>1,760,897</b>	<b>1,700,555</b>	<b>1,663,593</b>	<b>1,467,374</b>	<b>1,459,555</b>	<b>1,297,667</b>	<b>1,266,459</b>	<b>1,129,615</b>	<b>1,047,995</b>	<b>1,006,910</b>
<u>Expenses</u>										
Pensions and benefits	1,859,794	1,715,959	1,630,076	1,466,085	1,395,358	1,261,821	1,304,425	1,083,569	965,792	953,525
Professional services	2,400	0	0	16,916	3,565	0	4,820	4,933	3,120	2,930
Other expenses	16,571	19,474	36,988	3,963	5,890	0	0	1,328	1,202	3,601
<b>Total Operating Expenses</b>	<b>1,878,765</b>	<b>1,735,433</b>	<b>1,667,064</b>	<b>1,486,964</b>	<b>1,404,813</b>	<b>1,261,821</b>	<b>1,309,245</b>	<b>1,089,830</b>	<b>970,114</b>	<b>960,056</b>
<b>Net Operating Income/(Loss)</b>	<b>-117,868</b>	<b>-34,878</b>	<b>-3,471</b>	<b>-19,590</b>	<b>54,742</b>	<b>35,846</b>	<b>-42,786</b>	<b>39,785</b>	<b>77,881</b>	<b>46,854</b>
<u>Investment Income</u>										
Investment income (loss)	1,275,779	779,656	438,262	933,274	945,697	-300,748	845,576	882,972	563,101	294,285
Investment fees	32,205	67,870	55,254	58,308	60,314	9,412	54,745	64,898	47,820	47,366
<b>Net Investment Income</b>	<b>1,243,574</b>	<b>711,786</b>	<b>383,008</b>	<b>874,966</b>	<b>885,383</b>	<b>-310,160</b>	<b>790,831</b>	<b>818,074</b>	<b>515,281</b>	<b>246,919</b>
<b>Change in Net Present Assets</b>	<b>1,125,706</b>	<b>676,909</b>	<b>379,536</b>	<b>855,376</b>	<b>940,125</b>	<b>-274,314</b>	<b>748,045</b>	<b>857,860</b>	<b>593,161</b>	<b>293,773</b>
<u>Administrative Expenses</u>										
Investment	32,205	67,870	55,254	58,308	60,314	9,412	54,745	64,898	47,820	47,366
Legal	300	0	0	7,069	3,565	0	4,820	4,133	0	0
Accounting/bookkeeping	0	0	0	0	0	0	0	800	3,120	2,930
Auditing	0	0	0	2,060	0	0	0	0	0	0
Actuarial	2,100	0	0	0	0	0	0	0	0	0
Medical	0	0	0	7,204	0	0	0	0	0	0
Public Steno/Court Reporter	0	0	0	583	0	0	0	0	0	0
Personal Services	0	0	0	0	1,500	0	0	0	0	0
Insurance	0	0	0	0	0	0	0	0	0	0
Conference/Seminar Fees	4,828	2,933	0	190	0	0	0	0	0	0
Association Dues	775	750	775	750	1,325	0	0	1,200	750	750
Travel	0	0	0	0	0	0	0	0	0	0
State Compliance Fee	2,180	3,207	3,207	2,849	2,915	0	0	0	0	2,308
Other Expenses	8,788	12,584	33,006	174	150	0	0	128	452	543
<b>Total Administrative Expenses</b>	<b>51,176</b>	<b>87,344</b>	<b>92,242</b>	<b>79,187</b>	<b>69,769</b>	<b>9,412</b>	<b>59,565</b>	<b>71,159</b>	<b>52,142</b>	<b>53,897</b>
<b>Adm Exp/Net Present Assets</b>	<b>0.28%</b>	<b>0.51%</b>	<b>0.56%</b>	<b>0.49%</b>	<b>0.46%</b>	<b>0.07%</b>	<b>0.41%</b>	<b>0.52%</b>	<b>0.40%</b>	<b>0.44%</b>
<u>Write-ins</u>										
Revenues	0	-17,051	0	0	-1,526	-1,241	20,824	-5,670	-5,356	56,118
Expenses	6,871	12,446	32,803	0	0	0	0	0	0	0
Prior Period Adjustment	0	1	-1	0	0	0	0	1	-1	0

# LINCOLNWOOD POLICE PENSION FUND

## Investment Profile

<b>KEY DATA</b>	04/30/14	04/30/13	04/30/12	04/30/11	04/30/10	04/30/09	04/30/08	04/30/07	04/30/06	04/30/05
Net Present Assets - Market Value	18,219,691	17,093,985	16,417,076	16,037,540	15,182,164	14,242,039	14,516,353	13,768,308	12,910,448	12,317,287
Investment income (loss)	1,275,779	779,656	438,262	933,274	945,697	-300,748	845,576	882,972	563,101	294,285
Reported Investment Fees	32,205	67,870	55,254	58,308	60,314	9,412	54,745	64,898	47,820	47,366
Net Investment Income	1,243,574	711,786	383,008	874,966	885,383	-310,160	790,831	818,074	515,281	246,919
<b>ASSETS</b>										
Money market, N.O.W., etc.	6%	10%	13%	9%	7%	10%	12%	13%	12%	10%
CDs	0%	0%	3%	3%	6%	6%	5%	7%	7%	9%
State, local, corp. debt	23%	21%	13%	0%	0%	0%	0%	0%	0%	0%
US Gov. and agency debt	26%	33%	48%	53%	67%	70%	63%	58%	60%	63%
Ins. Co. contracts - gen. accts.	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Ins. Co. contracts - sep. accts.	0%	0%	0%	0%	0%	0%	0%	0%	6%	6%
Pooled Investments	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Comm. and Pf. Stock	0%	20%	19%	30%	18%	14%	19%	21%	14%	12%
Mutual Funds	43%	15%	4%	4%	2%	0%	0%	0%	0%	0%
Receivable	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Accrued Interest	0%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Other Assets	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Assets	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>Equity Exposure</b>										
% of net present assets invested in equity	43%	35%	23%	34%	19%	14%	19%	21%	20%	18%
5 Year average equity %	30.95%									
<b>Investment Fees</b>										
Reported Investment fees	32,205	67,870	55,254	58,308	60,314	9,412	54,745	64,898	47,820	47,366
Estimated Indirect mutual fund fees	54,645									
Estimated Indirect insurance contract fees	0									
Reported Investment Fees/Invested Assets	0.19%	0.45%	0.40%	0.42%	0.46%	0.08%	0.46%	0.59%	0.50%	0.51%
Estimated Investment Fees/Invested Assets	0.51%									
Average mutual fund expense ratio	0.69%									
<b>Internal Rate of Return</b>										
	<b>Your Fund</b>		<b>Avg Fund</b>		<b>Benchmark</b>		<b>Variance to Avg Fund</b>		<b>Variance to Benchmark</b>	
10 Year Internal Rate of Return	4.18%		5.47%				-1.29%			
5 Year Internal Rate of Return	5.18%		8.42%		6.83%		-3.24%		-1.64%	
Yearly Investment Returns	7.27%	4.34%	2.39%	5.76%	6.22%	-2.14%	5.74%	6.34%	4.18%	2.05%