

Finance Subcommittee Meeting  
Wheaton Park District Board of Commissioners  
Monday November 17, 2014  
Dupage County Historical Museum  
102 E. Wesley Street, Wheaton, IL

CALL TO ORDER –President Kelly called the Finance Subcommittee meeting to order at 4:04 p.m. Commissioners Hodgkinson and Morrill were present.

Commissioners Luetkehans, Mee, Schobel and VanderSchaaf were absent.

In attendance: Executive Director Benard, Executive Assistant Siciliano, Finance Director Trainor, Assistant Finance Director Chiappetta, Great Lakes Advisor Bill Gregg, and Vice President of Wintrust Government Funds Amy Briles.

#### Discussion Items

Bill Gregg from Great Lakes Advisors informed the Board about what Great Lakes Advisors can do for the Wheaton Park District. They would set up an account just for the District, and buy securities that are 100% transparent not only to the District but to the tax payers as well. They do not do anything with repo's because the treasury rates are low therefore the repo market is dead. If the repo market comes back he would talk to the District further. Their investments would include the following:

- CD's below the \$250,000 FDIC limit. They buy CD's on platforms in denominations of \$10,000, \$20,000 etc.
- Treasuries and Agency's to give liquidity for debt services and operating needs.
- Agency mortgages (Fannie and Freddie)
- Short municipals, rated in the top 4 highest quality ratings. They usually don't go out more than one and a half years.

They would want to target the Barclay's Government 1-3 year Index.

They provide a deep bench to analyze this portfolio, and will attend quarterly board meetings to explain how our portfolio is performing.

President Kelly asked if we would be able to pick the percentages we would like our money invested in. Bill explained that the portfolio is set up to include 40% in mortgages, 30% in treasuries and agencies and 30% in CD's and municipal bonds.

President Kelly asked how much they charge. Bill replied they assess an 18 basis point fee on a quarterly basis. They could do monthly but staff recommended quarterly. The 18 points are based on the 0 to \$25,000,000,000 investment range, above \$25,000,000,000 brings it down to 15 basis points. President Kelly asked what he expects our return to be. Bill stated that he expected to return us a net 70 basis points.

President Kelly asked Bill what other municipalities they do work for. Bill stated they manage funds for ten municipalities, including \$320,000,000 with the DuPage County Forest Preserve District.

President Kelly stated that he will probably recommend to the Board that we go in a little at a time with Great Lakes and not do it all right away.

Bill stated that they can give up to 15 times the FDIC \$250K insurance limit through their MAXSAVE product. This is because Wintrust set up that many different banks incorporated in Illinois, each of the banks can take advantage of the \$250K of FDIC insurance.

President Kelly asked if Great Lakes would be able to catch fraud quickly unlike IMET. Bill stated that they analyze the collateral with their systems because of how they pay. The only credit risk we would have is in the municipal bonds since they are not FDIC insured. If there was fraud, Great Lakes is the fiduciary therefore Wintrust would be responsible. He also stated that everything they invest in has a Moody's or S&P rating of AA- or above.

Executive Director Benard asked who the fiduciary is for the Illinois Funds. Finance Director Trainor wasn't sure but will find out.

President Kelly wants to check on the basis point rates that his company is paying, and to see how it's broken down. He wants to make sure that we are invested in the safest things possible and would be willing to give up some return for safety.

The subcommittee along with staff agreed to move the money out of IMET and into Illinois Funds tomorrow morning.

President Kelly wasn't sure that he wants to act on the resolution, agreement or s with Chicago Trust. John thought that we can have Great Lakes do a presentation at the December meeting and give the Board more information and can vote on it at the January meeting. Finance Director Trainor will give a small presentation and then let Bill give his presentation at the board meeting on Wednesday.

Commissioner Hodgkinson recommended that staff send the Board the old investment policy.

President Kelly stated that if the Board decides they want to go with Great Lakes we will have Tressler review the documents.

Commissioner Hodgkinson asked if we are looking at other investment firms. Finance Director Trainor stated we were not that Great Lakes come highly recommended by Wheaton Bank whom we have a solid relationship with.

At 5:07 pm. Commissioner Morrill moved to adjourn the Finance Subcommittee Meeting. Seconded by Commissioner Hodgkinson. Motion passed by voice vote.