

Winnetka Village Council
REGULAR MEETING
Village Hall
510 Green Bay Road
Tuesday, September 2, 2014
7:00 p.m.

Emails regarding any agenda item are welcomed. Please email contactcouncil@winnetka.org, and your email will be relayed to the Council members. Emails for the Tuesday Council meeting must be received by Monday at 4 p.m. Any email may be subject to disclosure under the Freedom of Information Act.

AGENDA

- 1) Call to Order
- 2) Pledge of Allegiance
- 3) Quorum
 - a) September 9, 2014 Study Session
 - b) September 16, 2014 Regular Meeting
 - c) October 7, 2014 Regular Meeting
- 4) Approval of Agenda
- 5) Consent Agenda
 - a) Approval of Village Council Minutes: None.
 - b) Approval of Warrant List dated 8/15/2014 – 8/28/2014.....3
 - c) Bid 14-019: Oak Street Bridge Emergency Repairs4
- 6) Stormwater Report: None.
- 7) Ordinances and Resolutions
 - a) Ordinance MC-6-2014: Reimbursement of Professional Fees – Adoption6
 - b) Resolution R-25-2014: Liquor License Fees – Adoption14
 - c) Resolution R-26-2014: Approving an Agreement for Administrative Hearing Officer Services – Adoption19
- 8) Public Comment
- 9) Old Business
 - a) Investment Manager.....28

10) New Business
 a) Village-Wide Community Survey101
11) Appointments
12) Reports
13) Executive Session
14) Adjournment

NOTICE

All agenda materials are available at villageofwinnetka.org (Government > Council Information > Agenda Packets & Minutes); the Reference Desk at the Winnetka Library; or in the Manager’s Office at Village Hall (2nd floor).

Broadcasts of the Village Council meetings are televised on Channel 10 and AT&T Uverse Channel 99 every night at 7 PM. Webcasts of the meeting may also be viewed on the Internet via a link on the Village’s web site: <http://winn-media.com/videos/>

The Village of Winnetka, in compliance with the Americans with Disabilities Act, requests that all persons with disabilities who require certain accommodations to allow them to observe and/or participate in this meeting or have questions about the accessibility of the meeting or facilities, contact the Village ADA Coordinator – Megan Pierce, at 510 Green Bay Road, Winnetka, Illinois 60093, 847-716-3543; T.D.D. 847-501-6041.



Agenda Item Executive Summary

Title: Warrant List

Presenter: Robert M. Bahan, Village Manager

Agenda Date: 09/02/2014

Consent: YES NO

- | | |
|-------------------------------------|-------------------------|
| <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | Bid Authorization/Award |
| <input type="checkbox"/> | Policy Direction |
| <input checked="" type="checkbox"/> | Informational Only |

Item History:

None.

Executive Summary:

The Warrant List for the September 2, 2014 Regular Council Meeting was emailed to each Village Council member.

Recommendation:

Consider approving the Warrant List for the September 2, 2014 Regular Council Meeting.

Attachments:

None.



Agenda Item Executive Summary

Title: Bid 14-019: Oak Street Bridge Emergency Repairs

Presenter: Steven M. Saunders, Director of Public Works/Village Engineer

Agenda Date: 09/02/2014

- Ordinance
- Resolution
- Bid Authorization/Award
- Policy Direction
- Informational Only

Consent: YES NO

Item History:

The Oak Street Bridge Repair project consists of the localized partial and full depth patching of the concrete bridge deck, with related collateral work. The Oak Street Bridge concrete deck was resurfaced in 1997, and though the bridge is sound, there is an 80+/- square yard area at the center of the deck where the overlay is delaminating, requiring localized partial and full depth patching.

Executive Summary:

On August 28, 2014, sealed bids were opened and read aloud for the Oak Street Bridge Repair project, which consists of the localized partial and full depth patching of the concrete bridge deck, with related collateral work. Three bidders responded. The following table show all bids that were received and read by the Village.

Bidder	Bid Amount - As Read	Adjusted Bid - As Calculated
Alliance Contractors, Inc. 1166 Lake Avenue Woodstock, IL 60098	\$52,750.00	No Change
Areatha Construction Company, Inc. 410 E. North Avenue Streamwood, IL 60107	\$67,530.00	No Change
Copenhaver Construction 75 Koppie Drive Gilberts, IL 60136	\$149,200.00	No Change

All bids were reviewed for completeness and accuracy, and the bid tabulation has been attached. While all of the bids were above the engineer's estimate of \$41,250.00, this is likely the case because the scope of work is relatively small, leading to higher unit prices for the work related pay items. Staff recommends that Bid #14-019 be awarded to Alliance Contractors, Inc, for \$52,750.00.

Recommendation:

Consider awarding Bid #14-019: Oak Street Bridge Emergency Repairs, to Alliance Contractors, Inc. of Woodstock, IL in the amount of \$52,750.00.

Attachments:

Bid Tabulation



Agenda Item Executive Summary

Title: Ordinance No. MC-6-2014: Reimbursement of Professional Fees- Adopt

Presenter: Robert M. Bahan, Village Manager and Peter M. Friedman, Village Attorney

Agenda Date: 09/02/2014

Consent: YES NO

- | | |
|-------------------------------------|-------------------------|
| <input checked="" type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | Bid Authorization/Award |
| <input type="checkbox"/> | Policy Direction |
| <input type="checkbox"/> | Informational Only |

Item History:

August 5, 2014 Regular Council meeting, Introduction

Executive Summary:

As Introduced: The Village retains professionals, including engineers, lawyers, and planners, to perform services to assist the Village with its review and disposition of applications for Village action or decision, including requests for zoning relief. In these circumstances, the Village incurs fees and costs. This Ordinance sets forth a clear process by which the Village will receive reimbursement of its fees and costs from the applicants. Applicants would be required, before the Village performs any review, to deposit in an escrow account the estimated amount of the cost of professional services required to review and act upon the application. Applicants would also be required to execute a short escrow agreement to govern the escrowed money. The Village would draw against the balance of the escrow account for reimbursement. If third party and professional fees exceed the estimate, the Village may require that an additional amount be deposited into escrow. If professional fees are less than the estimate, the Village would return the balance to the applicant upon completion of the Village review and a final accounting.

This new process is particularly important in light of the Village Attorney organizational change from inside to outside counsel. Under the proposed Ordinance, Village Attorney fees on Village approvals and requests for zoning relief will be covered by the escrow deposit so long as they are outside the retainer services provided by the Village Attorney.

For Final Approval: Subsequent to Introduction, the Village Attorney is recommending some changes to the Ordinance based on comments received from Trustee Braun. These changes are detailed in the Staff Memorandum. These changes are not inconsistent with the general requirements and procedures in the Ordinance as Introduced by the Council at its August 5, 2014 meeting.

Recommendation:

We recommend approval of Ordinance No. MC-6-2014, as amended.

Attachments:

- 1) Memo re: Reimbursement of Professional Fees
- 2) Ordinance No. MC-6-2014, as amended

VILLAGE OF WINNETKA
M E M O R A N D U M

TO: Village Council

FROM: Robert M. Bahan, Village Manager
Peter M. Friedman, Village Attorney

CC: Megan E. Pierce, Assistant to the Village Manager

DATE: August 28, 2014

SUBJECT: Ordinance No. MC-6-2014, Reimbursement of Professional Fees

Background

The Village often must retain outside professionals, including engineers, lawyers, and planners, to perform services for the Village as part of its review and disposition of applications for Village action or decision on various matters, including requests for zoning relief. In these circumstances, the Village incurs fees and costs. These fees and costs, incurred because the Village must act in response to an application, should be borne by the applicant, not the Village. The current provisions of the Village Code regarding these circumstances require updating to ensure a clear and fair process. The Village Manager identified the need to adopt a more effective process to assure that the Village is reimbursed for these outside professional fees and costs.

This updated process is particularly important in light of the Village Attorney organizational change from inside to outside counsel. Under the proposed Ordinance, Village Attorney fees on Village approvals and requests for zoning relief will be covered by the escrow deposit.

Progress Update

In consultation with the Village Manager, the Village Attorney drafted Ordinance No. MC-6-2014 to amend Title 2 of the Winnetka Village Code, adding a new Chapter 2.76. This new Chapter sets forth a process by which the Village will receive reimbursement of outside professional fees and costs from applicants seeking Village action or decision, including requests for zoning relief.

Applicants will be required, before Village staff performs its review, to deposit in an escrow account the estimated amount of outside professional costs required to review and act upon the application. The Applicant will also be required to execute a short escrow agreement to govern the escrowed money. With regard to attorney fees, the estimated cost will be based upon the reimbursement rates established by the Village Council in its annual fee resolution. The Village would draw against the escrow balance to receive reimbursement. If actual outside professional fees incurred exceed the initial estimate, the Village will estimate the amount of additional

required fees and the Applicant will then make the additional escrow deposit. After the Village completes its review, it will perform a final accounting of the total amount of outside professional fees incurred and the total amount of the Applicant's escrow deposits. If the total amount of fees exceeds the total amount deposited into escrow, the Village may require the applicant to deposit an additional amount. If the total amount of fees is less than the total amount deposited into escrow, the Village will return the balance to the Applicant.

The Ordinance was introduced at the August 5, 2014 Regular Council meeting.

Amendments to Ordinance as Introduced

As part of the Council's discussion on introduction of the Ordinance, Trustee Braun raised some questions regarding the terms of the Ordinance. Subsequently, the Village Attorney and Trustee Braun discussed these questions and the Village Attorney has prepared changes to the Ordinance as introduced. None of these changes are inconsistent with the general terms and provisions of the Ordinance introduced by Council at its August 5, 2014 meeting. The following is a summary of the changes made:

- The new provisions have been moved from Title 2 ("Administration and Personnel" to Title 15 ("Buildings and Construction") to ensure a more logical location for the public.
- The first section of the new provisions has been revised to add a sentence that makes it clear that only Village Attorney fees for matters that are not in the ordinary course of business (and thus fall outside the retainer) will be reimbursable.
- Various amendments to the Ordinance have been made to ensure that reimbursements are only for matters authorized by the Village Code.
- We have deleted the term "third party" and relied instead on "professional services" to better limit and identify the type of engagements that will require reimbursements under the Ordinance.
- We have clarified that the decision whether to utilize reimbursable professionals will be limited to situations when specifically required by the Village Code, the Village Council, or the Village Manager.
- The provisions on the required escrow agreement have been revised to further explain that the agreement will generally include provisions for deposit, withdrawals, and closing of the escrow consistent with the provisions of this new Ordinance.

Additionally, as a matter of course, the Council will be advised when an application and escrow are received under the provisions of the new Chapter 15.74. Other conforming changes will be made to the Village Code as part of the Council's adoption of the annual fee resolutions.

Recommendation

We recommend that the Village Council approve Ordinance No. MC-6-2014, as amended.

Attachments

- Ordinance No. MC-6-2014, redlined to show the recommended changes made to the Ordinance as introduced

AN ORDINANCE
AMENDING TITLE ~~152~~ OF THE WINNETKA VILLAGE CODE
REGARDING REIMBURSEMENT OF ~~THIRD PARTY AND~~ PROFESSIONAL
FEES AND COSTS INCURRED BY THE VILLAGE
DURING REVIEW OF APPLICATIONS FOR VILLAGE ACTION

WHEREAS, the Village of Winnetka is a home rule municipality in accordance with Article VII, Section 6 of the Constitution of the State of Illinois of 1970 and has the authority to exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, ~~Title Chapter~~ 15 of the Winnetka Village Code, as amended ("*Village Code*"), titled "Buildings and Construction," sets forth certain regulations governing the issuance of permits and other approvals necessary for real estate development and construction within the Village ("*Development Approvals*"); and

WHEREAS, Section 15.32.02 of the Village Code provides, among other things, that: (i) the Village Council shall establish, by resolution, all fees, costs, deposits, and bonding requirements for obtaining Development Approvals (collectively, "*Development Fees and Costs*"); and (ii) the owner of property seeking Development Approvals is responsible for the payment of all Development Fees and Costs, including the costs incurred by the Village for ~~third party and~~ professional services retained by the Village in connection with the Village's review of the owner's application for Development Approvals; and

~~WHEREAS, Title 2 of the Village Code, titled "Administration and Personnel," sets forth various regulations regarding the administration of Village affairs; and~~

WHEREAS, the Village desires to update and clarify the process for receiving reimbursement of Development Fees and Costs and other costs incurred by the Village for ~~third party and~~ professional services retained by the Village in connection with the Village's review of applications for Village action or decision on any matter ("*Reimbursement Regulations*"); and

WHEREAS, the Village Council has determined that amending Title ~~152~~ of the Village Code to add a new Chapter ~~15.742.76~~ adopting Reimbursement Regulations as set forth in this Ordinance is in the best interests of the Village;

NOW, THEREFORE, be it ordained by the President and Board of Trustees of the Village of Winnetka as follows:

SECTION 1: The foregoing recitals are hereby incorporated as the findings of the Council of the Village of Winnetka, as if fully set forth in this Section.

SECTION 2: Title ~~152~~, titled "~~Buildings and Construction~~~~Administration and Personnel~~," of the Village Code is hereby amended by adding a new Chapter ~~15.742.76~~, titled "Third Party Fees and Escrow of Funds," which new Chapter ~~152.746~~ will read as follows:

Chapter 15.742.76
THIRD PARTY FEES AND ESCROW OF FUNDS

Section 2.76.01015.74.010
Purpose.

The general purposes of this chapter are to require persons or other legal entities who apply to or petition the Village for consideration or review of, or action on, any matter requiring Village approval to: (a) reimburse the Village, as required by this Code, for certain ~~third party and~~ professional fees incurred by the Village as a result of the application or petition, and (b) deposit the funds necessary to reimburse the Village before the Village incurs any ~~third party or~~ professional fees as a result of the application or petition. This Chapter specifically applies to Village Attorney fees when specifically invoiced for services beyond the ordinary course of business.

Section 2.76.02015.74.020 **Responsibility for**
professional third party fees.

Any person or other legal entity who applies to or petitions the Village for consideration or review of, or action on, any matter requiring Village approval shall be responsible for any services provided by any independent professional, when such services are required by the Village Code, third party and professional fees, including without limitation engineering fees, planning fees, and legal fees, the Village Manager (or the Manager's designee), or the Village Council, as part of incurred by the Village's during its review of, and any action in response to, the application or petition.

Section 2.76.03015.74.030
Amount of fees.

The Village Council shall establish by resolution the rates at which ~~third party and~~ professional fees shall be reimbursed to the Village pursuant to this chapter.

Section 2.76.04015.74.040 **Estimate of costs and establishment**
of escrow.

A. Upon receipt of any application or petition for Village consideration, review, or action, including ~~without limitation~~, approvals required under the Winnetka Zoning Ordinance, that will require the Village to obtain ~~third party or~~ professional services, the Village Manager, or the Manager's designee, shall estimate the cost of the ~~third party and~~ professional services based upon the nature and complexity of the required services by the Village Code, the rates established by the Village Council for reimbursement of ~~third party and~~ professional fees, and any other factors that may be relevant to estimating the cost of the required ~~third party and~~ professional services. The Village Manager

or designee shall send written notice to the applicant or petitioner of the estimated cost of ~~third party and~~ professional services required by the Village Code and shall require the applicant or petitioner to: (1) execute an escrow agreement in a form to be provided by the Village Manager, and (ii) deposit the estimated amount with the Village within 14 days of receipt of the notice. The Village will not be required to take any official action on the application or petition before the applicant or petitioner executes and delivers the escrow agreement and makes the required escrow deposit. The escrow agreement will include provisions for the deposit, withdrawals, and closing of the escrow consistent with the provisions of this Subsection and Subsections 15.74.050 and 15.74.060 of this Chapter.

B. Upon receipt of the executed escrow agreement and the amount equal to the estimated cost of the required ~~third party and~~ professional services, the Village Manager, or the Manager's designee, shall deposit this amount into a separate escrow account established to defray the cost of ~~third party and~~ professional fees incurred by the Village during its review of, and any action in response to, the application or petition. No interest shall be payable on any funds deposited in the escrow account.

Section ~~2.76.050~~15.74.050 Withdrawals from escrow.

A. The Village Manager, or the Manager's designee, shall require the ~~third parties and~~ professionals the Village engages in connection with the review of, and any action in response to, any application or petition to keep reasonably detailed records of their services performed and to invoice the Village no less frequently than monthly.

B. The Village shall draw on the funds deposited in the escrow account to pay, at the rates established by the Village Council, the invoices for ~~third party and~~ professional services, as required by the Village Code, rendered in connection with the review of, and any action in response to, the application or petition. The Village Manager shall approve all draws from the escrow account, keep a written record of the draws, and send a written record of all draws to the applicant.

C. The Village Manager, or the Manager's designee, shall monitor the balance of funds on deposit in the escrow account to assure that sufficient funds are available to defray the cost of all ~~third party and~~ professional services performed in connection with the review of, and any action in response to, the application or petition. If, at any time, the Village Manager determines that sufficient funds are not available, the Village Manager shall estimate the cost of the foreseeable remaining required ~~third party and~~ professional services and send written notice to the applicant or petitioner requiring an additional amount to be deposited in the escrow account within 14 days after receipt of the notice, all in accordance with the escrow agreement and the process set forth in Section 2.76.040. The Village Manager may instruct the ~~third parties and~~ professionals engaged in connection with the review of, and any action in response to, the

application or petition to cease performing further services until the additional amount requested has been deposited into the escrow account.

**Section ~~2.76.060~~15.74.060 Closing
of escrow.**

A. After all ~~third party and~~ professional services required for the review of, and any action in response to, the application or request have been completed, the Village Manager shall perform a final accounting of the deposits made into the escrow account and the actual cost of the ~~third party and~~ professional fees incurred. The Village Manager shall promptly provide a written copy of this accounting to the applicant or petitioner.

B. If the amount deposited in the escrow account is insufficient to pay for the actual ~~third party and~~ professional fees incurred by the Village for the review of, and any action in response to, the application or petition, the Village Manager shall provide the applicant or petitioner with written notice and require payment of the balance due.

C. If, after the payment of all actual ~~third party and~~ professional fees incurred for the review of, and any action in response to, the application or petition, the Village Manager shall promptly return any remaining balance to the applicant or petitioner. If the Village Manager is unable to return the balance held in the escrow account to the applicant or petitioner 30 days after sending written notice of any balance to the applicant or petitioner, the Village Manager shall be entitled to charge the applicant or petitioner an administrative fee of \$50.00 per month, and to draw upon the escrow account for the payment of the fee, until the applicant or petitioner recovers the balance or the balance is exhausted. If the applicant or petitioner does not recover the remaining balance held in the escrow account two years after the Village Manager sent the applicant or petitioner written notice, the Village Manager will be entitled to transfer the balance from the escrow account to the Village general fund."

SECTION 3: This Ordinance is passed by the Council of the Village of Winnetka in the exercise of its home rule powers pursuant to Section 6 of Article VII of the Illinois Constitution of 1970.

SECTION 4: This Ordinance shall take effect immediately upon its passage, approval, and posting as provided by law.

[SIGNATURE PAGE FOLLOWS]

PASSED this ____ day of _____, 2014, pursuant to the following roll call vote:

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED this ____ day of _____, 2014.

Signed:

Village President

Countersigned:

Village Clerk

Published by authority of the
President and Board of Trustees
of the Village of Winnetka,
Illinois, this ____ day of _____,
2014.

Introduced: August 5, 2014

Passed and Approved: _____, 2014



Agenda Item Executive Summary

Title: Resolution No. R-25-2014: Liquor License Fees

Presenter: Peter M. Friedman, Village Attorney

Agenda Date: 09/02/2014

Consent: YES NO

- | | |
|-------------------------------------|-------------------------|
| <input type="checkbox"/> | Ordinance |
| <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | Bid Authorization/Award |
| <input type="checkbox"/> | Policy Direction |
| <input type="checkbox"/> | Informational Only |

Item History:

November 19, 2013: Adopted Resolution No. R-36-2013 (General License & Permit Fees)

Executive Summary:

The Village annually adopts a resolution establishing and amending general permit, license and registration fees, parking and towing fees, and miscellaneous service fees. The current resolution is Resolution No. R-36-2013, adopted by the Village Council on November 19, 2013. This Resolution also includes the fees applicable to each of the Village's liquor license classifications.

On April 1, 2014, the Village Council adopted Ordinance No. MC-4-2014. This Ordinance created several new liquor license classifications, each of which must be assigned an annual license fee amount. In anticipation of new license applications and the annual fee resolutions that accompany the final budget, I have prepared the attached Resolution, amending Resolution No. R-36-2013 and assigning annual fee amounts to the following liquor license categories. We have made other minor clean-up revisions to ensure that the different license categories are described consistently:

- Class A-2, Restaurant (beer & wine) -- \$500
- Class A-3, Restaurant with limited bar (beer & wine) -- \$750
- Class A-4, Specialty restaurant (wine) -- \$750
- Class A-5, Specialty restaurant (wine) -- \$500
- Class D-1, Package delivery service/mail (wholesale) -- \$500

Recommendation:

Adopt Resolution No. R-25-2014 "Amending Resolution No. R-36-2013 Regarding Liquor License Fees."

Attachments:

- 1) Memorandum re: Liquor License Fees
- 2) Resolution No. R-25-2014

VILLAGE OF WINNETKA
M E M O R A N D U M

TO: Village Council

FROM: Robert M. Bahan, Village Manager
Peter M. Friedman, Village Attorney

CC: Megan E. Pierce, Assistant to the Village Manager

DATE: August 26, 2014

SUBJECT: Resolution No. R-25-2014, Liquor License Fees

Background

The Village annually adopts a resolution establishing and amending general permit, license and registration fees, parking and towing fees, and miscellaneous service fees. The current resolution is Resolution No. R-36-2013, adopted by the Village Council on November 19, 2013. This Resolution also includes the fees applicable to each of the Village's liquor license classifications.

On April 1, 2014, the Village Council adopted Ordinance No. MC-4-2014. This Ordinance created several new liquor licenses classifications, each of which must be assigned an annual license fee amount. In anticipation of new license applications and the annual fee resolutions that accompany the final budget, we have prepared the attached Resolution, amending Resolution No. R-36-2013 and assigning annual fee amounts to the following liquor license categories. We have made other minor clean-up revisions to ensure that the different license categories are described consistently:

- Class A-2, Restaurant (beer & wine) -- \$500
- Class A-3, Restaurant with limited bar (beer & wine) -- \$750
- Class A-4, Specialty restaurant (wine) -- \$750
- Class A-5, Specialty restaurant (wine) -- \$500
- Class D-1, Package delivery service/mail (wholesale) -- \$500

Next Steps

We recommend that the Village Council consider and approve Resolution No. R-25-2014.

Attachments

- Resolution No. R-25-2014

RESOLUTION NO. R-25-2014

**A RESOLUTION
AMENDING RESOLUTION NO. R-36-2013
REGARDING LIQUOR LICENSE FEES**

WHEREAS, the Village of Winnetka (“*Village*”) is a home rule municipality in accordance with Article VII, Section 6 of the Constitution of the State of Illinois of 1970; and

WHEREAS, on November 19, 2013, the Council of the Village of Winnetka (“*Village Council*”) adopted Resolution No. R-36-2013, amending, among other things, the fees charged by the Village for permits and licenses, including without limitation the fees charged by the Village for the issuance of liquor licenses; and

WHEREAS, on April 1, 2014, the Village Council adopted Ordinance No. MC-4-2014, amending Chapter 5.09 of the Winnetka Village Code regarding, among other things, liquor license classifications; and

WHEREAS, the Village Council desires to amend Resolution No. R-36-2013 to further amend the fees charged by the Village for the issuance of liquor licenses to reflect the amended liquor license classifications;

NOW, THEREFORE, be it resolved by the Council of the Village of Winnetka as follows:

SECTION 1: RECITALS. The foregoing recitals are hereby incorporated as the findings of the Village Council, as if fully set forth herein.

SECTION 2: PERMIT, LICENSE AND REGISTRATION FEES. Section 1, titled “Permit, License and Registration Fees,” of Resolution No. R-36-2013 is hereby amended to read as follows:

SECTION 1: Permit, License and Registration Fees. Fees are hereby established for certain permits, licenses and registrations, in the amounts and for the purposes set forth in the following Schedule of General Permit, License and Registration Fees, pursuant to the sections of the Winnetka Village Code (“Code”) referred to therein.

SCHEDULE OF GENERAL PERMIT, LICENSE AND REGISTRATION FEES

Note: Unless otherwise specifically provided in the following Schedule of General Permit, License and Registration Fees (“Schedule”), all annual permits, licenses and registrations provided for in this Schedule are due and payable on or before the beginning of the fiscal year (January 1) of each year, and remain in effect until the end of the fiscal year (December 31).

ADOPTED this __ day of _____, 2014, pursuant to the following roll call vote:

AYES: _____

NAYS: _____

ABSENT: _____

Signed:

Village President

Countersigned:

Village Clerk

Adopted: _____, 2014



Agenda Item Executive Summary

Title: Resolution No. R-26-2014: Approving an Agreement for Administrative Hearing Officer Services

Presenter: Robert M. Bahan, Village Manager

Agenda Date: 09/02/2014

Consent: YES NO

- | | |
|-------------------------------------|-------------------------|
| <input type="checkbox"/> | Ordinance |
| <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | Bid Authorization/Award |
| <input type="checkbox"/> | Policy Direction |
| <input type="checkbox"/> | Informational Only |

Item History:

In February 2014, the Village Council passed Ordinance MC-1-2014, establishing an Administrative Adjudication System. The selection of an Administrative Hearing Officer is one of the key steps in implementing this new system for the Village.

Executive Summary:

In May 2014, the Village received ten responses to a Request for Qualifications seeking individuals interested in the position. After thorough review and reference inquires, five respondents were selected for interviews, after which candidates were further narrowed. Additional inquires and consideration led me to select Mr. David G. Eterno as the Village's Hearing Officer. Mr. Eterno meets all of the qualifications described by Village Code, and he has considerable experience as an Administrative Hearing Officer. He presently serves twelve suburban communities, the City of Chicago and the County of Cook in similar capacities. He has presided in such capacity continuously since 1996 and has served several municipalities when they established their Administrative Adjudication Systems.

As a result of this selection process, I intend to appoint Mr. Eterno as the Village's Administrative Hearing Officer. Village Attorney Friedman has reviewed the proposed agreement for his services. In accordance with Chapter 2.34.020 of the Village Code, I am seeking the Council's approval for Mr. Eterno's compensation. The agreed hourly rate of \$150.00 is competitive with other rates presented during the RFQ process. His services are anticipated to cost about \$6,500 annually.

Recommendation:

Adopt Resolution No. R-26-2014, approving an independent contractor agreement for the Administrative Hearing Officer, at a rate of \$150 per hour.

Attachments:

- 1) Resolution R-26-2014, Approving an Independent Contractor Agreement with David G. Eterno for Administrative Hearing Officer Services
- 2) Proposed Agreement for Services

**A RESOLUTION
APPROVING AN INDEPENDENT CONTRACTOR AGREEMENT
WITH DAVID G. ETERNO FOR
ADMINISTRATIVE HEARING OFFICER SERVICES**

WHEREAS, the Village of Winnetka (“*Village*”) is a home rule municipality in accordance with Article VII, Section 6 of the Constitution of the State of Illinois of 1970; and

WHEREAS, pursuant to Chapters 2.34 and 2.72 of the Winnetka Village Code of 1999, as amended (“*Village Code*”), the Village has established an Administrative Adjudication System to locally adjudicate certain violations of various provisions of the Village Code; and

WHEREAS, the Village desires to retain the services of an attorney to serve as an Administrative Hearing Officer to preside over hearings conducted as part of the Village’s Administrative Adjudication System; and

WHEREAS, David G. Eterno (“*Eterno*”) is an attorney licensed to practice law in the State of Illinois, in good standing; and

WHEREAS, the Village desires to retain Eterno, and Eterno desires to be retained by the Village, to serve as the Village’s Administrative Hearing Officer; and

WHEREAS, the Village and Eterno desire to enter into an Independent Contractor Agreement for Eterno to serve as the Village’s Administrative Hearing Officer (“*Agreement*”); and

WHEREAS, the Village Council has determined that it is in the best interest of the Village to enter into the Agreement with Eterno;

NOW, THEREFORE, be it resolved by the Council of the Village of Winnetka as follows:

SECTION 1: RECITALS. The foregoing recitals are hereby incorporated as the findings of the Village Council, as if fully set forth herein.

SECTION 2: APPROVAL OF AGREEMENT. The Village Council hereby approves the Agreement by and between the Village and Eterno for Eterno to serve as the Village’s Administrative Hearing Officer in substantially the form attached to this Resolution as **Exhibit A** and in a final form approved by the Village Manager and the Village Attorney.

SECTION 3: AUTHORIZATION TO EXECUTE AGREEMENT. The Village Council hereby authorizes and directs the Village Manager and the Village Clerk to execute and attest, on behalf of the Village, the final Agreement.

SECTION 4: HOME RULE AUTHORITY. This Resolution is adopted by the Village Council in the exercise of its home rule powers pursuant to Section 6 of Article VII of the Illinois Constitution of 1970.

SECTION 5: EFFECTIVE DATE. This resolution shall be in full force and effect immediately upon its adoption.

ADOPTED this __ day of _____, 2014, pursuant to the following roll call vote:

AYES: _____

NAYS: _____

ABSENT: _____

Signed:

Village President

Countersigned:

Village Clerk

Adopted: _____, 2014

EXHIBIT A
AGREEMENT

**INDEPENDENT CONTRACTOR AGREEMENT
BETWEEN
DAVID G. ETERNO
AND
VILLAGE OF WINNETKA**

THIS INDEPENDENT CONTRACTOR AGREEMENT is made and entered into as of this ____ day of _____, 2014 (the “Effective Date”), by and between **DAVID G. ETERNO** (the “Administrative Hearing Officer”) and **THE VILLAGE OF WINNETKA, an Illinois home rule municipal corporation** (“VILLAGE”).

WITNESSETH:

WHEREAS, the VILLAGE is an Illinois home rule municipal corporation; and

WHEREAS, pursuant to Chapters 2.34 and 2.72 of the Winnetka Village Code of 1999, as amended (“Village Code”), the Village has established an Administrative Adjudication System to locally adjudicate certain violations of various provisions of the Village Code; and

WHEREAS, David G. Eterno is an attorney licensed to practice law in the State of Illinois, in good standing; and

WHEREAS, the VILLAGE desires to retain the services of an attorney as an Administrative Hearing Officer, not as an employee but as an independent contractor, to preside over hearings conducted as part of the Village’s Administrative Adjudication System; and

WHEREAS, David G. Eterno desires to be retained by the VILLAGE as Administrative Hearing Officer in accordance with the terms and conditions set forth in this Agreement and the Village Code:

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of such consideration are hereby acknowledged, the parties agree as follows.

Section 1. Retention. Subject to the provisions of this Agreement, the VILLAGE hereby retains DAVID G. ETERNO and DAVID G. ETERNO hereby accepts retention by the VILLAGE to perform the duties of the Administrative Hearing Officer as described in the Chapters 2.34 and 2.72 of the Village Code. The Administrative Hearing Officer shall act at all times as an independent contractor and not as an employee of the VILLAGE. The VILLAGE and the Administrative Hearing Officer shall reasonably establish on what days the Administrative Hearing Officer shall perform his duties.

Section 2. Administrative Hearing Officer’s Duties and Responsibilities.

All duties of the Administrative Hearing Officer as set forth in the Village Code including, but not limited to:

1. Presiding over and adjudicate hearings conducted within the Village’s Administrative Adjudication System regarding Village Code violations as set forth in the Village Code and held pursuant to the appropriate Chapters of the Village Code and 65 ILCS 5/1-2.2, et seq., and 625 ILCS 5/11-208.3, et seq.;

2. Reviewing and providing input on notices, documents, and processes used in the VILLAGE's system of administrative hearings;

3. Performing any and all other tasks which are necessary, incidental, or helpful to the Administrative Hearing Officer's duties and hearing process under the ordinance and to his obligations as imposed by this contract and by the Illinois Rules of Professional Conduct;

4. Demonstrate continuous effort to improve and/or uphold hearing procedures, and work cooperatively and jointly to provide for the fair and efficient conduct of hearing for the citizens of Winnetka and all other persons and entities appearing before the Administrative Hearing Officer.

5. The Administrative Hearing Officer shall, without regard to the availability or unavailability of any insurance, either of the Village or the Administrative Hearing Officer, indemnify and hold harmless the Village, and its officials, employees, agents, and attorneys against any and all lawsuits, demands, claims of damages, liabilities, losses, and expenses, including attorneys' fees and administrative expenses, that arise, or may be alleged to have arisen, out of the Administrative Hearing Officer's performance of, or failure to perform, the service required under this Agreement, or any part thereof, claimed to be due in whole or in part to the active, passive, or concurrent negligence or fault of the Administrative Hearing Officer, except to the extent caused by the sole negligence of the Village.

6. Contractor will provide, perform, and complete all of the Services in a professional manner consistent with the professional standards of practice, care, diligence, and expediency of qualified administrative hearing officers doing similar service in the Chicago Metropolitan Area and in full compliance with this Agreement.

Section 3. Nature of Agreement. The parties acknowledge and agree that the Administrative Hearing Officer will be retained as an independent contractor of the VILLAGE, not as an employee. Since the Administrative Hearing Officer is retained as the VILLAGE's independent contractor, the Administrative Hearing Officer is solely responsible for his actions and inactions and nothing in this Agreement shall be construed to create an employee relationship between the parties. The Administrative Hearing Officer is not authorized to enter into contracts or agreements on behalf of the VILLAGE or to otherwise create obligations of the VILLAGE to third parties. Nothing contained in this Agreement shall be construed to create a relationship of employer and employee, master and servant, principal and agent, or partners or co-venturers between the VILLAGE and the Administrative Hearing Officer, or between the Administrative Hearing Officer and any employee or agent of the VILLAGE. Without limiting the generality of the foregoing:

(a) **Taxes and Other Obligations.** The Administrative Hearing Officer shall report for Federal and state income tax purposes all amounts received by him under this Agreement as income. The Administrative Hearing Officer shall have sole responsibility for the withholding of all Federal and state income taxes, unemployment insurance tax, social security tax, and other withholding with respect to payments made under this Agreement. The Administrative Hearing Officer shall not be entitled to any employment benefits of any kind provided by the VILLAGE to its employees including, but not limited to, vacation pay, sick leave pay, retirement plan and related benefits, social security, workers' compensation insurance, disability insurance, employment insurance benefits, and other benefits of any kind provided by the VILLAGE to its employees; The Administrative Hearing Officer expressly waives any and all rights to such benefits. The Administrative Hearing Officer expressly acknowledges the Administrative Hearing Officer's obligation to pay self-employment (if required by law), local, state and Federal taxes, and expressly agrees to make all such payments as may be required by applicable

law. The Administrative Hearing Officer acknowledges that the VILLAGE will report compensation paid to the Administrative Hearing Officer on a Form 1099 (if required by law) at the end of the year during which the Administrative Hearing Officer's services were provided. The Administrative Hearing Officer shall indemnify and hold the VILLAGE harmless from any and all loss or liability (including reasonable attorney's fees and costs) arising from the Administrative Hearing Officer's failure to withhold for Federal and state tax purposes amounts paid under this Agreement, in the event the Internal Revenue Service or any other governmental agency should question or challenge the independent contractor status of the Administrative Hearing Officer.

(b) Governmental Review. In the event the Internal Revenue Service or any other governmental agency shall, at any time, question or challenge the independent contractor relationship between the VILLAGE and the Administrative Hearing Officer, both the VILLAGE and the Administrative Hearing Officer, upon receipt by either of them of notice from the Internal Revenue Service or any other governmental agency, shall promptly notify the other party and afford the other party the opportunity to participate in any discussion or negotiation with the Internal Revenue Service or other governmental agency, irrespective of with or by whom such discussions or negotiations are conducted or initiated. The other party shall participate in any such discussions or negotiations to the extent permitted by the Internal Revenue Service or other governmental agency. The provisions of this Section 3(b) shall apply only to issues arising from the independent contractor relationship herein and not to any other tax matter involving either party.

Section 4. Term of Retention. The term of the Administrative Hearing Officer's retention hereunder shall commence on the Effective Date and will continue until terminated by either party upon sixty (60) days prior written notice to the other party, unless earlier terminated as provided herein (the "Term"). In addition, the VILLAGE may immediately terminate the Term, without cause, at the discretion of the VILLAGE Manager.

Section 5. Compensation. During the Term, for all services rendered by the Administrative Hearing Officer pursuant to this Agreement, the VILLAGE shall compensate the Administrative Hearing Officer for professional services rendered under this Agreement at a rate of One Hundred Fifty and 00/100 (\$150.00) Dollars per hour of service performed, pursuant to the hearing schedule approved by the Village Manager. *The VILLAGE shall not be responsible for any travel time incurred by the Administrative Hearing Officer related to the performance of any duties under this contract.* The Administrative Hearing Officer shall be responsible for submitting monthly timesheets and invoices of services performed for review and approval by the VILLAGE. The VILLAGE shall pay the Administrative Hearing Officer within thirty (30) calendar days after submission of the invoice. Notwithstanding anything contained herein to the contrary, the VILLAGE's obligation to pay any compensation pursuant to this Agreement shall cease upon termination of the Term for any reason or no reason, provided, the VILLAGE shall pay the Administrative Hearing Officer all compensation that accrues through the date of termination of the Term.

Section 6. Administrative Hearing Officer's Representations and Warranties. The Administrative Hearing Officer represents and warrants to the VILLAGE that the Administrative Hearing Officer (a) is duly licensed and in good standing in the State of Illinois as an attorney; (b) has no knowledge of any administrative proceedings or other matters which would affect his licensure within the State of Illinois, (c) agrees that if his license is suspended or terminated by the Attorney Registration and Disciplinary Commission, this contract will be immediately terminated, and (d) agrees the forgoing representations shall be a continuing obligation.

Section 7. VILLAGE's Representations and Duties. The VILLAGE represents and warrants to the Administrative Hearing Officer (a) to provide the Administrative Hearing Officer with copies of, or full access to, all pertinent VILLAGE ordinances; (b) to provide the Administrative Hearing Officer with copies of all relevant policies, rules and regulations regarding the adjudication of all matters to be heard by the office of Administrative Hearings; (c) to provide the Administrative Hearing Officer reasonable access to all pertinent documents and records for use in rendering administrative hearing decisions; and (d) to provide the Administrative Hearing Officer with appropriate facilities and support staff and security to conduct hearings and facilitate the fair efficient conduct of such hearings.

Section 8. Notices. Any and all notices, demands, requests, consents, designations and other communications required or desired to be given pursuant to this Agreement will be given in writing and will be deemed duly given upon personal delivery, or on the third day after mailing if sent by certified mail, postage prepaid, return receipt requested, or on the day after deposit with a nationally recognized overnight delivery service which maintains records of the time, place and receipt of delivery, or upon correspondence by electronic mail (email), or upon receipt of a confirmed facsimile transmission, and in each case to the person and address set forth below, or to such other person or address which the VILLAGE or the Administrative Hearing Officer may respectively designate in like manner from time to time.

Section 9. Governing Law. This Agreement shall be subject to and governed by the laws of the State of Illinois. The Administrative Hearing Officer and the VILLAGE irrevocably agree and hereby consent and submit to the exclusive jurisdiction of the Circuit Court of Cook County, Illinois, with regard to any actions or proceedings arising from, relating to or in connection with this Agreement. The Administrative Hearing Officer and the VILLAGE hereby waive their respective right to transfer or change the venue of any litigation filed in the Circuit Court of Cook County, Illinois.

Section 10. Severability. If any provision contained in this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, such provision will be severed from this Agreement and such invalidity or unenforceability will not affect any other provision of this Agreement, the balance of which will remain in and have its intended full force and effect; provided, however, if said invalid or unenforceable provision may be modified so as to be valid and enforceable as a matter of law, such provision will be deemed to have been modified so as to be valid and enforceable to the maximum extent permitted by law.

Section 11. Entire Agreement. This Agreement constitutes the entire agreement between the VILLAGE and the Administrative Hearing Officer with respect to the subject matter hereof, and supersedes any and all prior and contemporaneous oral or written agreements between the VILLAGE and the Administrative Hearing Officer with respect to the subject matter hereof.

Section 12. Interpretation. This Agreement has been reviewed jointly by the parties hereto after arm's length negotiations, and any uncertainty or ambiguity herein shall be interpreted against any party, but according to the applicable rules of construction and interpretation of contracts.

Section 13. Waiver. No waiver of any provisions of this agreement shall be valid, unless in writing and signed by the person or party to be charged.

Section 14. Amendment. No change or modification of this Agreement shall be valid unless the same may be in writing and signed by the Administrative Hearing Officer and the VILLAGE.

Section 15. Recitals. The recitals set forth at the beginning of this Agreement are hereby incorporated into and made a part of this Agreement as if fully set forth herein.

IN WITNESS WHEREOF, the VILLAGE and the Administrative Hearing Officer have executed this Agreement as of the date first written above.

**VILLAGE OF WINNETKA, an Illinois
municipal corporation**

By:

By:

Name: David G. Eterno

Name:

Its: VILLAGE President

ATTEST:

By: _____

Its: VILLAGE Clerk



Agenda Item Executive Summary

Title: Investment Manager

Presenter: Ed McKee, Finance Director

Agenda Date: 09/02/2014

Consent: YES NO

<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	Resolution
<input type="checkbox"/>	Bid Authorization/Award
<input checked="" type="checkbox"/>	Policy Direction
<input type="checkbox"/>	Informational Only

Item History:

On February 11, 2014 and June 10, 2014 the Council reviewed the the Village's investment approach for non-pension balances. At the June 10 Council Meeting, Staff was asked to provide some additional information. BMO Global Asset Management, the firm recommended by the evaluation team consisting of Trustee Fessler, Trustee McCrary, Manager Bahan, Finance Director McKee, and two representatives of the Bogdahn Group, provided that information. The Council had several other questions which are addressed in Attachment #1.

Executive Summary:

Staff has worked with President Greable and the Village's Investment Consultants, Howard H. Pohl and Mary Nye, of the Bogdahn Group, to further evaluate the Village's investment options.

Staff has compiled additional information requested by the Council and those items are provided as attachments. BMO Global Asset Management has provided a sample portfolio indicating the types of securities that would be purchased. Also included is further information on the IMET investment option. The IMET option is projected to have higher operating expenses, a lower expected return, and less variability in daily principal valuations when compared to the option recommended by the evaluation team.

Should the Council wish to proceed with an investment manager, the following steps are required: 1) negotiate an investment manager agreement, 2) revise the Village's investment policy (including the option of restricting investments beyond those in the State Statutes, selecting an appropriate benchmark to measure performance against, and setting diversification and portfolio management standards), and 3) update the Village's cash-flow projections. Another consideration is determining if the Village should continue to retain the services of the Bogdahn Group for on-going monitoring of this investment strategy at an annual cost of \$8,000.

Recommendation:

Direct staff to:

- 1) Negotiate an agreement for managing short-term investments with BMO Global Asset Management
- 2) Revise the Village investment policy to reflect this change in investment approach
- 3) Evaluate the desire for on-going independent investment advisor services

Attachments:

- 1) July 25, 2014 memo providing follow up to the June 10, 2014 Council Meeting
- 2) July 24, 2014 e-mail from the Bogdahn Group on the merits of expanding the money manager search
- 3) July 15, 2014 BMO Asset Management materials
- 4) Supplemental information about the IMET investment option
- 5) June 10, 2014 Council Meeting materials

To: Village Council
From: Ed McKee, Finance Director
Date: August 25, 2014
Re: Investment Follow-Up

At the June 10, 2014 Council Meeting, Village Staff and BMO Global Asset Management presented information about a separately managed investment account for the Village's non-pension accounts.

At the conclusion of the discussion, President Greable asked that Trustees forward their questions and concerns to me in the next two weeks so I could research remaining concerns. Below are some of the questions that were discussed at the meeting on June 10th and other questions / concerns of the Council.

- 1) Why is the Village just looking at two vendors, aren't there other firms that do this type of work too?

Many firms provide investment management services. The staff had outlined 4 options at the February 11, 2014 Council Meeting: 1) Join the IMET Pool, 2) Hire a known bond manager, 3) Conduct a bond manager search, or 4) buy many FDIC insured uncollateralized CD's. Staff was directed to evaluate bond managers the Village has relationships with, of which there were three. I hired a consultant and we narrowed the field to two candidates which were interviewed. The candidate the evaluation group felt was the strongest was submitted to the Council on June 10.

If the Council wishes to expand the search, that can be accomplished. Staff feels the results of the efforts to date have resulted in a very viable candidate at a very competitive price and does not recommend expanding the search now. I have asked Howard Pohl and Mary Nye (the investment consulting experts the Village retained) of the Bogdahn Group to indicate the advantages and disadvantages of taking this approach. Their e-mail on this topic is attached. In summary, they would not recommend expanding the search because of the additional cost should we continue to use their expertise (\$15,000 to \$20,000) and the quality of the current proposal. I concur with their assessment.

- 2) What is the downside to expanding the search to other vendors?

The approach taken to this point is to work with vendors known to the Village. It takes a fair amount of work to establish appropriate safeguards for the Village's investment accounts. Creating more accounts at different locations weakens internal controls, lowers the Village's bargaining power, reduces the vendor's knowledge of the Village's needs, and makes the finance staff less efficient.

BMO Harris was selected through a competitive process and has proven to be a reliable partner. It is my opinion that should the Village wish to implement this investment approach, BMO's knowledge of Village operations, the bond management skills they possess, and the reasonable pricing (compared to other known existing relationships) would favor their selection.

3) How will BMO Global Asset Management add value?

The investment portfolio is designed to have a mix of investments that over time should produce a return approximately .50% higher than the Village's current investment strategy. The June 10, 2014 Council Packet included the investments that would be purchased under the BMO Global Asset Management proposal. The Village portfolio would have a duration between 2 and 3 years and would consist of the investments noted (with allocations that vary over time, but might typically be Agency CMO's – 25%, U.S. Agencies – 20%, Commercial Paper – 25%, Municipal Securities – 20%, and Certificates of Deposit – 10%). Because these investments have a longer maturity and have slightly more risk than the current investments, they should produce a higher return over longer time periods.

4) Why was the IMET investment Pool not recommended?

The IMET investment pool contains many municipalities in the area and is a common vehicle used by Villages for intermediate term investments. As stated at the meeting, Winnetka is somewhat unique in that its financial position includes carrying significant reserves to pay for capital improvements as well as operating an electric utility. My understanding in talking with investment professionals is that it takes \$20,000,000 or more in assets to make it cost effective and beneficial to have a separately managed short-term investment account. I am not aware of any other Village in our region utilizing the type of strategy being proposed here, most likely, because they do not meet the criteria to make this approach beneficial.

I contacted the IMET investment pool and under separate e-mail circulated information on this option. Attached is a copy of that correspondence. Of interest is that JP Morgan Manages this portfolio and charges a fee of 10 basis points (the same fee proposed by BMO Global Asset Management on the Village's \$40 million account). There are other costs paid by the IMET pool which raises their overall expense ratio to around 20 to 25 basis points.

The IMET investment pool has about the same amount of money in the IMET 1-3 year portfolio as Great Lakes Advisors manages (about \$250 million), which was of some concern to the Village's evaluation team. If the Village would put \$40 million into this pool, we would represent a 16% increase in the size of the pool. This could result in the Village realizing losses should other participants in the pool decide to move out of the market during a temporary dip in values. Conversely, if the pool appreciates in value, monies added by other participants could dilute the Village's returns.

- 5) To what extent would the Village Finance Director be consulted for individual security purchases and sales?

The Village and BMO Global Asset Management are proposing a discretionary investment manager relationship. This means that once the Village and BMO Global Asset Management agree on the investments to be utilized and overall investment strategy, the Finance Director would not be consulted on individual security purchases or sales. The Village would receive a monthly accounting of holdings, historical cost, market value, and purchases and sales during the month. The investment return earned by the Village should be compared to an appropriate benchmark periodically.

Ed McKee

From: Mary Nye <maryn@bogdahngroup.com>
Sent: Thursday, July 24, 2014 3:35 PM
To: Ed McKee
Cc: Howard Pohl
Subject: Village investment follow-up

Ed,

It was good to speak with you today.

- 1) Regarding the fee for our work for the Village concerning the evaluation of BMO Global Asset Management and Great Lakes Advisors and associated consulting, Kim Spurlin, Bogdahn CFO, will send you an invoice for \$5,000.00.
- 2) As we discussed, Bogdahn's ongoing quarterly evaluations for the Village account would be \$8,000.00 per year. This would include a quarterly report similar to what the Police Pension and Fire Pension receive.
- 3) On the topic of expanding the search to other vendors, we concur with your comments. The fee proposed by BMO Global Asset Management is extremely competitive and we do not believe other vendors would quote anything near BMO's fee. Also, BMO is more than well qualified and is aware of state statutes; there is a strong possibility that other vendors from a national perspective would not have this familiarity.
If the Village would like to expand the search for additional vendors, we would be able to provide the service. The project fee to expand the search for additional investment management firms would be \$15,000 to \$20,000, dependent on search criteria from the Village. Given the solid choices of BMO and Great Lakes, we would not recommend conducting a broader search.

Please let us know if there is any additional information we can provide to help expedite the search process.

Regards,

Mary and Howard

Mary Nye

225 West Wacker Drive, Suite 400
Chicago, IL 60606
Main# 312-782-5665
Direct Line# 312-782-5801
Fax# 312-782-6904



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BMO Asset Management U.S. BMO Short Duration Fixed Income

Prepared for:

Village of Winnetka

Prepared by:

7/15/2014

Marc Heyden
Relationship Manager
Institutional Sales
312.461.3760

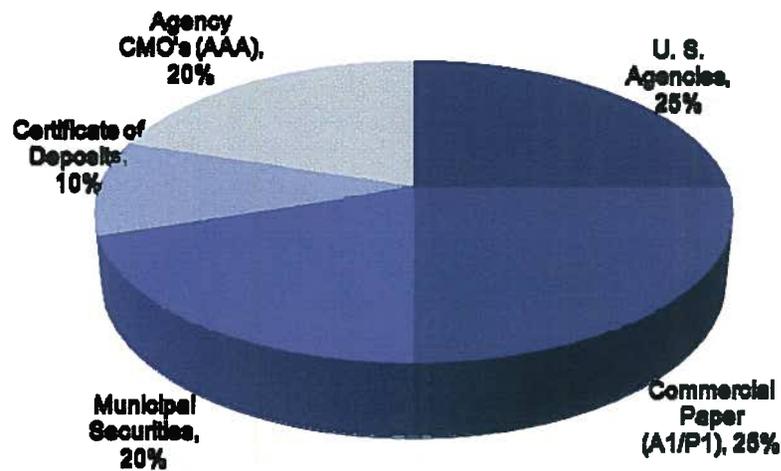
BMO  **Global Asset Management**

A part of BMO Financial Group

Sample Portfolios

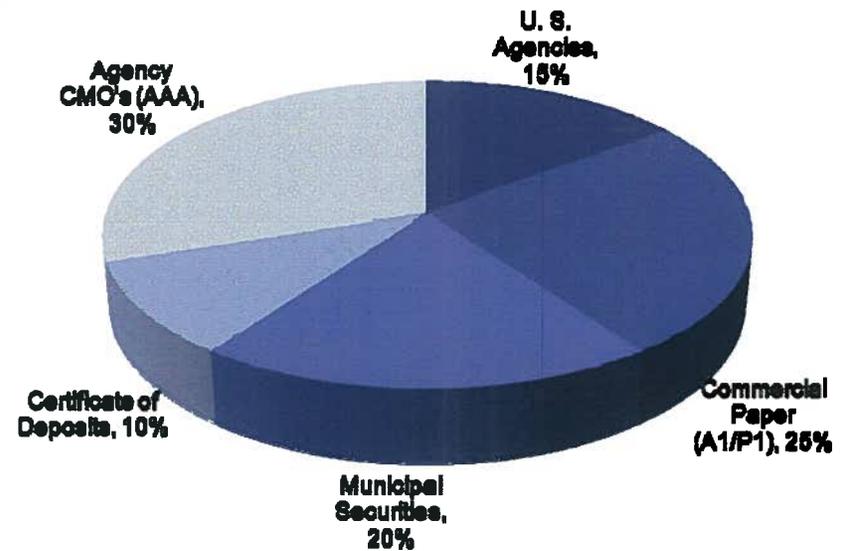
2 Year Duration

Average Duration	Average Credit Quality	Estimated Yield
2 year (3 year maximum)	AA+	0.73%



3 Year Duration

Average Duration	Average Credit Quality	Estimated Yield
3 Year (5 year maximum)	AA+	1.14%



Returns are based on hypothetical performance and do not represent actual investment performance. Actual portfolio returns may be different. This is supplemental information. Please see disclosure for additional information.

Sample Securities and Issuers *

U.S. Government			
Issuer Name	Sector	Moody's	S&P
UNITED STATES TREAS NTS	TSY	TSY	TSY
FEDERAL NATL MTG ASSN	AGY	AGY	AA+
FEDERAL HOME LOAN BANKS	AGY	AGY	AA+
FEDERAL HOME LN MTG CORP	AGY	AGY	AA+

Certificates of Deposit			
Issuer Name	Sector	Moody's	S&P
RABOBANK NED	CD	Aa2	AA-
NORDEA BK FIN	CD	Aa3	AA-
SVENSKA HNDL NY	CD	Aa3	AA-

Commercial Paper			
Issuer Name	Sector	Moody's	S&P
INTERNATIONAL BUS MACHINES	CP	Aa3	AA-
PROCTOR & GAMBLE	CP	Aa3	AA-
COCA COLA	CP	Aa3	AA

Agency Issued Collateralized Residential and Commercial Mortgages			
Issuer Name	Sector	Moody's	S&P
GNMA 2013-078- A	CMBS	AGY	AGY
GNMA 2013-040- AB	CMBS	AGY	AGY
GNMA 2013-138- A	CMBS	AGY	AGY
GNMA 2013-179- A	CMBS	AGY	AGY
GNMA 2013-176- AB	CMBS	AGY	AGY
GNMA 2014-031- AB	CMBS	AGY	AGY
FHLMC 3814- MC	CMO	AGY	AGY
FHLMC 4315- CA	CMO	AGY	AGY
FNMA 2013-136- KA	CMO	AGY	AGY
FNMA 2013-138- BE	CMO	AGY	AGY
FNMA 2010-037- CK	CMO	AGY	AGY

Municipal			
Issuer Name	Sector	Moody's	S&P
CHINO VY UNI SCH DIST CALIF	MUNI	A1	AA
BLAIR CNTY PA HOSP AUTH REV	MUNI	N/A	A+
CALIFORNIA HEALTH FACS FING	MUNI	Aa3	AA-
METROPOLITAN GOVT NASHVILLE	MUNI	Aaa	AA-
NORTHERN KY WTR DIST REV RE	MUNI	Aa3	N/A
ILLINOIS MUN ELEC AGY PWR S	MUNI	A1	AA-
MICHIGAN ST HSG DEV AUTH RE	MUNI	N/A	AA
INLAND PROTN FING CORP FLA	MUNI	Aa2	AA
MARICOPA CNTY ARIZ SCH DIST	MUNI	Aa2	N/A
ILLINOIS FIN AUTH REV REV B	MUNI	N/A	AA-
TULSA CNTY OKLA INDL AUTH E	MUNI	N/A	AA-
ST AUGUSTINE FLA WTR & SWR	MUNI	A1	AA
WAYNE ST UNIV MICH UNIV REV	MUNI	Aa2	AA-
CINCINNATI OHIO VAR PURP RE	MUNI	Aa2	AA-
DE KALB OGLE BOONE CNTYS ET	MUNI	N/A	AA-
GWINNETT CNTY GA DEV AUTH C	MUNI	Aa1	AA+
DOUGLAS CNTY COLO SCH DIST	MUNI	Aa2	N/A
MILWAUKEE WIS G O BDS N1	MUNI	Aa3	AA
COLORADO ST BRD GOVERNORS U	MUNI	Aa3	AA-
TWIN LAKES WIS SCH DIST NO	MUNI	N/A	AA-
LIVONIA MICH PUB SCHS SCH D	MUNI	N/A	AA
TULARE CNTY CALIF BRD ED CT	MUNI	N/A	AA

Other Government			
Issuer Name	Sector	Moody's	S&P
ELKHART IND CMNTY SCHS GO P	OGVT	Aa3	N/A
ARKANSAS ST GO AMMEND 82 BD	OGVT	N/A	AA
MERCER CNTY N J IMPT AUTH R	OGVT	Aa2	AA+
NEW YORK N Y CITY TRANSITIO	OGVT	Aa1	AAA

* For illustrated purposes only, actual portfolio may be different. This is supplemental information. Please see disclosure for additional information.
Source: Bloomberg,

Disclosure

BMO Asset Management Corp. is a registered investment adviser with the SEC. BMO Asset Management Corp. is a wholly owned subsidiary of BMO Financial Corp., a wholly owned subsidiary of Bank of Montreal. The firm maintains a complete list and description of composites, which is available upon request. On June 1, 2012, M&I Investment Management Corp. merged into BMO Asset Management Corp. (formerly Harris Investment Management Inc.).

BMO Global Asset Management is the brand name for various affiliated entities of BMO Financial Group that provide investment management, retirement, and trust and custody services. Certain of the products and services offered under the brand name BMO Global Asset Management are designed specifically for various categories of investors in a number of different countries and regions and may not be available to all investors. Products and services are only offered to such investors in those countries and regions in accordance with applicable laws and regulations. BMO Financial Group is a service mark of Bank of Montreal (BMO).

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Representative account statistics and performance information is presented solely to provide information about institutional accounts. Such accounts may have been managed in a manner the same as, or substantially similar to, that of the managed accounts, but there may be differences in the management of the institutional accounts due to size, number of securities contained or tax or other strategy limitations. Portfolio characteristics and statistic representations are based upon a representative account for each strategy. Representative account selection was based upon account size, cash flow activity, guidelines restrictions, and best represents based on proximity to the actual model for that particular strategy.

Products or services are only offered to such investors in those countries and regions in accordance with applicable laws and regulations. This presentation is for informational purposes only and should not be construed as an offer to sell, a solicitation to buy, or a recommendation for any security, or as an offer to provide advisory or other services in any jurisdiction in which such offer, solicitation, purchase, or sale would be unlawful under the securities laws of such jurisdiction. Bank of Montreal and its affiliates do not provide legal advice to clients. You should review your particular circumstances with your independent legal and tax advisors.

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Ed McKee

To: Dick Kates (lindak8841@aol.com)
Cc: Robert Bahan (RBahan@winnetka.org); Council Only
Subject: IMET investment pool

Trustee Kates –

Thanks for the phone call this morning wanting some additional information on the Illinois Metropolitan Investment Fund (IMET) that was referenced at the meeting.

IMET is an investment pool commonly used by local governments for investing proceeds a little longer term and therefore, over time, earning a higher rate of return. Their website is:

<http://www.investimet.com/>

Their phone number is: 630-571-0480

I attached a few screen shots from the website. According to these materials, 288 municipalities and related governments are participants in this investment pool. The product that would be somewhat comparable to the Bond Manager the Village is considering is the IMET 1-3 Year Fund. As I mentioned at the February Meeting, given the assets of the Village and our ability to project cash needs, I believe hiring a separate bond manager for the Village should produce greater returns than the 1-3 Year Fund over a 5 year or greater time-frame. My recollection is that JP Morgan is the portfolio Manager for the IMET 1-3 year fund and that the expenses in that fund are about .25% per year.

IMET is not run by the State, it is governed by a board of directors comprised in part of finance directors and other municipal employees. I believe the pool was formed in the mid 1990's in part as there were not many investment options that would meet State Statutes and yet have a longer duration (higher return) than the short-term money market alternatives. If the Village wanted to not go with a separately managed bond account, joining IMET would be a reasonable alternative. Joining IMET would require less effort by Village of Winnetka Employees and would be easier to administer – but I believe that option would also produce noticeably lower investment returns. For example, the 3 year annualized gross return of IMET (as shown on their website) is .49% and is only .23% net of fees. You may recall from my comments last night that I would expect the separate bond manager (BMO Global Asset Management) option to produce a net return of around .75%. I calculated this by averaging the 2 and 3 year portfolio gross returns on page 12 of the packet and deducting .15% for operating expenses (.10% BMO fee + .05% safekeeping / miscellaneous).

I have contacted the Executive Director of IMET, Laura Allen and asked for some additional materials on the IMET pool, including membership and background on the organization. When I receive that data I will forward it to the Council.

On a related note, I did chat with Kevin McCanna, the Village's financial advisor used for the two recent bond issues. Mr. McCanna indicated that he is not able to provide any investment advice without a federal license given his relationship with the Village as our financial advisor for the bond issues. Therefore, he cannot comment on this topic.

I hope you find this information helpful.

Take care, Ed

Edward F. McKee, Jr., Finance Director, Village of Winnetka, 510 Green Bay Rd., Winnetka IL. 847.716.3513



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- Home
- ▶ About IMET
- Membership
- Services
- Financials
- News
- Help Desk
- Contact Us

\\rx#tuh#khu=#Kzpb# About IMET

About IMET

The Illinois Metropolitan Investment Fund (IMET) is a governmental investment fund created under the Illinois Municipal Code. IMET actively manages two investment funds for municipal treasurers, official custodians of municipal funds, and other public agencies in the State of Illinois. These funds are the IMET 1-3 Year Series and the IMET Convenience Series. IMET also offers arbitrage rebate calculation services for participants whose bond proceeds are subject to federal arbitrage restrictions. The investment fund is controlled by and for Illinois public funds managers and finance officers to enhance investment opportunity. The 1-3 Year Fund provides the highest U.S. Government Securities' rating.



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The **Illinois Metropolitan Investment Fund (IMET)** was developed in July 1996 as a cooperative endeavor to assist Illinois public entities with the investment of their intermediate-term dollars. IMET was established as a not-for-profit investment fund under the [Illinois Municipal Code](#). Currently serving 288 [municipalities and related governmental bodies](#), IMET offers two separate investment vehicles to meet the investment needs of public funds.

The **IMET 1-3 Year Fund** is designed as an investment vehicle for public funds not required to be spent in the near term and are available for investment in securities with slightly longer average maturities. Although the 1-3 Year Fund is designed for funds that may be invested for a year or more, there is no minimum investment term and there are no "early" withdrawal/redemption fees or penalties for funds invested for less than one year.

The **1-3 Year Fund** provides 5 day liquidity; participants are able to redeem investment shares with 5 business days notice to the IMET Operations desk. The IMET 1-3 Year Fund has a fluctuating net asset value (NAV) and an average portfolio maturity of 1-to-3 years. IMET invests exclusively in U.S. government backed securities (Treasuries and Agencies). The IMET 1-3 Year Fund provides the highest U.S. Government Securities' rating.

The **IMET Convenience Fund (CVF)** is a short-term money market instrument collateralized via FDIC Insurance, the FHLB LOC Program, and U.S. Government Securities at 110% on bank deposits and U.S. Government Securities in the repurchase agreement program. The IMET Convenience Fund provides for the convenient investment of bond proceeds, for the temporary investment of longer-term intermediate funds, and/or for cash management and liquidity purposes. The Convenience Fund provides members with a minimum rate guarantee equal to the fed funds target rate and is guaranteed to participants through December 31, 2014. The current fed funds target rate is 0.25%. **The current Convenience Fund rate is listed on [IMET's home page](#).**

How do I start investing?



Opening your account is simple! Your governing body must pass an ordinance or a resolution authorizing participation in IMET, then complete an [IMET Account Application](#). Return the form and establish an account with an initial investment of \$50,000 or more. [More about joining IMET](#)

Supporters

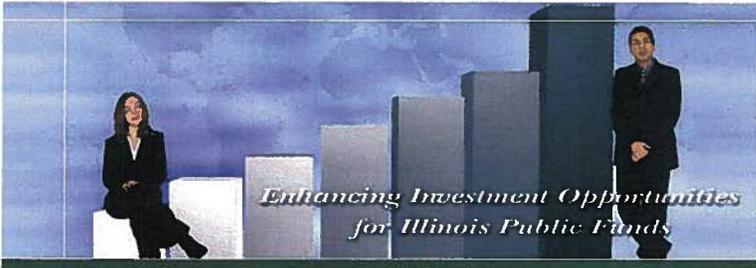
DuPage Mayors and Managers Conference
Illinois City/County Managers Association
Illinois Government Finance Officers Association
Illinois Municipal League
Northwest Municipal Conference
South Suburban Mayors and Managers Association
West Central Municipal Conference
Will County Governmental League

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- Home
- About IMET
- Membership
- Services
- Financials
- News
- Help Desk
- Contact Us

Board of Trustees

The Illinois Metropolitan Investment Fund (IMET) is governed by an eight member Board of Trustees that have full control over the business and affairs of the Fund and the Fund's assets, subject to the rights of the Participants as provided by the Declaration of Trust. The names and affiliations of the Trustees are set forth below.

Name	Office	Affiliation
Jerry Duca	Chairman	Village of Frankfort
Christy Powell	Vice Chairman	Geneva Park District
Gary Szoti	Treasurer	Village of Bloomingdale
John Harrington	Secretary	Village of Minooka
Chris Minick	Trustee	City of St. Charles
Kevin Barr	Trustee	Village of Schiller Park
Eileen Santachi	Trustee	South Suburban Mayors and Managers Association
Scott Anderson	Trustee	Buffalo Grove

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 - Why Invest IMET?
 - Board of Trustees
 - Participants
 - Staff
 - Supporters
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Jerry Duca - Chairman



Jerry Duca is the Village Administrator for the Village of Frankfort. Before joining the Village of Frankfort in 1999, Jerry was the Village Administrator for the Village of Crete where he served for five years. Prior to Crete, Jerry served as the first ever Village Administrator in the Village of Dolton, serving that community for four years. Jerry has Bachelor of Science Degree in Economics from Illinois State University, and a Masters of Business Administration (MBA) from Governors State University. He has served as the Chairman for the Southwest Agency for Risk Management (SWARM, a municipal risk



- Home
- About IMET
- Membership
- Services
- Financials
- News
- Help Desk
- Contact Us

Our Services



Understanding the investment needs of Illinois public entities, IMET's creators established a strong, competitive, fund concept to meet their intermediate investing needs. IMET is the first fund to provide a convenient vehicle for investment of core cash, bond proceeds, capital funds and other one-to-three year dollars

The Illinois Metropolitan Investment Fund (IMET) was developed in July 1996 as a cooperative endeavor to assist Illinois municipalities with the investment of their intermediate-term dollars. IMET was established as a not-for-profit investment fund under the Illinois Municipal Code. Currently serving 288 municipalities and public entities, IMET offers two separate investment vehicles to meet the investment needs of public entities.

IMET 1-3 Year Fund

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The 1-3 Year Fund provides 5 day liquidity; participants are able to redeem investment shares with 5 business days notice to the IMET Operations desk. The IMET 1-3 Year Fund has a fluctuating net asset value (NAV) and an average portfolio maturity of 1-to-3 years. IMET invests exclusively in U.S. government backed securities (Treasuries and Agencies). Due to its investment policies and objectives, IMET continues to provide the highest U.S. Government Securities' rating. [View Performance](#)

IMET Convenience Fund

The IMET Convenience Fund (CVF) is a short-term money market instrument collateralized via FDIC insurance, the FHLB LOC Program, and U.S. Government Securities at 110% on bank deposits and U.S. Government Securities in the repurchase agreement program. The IMET Convenience Fund provides for the convenient investment of bond proceeds, for the temporary investment of longer-term intermediate funds, and/or for cash management and liquidity purposes. The Convenience Fund provides members with a minimum rate guarantee equal to the fed funds target rate and is guaranteed to participants through December 31, 2014. The current fed funds target rate is 0.25%. The current rate is listed on [IMET's home page](#).

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Welcome to IMET

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:: Fund Performance

IMET 1-3 Year Fund	May 2014 IMET Performance			Annualized		
	One Month	3 Months	One Year	3 Years	5 Years	Since Inception
Net of Fees	0.14%	0.17%	0.53%	0.23%	0.82%	3.60%
Gross of Fees	0.16%	0.22%	0.76%	0.49%	1.09%	4.00%

May 2014 IMET Convenience Fund Performance	
IMET Convenience Fund - Past 12 Months	0.35%
Convenience Fund - Avg. Daily Yield for Month	0.35%

For prior 1-3 Year Fund daily NAV values and Convenience Fund rates, please call the Operations Desk 1-888-268-IMET (4638)

Current Convenience Fund Rate *	1-3 Year Fund NAV
0.35% as of Jun. 10th, 2014	\$19.093 as of Jun. 10th, 2014
Current Fed Funds Rate	NAV at May 31st, 2014 was \$19.111
0.00% - 0.25%	

* The Convenience Fund rate provides a minimum rate of Fed Funds, plus an enhancement that may fluctuate daily

:: Members



"IMET's Convenience Fund has a guaranteed rate of return, while still having the liquidity our agency needs to meet our obligations."
 Nick Canquegrani, Sup't of Finance, Glen Ellyn Park District, Illinois

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- Home
 - About IMET
 - Membership Services
 - Financials
 - News
 - Help Desk
 - Contact Us
-
- Quick Links
 - Financial Reports
 - Monthly Newsletter
 - A Moment in IMET History
 - Events Calendar
 - Information Request Form
 - Resource Files
 - Photo Gallery
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Fund Performance

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Current Convenience Fund Rate *	1-3 Year Fund NAV
0.35% as of Jun. 10th, 2014	\$19.093 as of Jun. 10th, 2014
Current Fed Funds Rate	NAV at May. 31st, 2014 was \$19.111
0.00% - 0.25%	

* The Convenience Fund rate provides a minimum rate of Fed Funds, plus an enhancement that may fluctuate daily

Members



"IMET's Convenience Fund has a guaranteed rate of return, while still having the liquidity our agency needs to meet our obligations."
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Latest News & Articles

- Home
- About IMET
- Membership
- Services
- Financials
- News
- Help Desk
- Contact Us
- Quick Links
 - Financial Reports
 - Monthly Newsletter
 - A Moment in IMET History
 - Events Calendar
 - Information Request Form
 - Resource Files
 - Photo Gallery
 - Feedback
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Agenda Item Executive Summary

Title: Investment Manager

Presenter: Ed McKee, Finance Director

Agenda Date: 06/10/2014

Consent: YES NO

<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	Resolution
<input type="checkbox"/>	Bid Authorization/Award
<input checked="" type="checkbox"/>	Policy Direction
<input type="checkbox"/>	Informational Only

Item History:

On February 11, 2014, the Council reviewed the investment performance of the Village, given the lower interest rate environment. The Village's past practice of purchasing certificates of deposit in a ladder maturity schedule is no longer an effective means to enhance the return on the investment portfolio due to the structure of interest rates. Staff was directed to evaluate a fixed income money manager to increase investment returns while still maintaining a high quality investment portfolio.

Executive Summary:

Staff has worked with President Greable and the Village's Investment Consultant, Howard H. Pohl, of the Bogdahn Group, to evaluate the options available to the Village. An evaluation team consisting of Trustee Fessler, Trustee McCrary, Manager Bahan, Finance Director McKee, and two representatives of the Bogdahn Group was formed. The evaluation team interviewed two firms on June 3, 2014, including BMO Global Asset Management and Great Lakes Advisors.

Both candidates were well qualified to manage a short duration, high quality investment portfolio for the Village. After reviewing the types of securities utilized by each firm, the management style, size of firms, and fees, the evaluation team concluded that BMO Global Asset Management was a slightly stronger candidate, and therefore recommends that firm.

Attached are the presentations that were reviewed during the June 3 interviews. Should the Council wish to proceed with an investment manager, Staff will need to negotiate an investment manager agreement, analyze projected cash-flows, and revise the Village's current investment policy. Staff estimates these actions would take about two months.

Recommendation / Suggested Action:

Direct staff to:

- 1) Negotiate an agreement for managing short-term investments with BMO Global Asset Management
- 2) Revise the Village investment policy to reflect the change in investment approach

Attachments:

- 1) BMO Global Asset Management proposal
- 2) Great Lakes Advisors proposal



Information as of March 31st, 2014

BMO Asset Management U.S. BMO Short Duration Fixed Income

Prepared for:

Village of Winnetka

Prepared by:

Peter Arts
Head of Fixed Income
312.461.3354

Kevin Gergits
Relationship Manager
312.461.6250

Marc Heyden
Relationship Manager
Institutional Sales
312.461.3760

BMO  **Global Asset Management**

A part of BMO Financial Group Agenda Packet P. 45

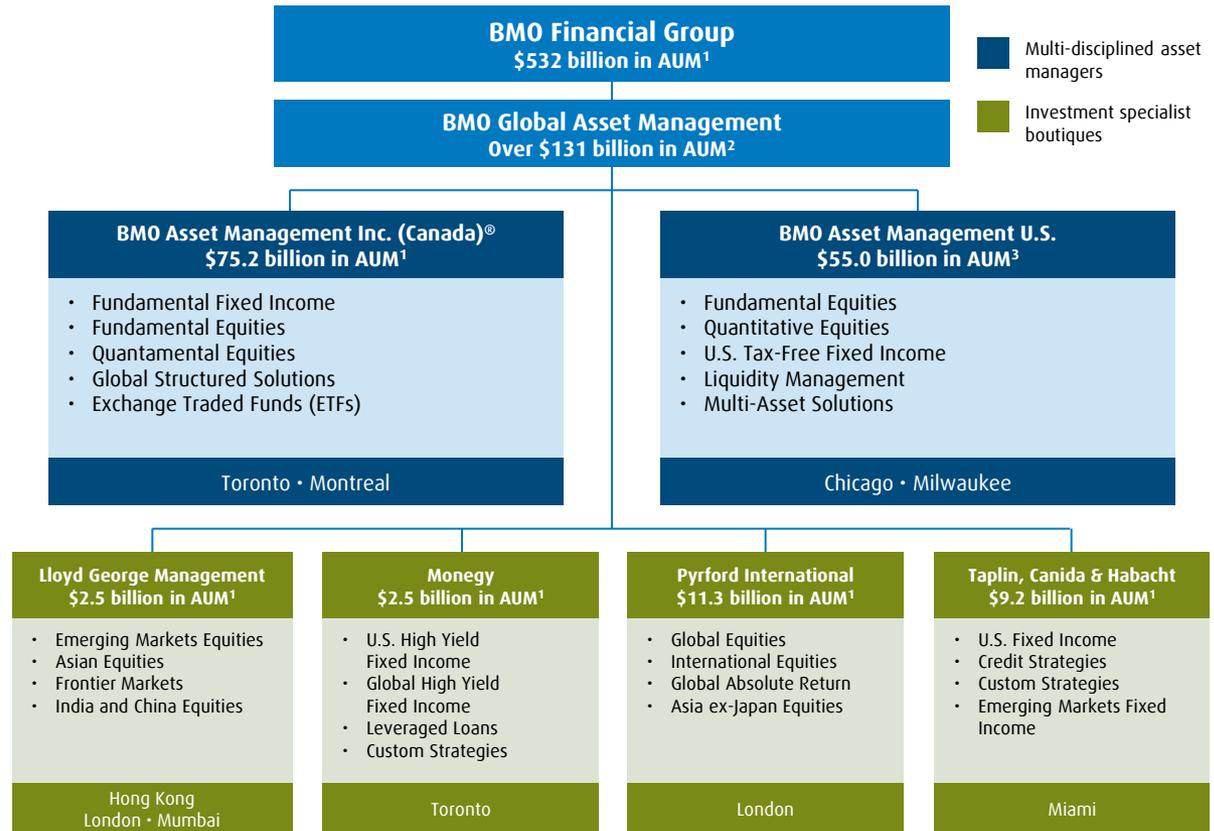
Executive Summary

- The Village of Winnetka (“Village”) is exploring different alternatives for managing its sizable amount of excess cash and is considering retaining a professional asset manager to assume management over these funds. BMO Global Asset Management is very pleased to be considered for the role.
- BMO GAM has been managing short duration fixed income strategies for nearly 30 years, and currently has over \$15 billion under management, with approximately \$5.4 billion managed for about 60 clients across a number of unique investment guidelines.
- Included in this group of clients are 20 municipal entities for which we provide Investment management and/or custodial services, whose assets are subject to strict state statutes.
- Over the years we have managed a number of accounts subject to 30 ILCS 235, including one profiled herein which has a duration that may be longer than appropriate for the Village.
- Based on our years of experience managing enhanced portfolios governed by unique investment requirements, we are highly confident that we have the skills required to successfully and prudently manage the Village of Winnetka portfolio.
- The BMO Harris organization has maintained a a long-standing commitment to the Village and sees this as an opportunity to further strengthen and grow that relationship.

Firm profile — Global Investment Expertise

BMO Global Asset Management

- Global asset management business with over \$131 billion in combined AUM²
- Dedicated investment teams provide a range of investment solutions
- Objective to deliver world-class investment management expertise
- Clients across North America, Europe, Asia/Pacific and the Middle East



¹As reported January 31, 2014

²AUM reported as of January 31, 2014, and includes discretionary and non-discretionary assets under management.

³AUM Assets under management are reported as of January 31, 2014, and include US\$43.19 billion in AUM for BMO Asset Management U.S.; US\$2.58 billion in AUM for Money, Inc. (a subsidiary of BMO Asset Management Corp.); and US\$9.25 billion in AUM for Taplin, Canida & Habacht, LLC (a majority-owned subsidiary of BMO Asset Management Corp.). AUM include discretionary and non-discretionary AUM..

BMO Global Asset Management is the brand name for various affiliated entities of BMO Financial Group that provide investment management, retirement, and trust and custody services. Certain of the products and services offered under the brand name BMO Global Asset Management are designed specifically for various categories of investors in a number of different countries and regions and may not be available to all investors. Products and services are only offered to such investors in those countries and regions in accordance with applicable laws and regulations. BMO Financial Group is a service mark of Bank of Montreal (BMO). The organizational diagram is for illustrative purposes only and (1) is only a representation of the capabilities and strategies of BMO Global Asset Management and (2) does not reflect actual legal entities or entity ownership.

Investment products are: **Not FDIC Insured – No Bank Guarantee – May Lose Value.**

Short Duration Fixed Income Portfolio Management

Short Duration Taxable Fixed Income Team

Peter Arts
Head of Taxable Fixed Income: Short Duration
Industry Experience: 22 Years
Firm Experience: 20 Years

Portfolio Managers and Analyst

Mark Heuer
Senior Portfolio Manager
Industry Experience: 29 Years
Extended Cash, Medium/Short Term

Boyd Eager
Senior Portfolio Manager
Industry Experience: 17 Years
2a7, Securities Lending, Short Term
Funds

Genny Lynkiewicz, CFA
Portfolio Manager
Industry Experience: 12 Years
2a7, Securities Lending Reinvest

David Schmuck
Senior Portfolio Manager
Industry Experience: 25 Years
Collateralized Loan Obligations

Don McConnell
Senior Portfolio Manager
Industry Experience: 17 Years
Stable Value, Securitization

Katie DellaMaria, CFA
Portfolio Manager
Industry Experience: 11 years
2a7 Short Term Funds: Liquid/Select
SMA

Michael King
Senior Portfolio Manager
Industry Experience: 21 Years
Collateralized Loan Obligations

David Komberec, CFA
Senior Portfolio Manager
Industry Experience: 14 Years
Stable Value

Nick Piermarini
Associate Fund Analyst
Industry Experience: 2 Year
Liquid Cash, CLO, Select SMA

Taxable Credit Research Team

Tom Lewis
Head of Research & Trading
Industry Experience: 37 Years

Todd Isom, CFA
Manager Taxable Credit Research
Industry Experience: 24 Years

Brian Benesch, CFA
Senior Credit Research Analyst
Industry Experience: 16 Years

Jeffrey Cannon, CFA
Senior Credit Research Analyst
Industry Experience: 22 Year

Thomas Considine, CFA
Senior Credit Analyst
Industry Experience: 13 Years

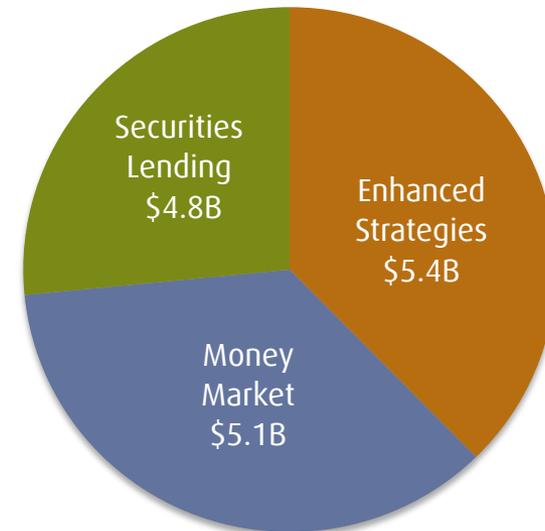
Short Duration Fixed Income Overview

As of March 31st, 2014

Short Duration Asset Breakdown

Total Assets = \$15.3 Billion

- Leader in developing enhanced cash strategies since 1983**
- Experienced in taxable and tax-exempt strategies and instruments
- Dedicated team of cash management professionals
- Research-based technology-enhanced process



Enhanced Strategies refer to separate account mandates.

*** BMO Asset Management Corp. is a registered investment advisor with the SEC, and wholly owned subsidiary of BMO Harris Bankcorp, which is a wholly owned subsidiary of BMO Harris Financial Corp., a wholly owned subsidiary of Bank of Montreal. Prior to November, 1989, the firm was known as the Harris Investment Management Group, which operated as part of Harris Trust and Savings Bank (now BMO Harris).*

Short Duration Fixed Income Investment Process

BMO Asset Management U.S. Seeks to Actively Manage the Portfolio Based on the Following Four Factors:

LIQUIDITY PREMIUM

- Lengthening average maturity to earn higher yields

INTEREST RATE RISK MANAGEMENT

- The sensitivity or price fluctuations of a portfolio due to changes in interest rates

SECTOR/QUALITY SPREADS

- Profit from opportunities that occur within different sector and quality ranges due to a changing economic environment and market perceptions

ISSUE SELECTION

- Identifying undervalued issues



RESULT: Research-based investment process, which seeks to add value while avoiding excessive risk

Short Duration Taxable Credit Research Team

Seasoned Credit Analysts

- Average Industry Experience Greater than 18 Years.
- Rating Agency Backgrounds.
- Sell-Side Experience.
- Other Buy-Side shops.

Credit Analysts are Sector/Industry Specialists

- Each Analyst is Responsible for Several Sectors/Industries.
- Extensive Knowledge of Key Short Duration Sectors like Banks and Structured Finance.

Credit Analyst Research Tools

- Bloomberg.
- Rating Agency Research.
- Independent Research.
- “Street” Research.
- Company Webcasts.
- Industry Conference.
- Management Meetings.

Short Duration Credit Research Process

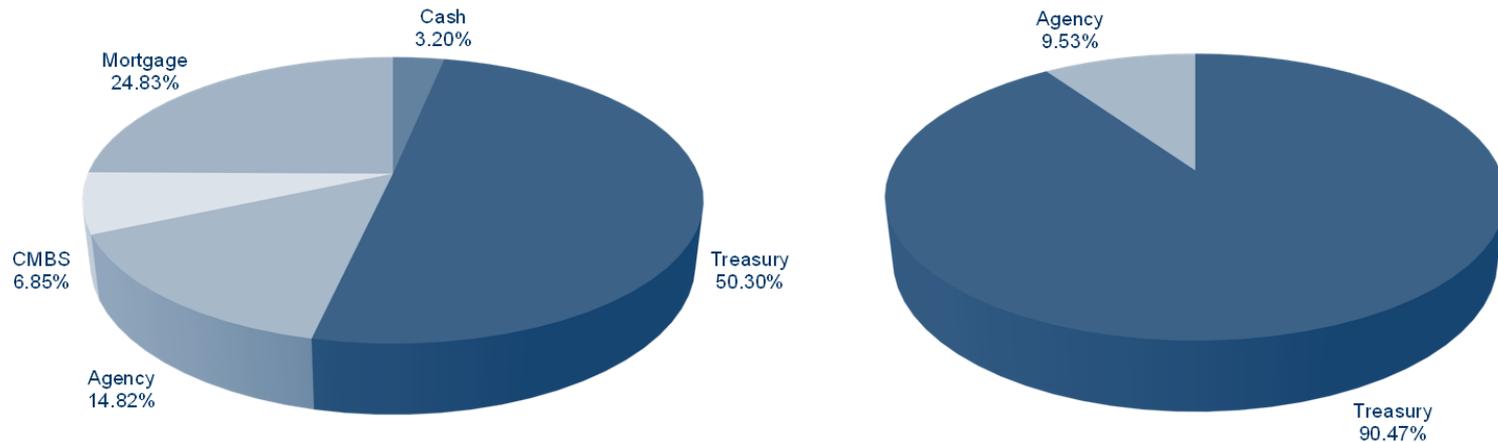
- Investment Grade Universe.
- Formal Working List.
- Formal Committee Approval Process for New Working List Names.
 - A. Fixed Income Advisory Committee.
 1. Analysts and Portfolio Managers Members.
 2. Quorum of Four Member Required.
- Continuous Surveillance of Working List Credits.
- Bottom Up Fundamental Research.
- Key Fundamental Research Factors
 - A. Operating Fundamentals.
 - B. Industry Dynamics.
 - C. Event Risk.
 - D. Liquidity.
 - E. Management.
- Daily Interaction with Portfolio Managers
 - A. Credit Recommendation Changes.
 - B. Industry/Issuer Developments.
 - C. Rating Agency Upgrades/Downgrades.
 - D. Relative Value Opportunities.

Representative Account

30 ILCS 235 Compliant, as of March 31, 2014

	Avg. Coupon	Yield to Maturity	Avg. Quality	Avg. Duration	Avg. Maturity
Representative Account	3.06%	1.54%	Aaa	3.52 yrs	3.80 yrs
Barclays Intermediate Government	1.84%	1.16%	Aaa	3.62 yrs	3.81 yrs

	1st Quarter 2014	1 Year	2 Years	Since Inception*
Portfolio (Gross)	0.85%	-0.83%	0.81%	2.87%
Portfolio (Net)	0.81	-1.01	0.63	2.69
<i>Barclays Govt Int</i>	<i>0.64</i>	<i>-0.76</i>	<i>0.74</i>	<i>2.57</i>



The above representative account represents our existing relationship with a client whose portfolio is subject to ILCS statute 235, and maintains a similar duration

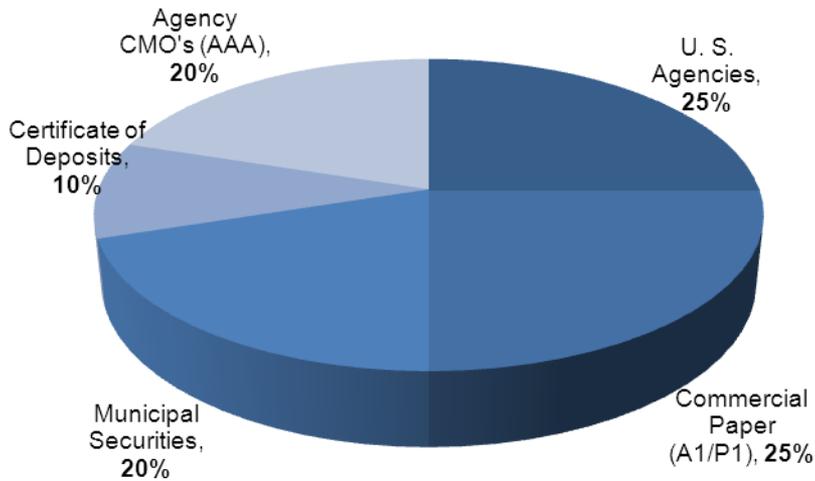
Source: BondEdge

Note: Totals may not be exact due to rounding.

Sample Portfolios

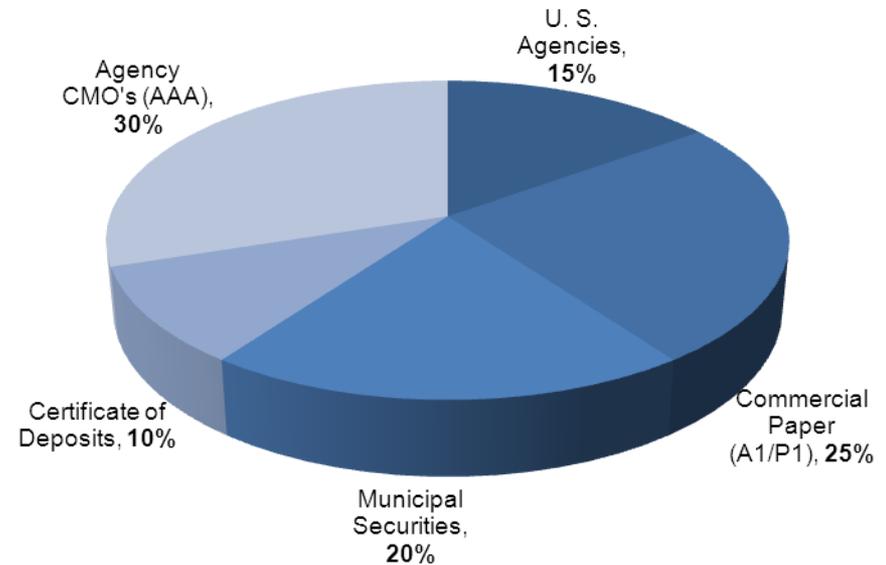
2 Year Duration

Average Duration	Average Credit Quality	Estimated Yield
2 year (3 year maximum)	AA+	0.73%



3 Year Duration

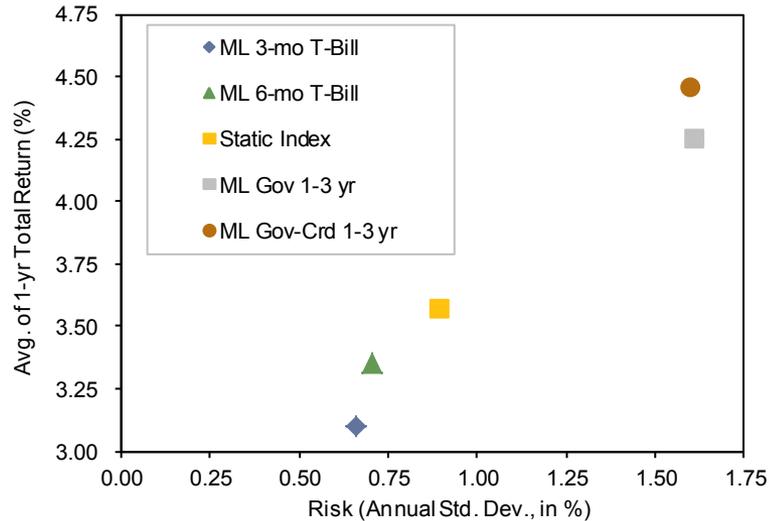
Average Duration	Average Credit Quality	Estimated Yield
3 Year (5 year maximum)	AA+	1.14%



Returns are based on hypothetical performance and do not represent actual investment performance. Actual portfolio returns may be different. This is supplemental information. Please see disclosure for additional information.

Risk-Return Trade-off for Short-Duration Indices

RISK-RETURN TRADE-OFF
January 1993 - March 2014



- While historical returns vary depending on the time period examined, an examination of past returns versus risk still offers valuable insight into the trade-off.
- Increasing duration improves monthly total returns at the cost of increased risk, which comes from changes in the prices of securities as the interest rate environment changes.

Notes:

- Mean Returns are adjusted to reduce the impact of extreme values in the sample period. They offer a perspective on the expected returns.
- Information Ratio and the Sharpe Ratio both provide insight into the return versus risk trade-off.
 - Information Ratio* provides a perspective for an investor who is sensitive to deviations from a benchmark (example uses the 6-month T-Bill return).
 - Sharpe Ratio* provides a perspective for an investor who wants to outperform a risk-free investment (in this case the 3-month T-Bill return) and is willing to accept increased risk to do so.

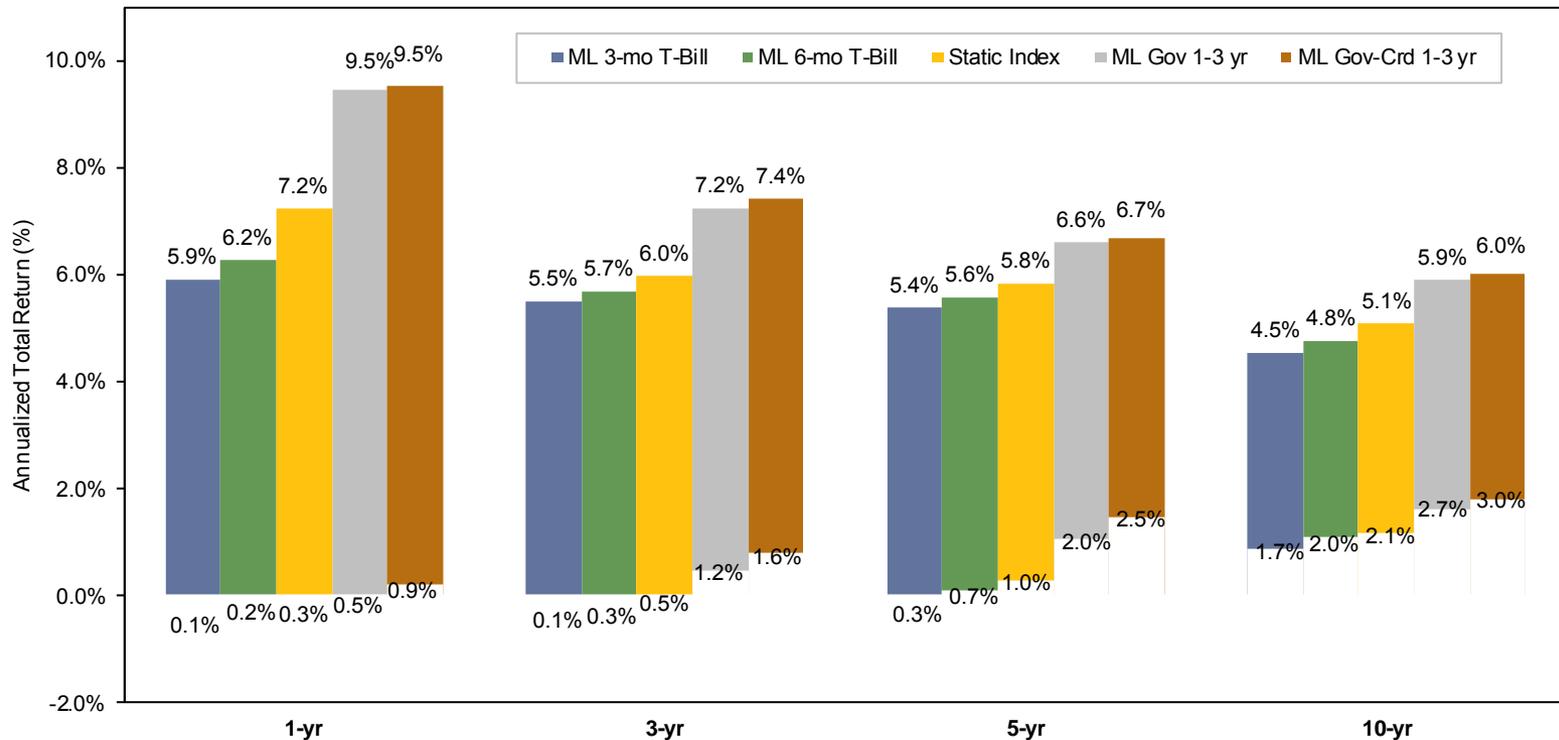
As of 03/31/2014	ML 3-mo T-Bill	ML 6-mo T-Bill	Static Index	ML Gov 1-3 yr	ML Gov-Crd 1-3 yr
Mean Returns	3.10	3.36	3.57	4.24	4.45
Standard Deviation	0.66	0.71	0.90	1.61	1.60
Information Ratio	-	-	0.41	0.53	0.61
Sharpe Ratio	-	-	0.26	0.46	0.56

Values are annualized.

Sources: Bloomberg L.P., BMO Asset Management U.S.

The Perspective of Different Time Horizons (January 1997 through March 2014)

- Another perspective on the return versus risk trade-off is to examine average returns over different investment time horizons.
- As an investment horizon lengthens, the variability in compound returns diminishes as periods of extreme returns cancel each other out.



The numbers next to each bar in the chart represent the top and bottom 5th percentile returns for each period.

Sources: Bloomberg L.P., BMO Asset Management U.S.

Ongoing Portfolio Management – *Service Model*

- Effective client communication is a high priority at BMO GAM
- Your Relationship Manager and other investment specialists will meet with you periodically
- Team members will initiate “ad hoc” meetings or conference calls to address specific topics
- Regularly scheduled meetings normally include
 - Review of IPS
 - Review spending policy
 - Economic strategy discussion
 - Portfolio strategy discussion (tactical and strategic adjustments)
 - Performance review
 - Scheduled education topic (at client discretion)
- Your Relationship Manager will arrange and organize the meetings, including development of customized materials to meet your reporting needs.
- Additional materials/meetings
 - Monthly and quarterly market and economic reviews
 - Periodic white papers

BMO GAM U.S. Multi-Asset Solutions Team Advice & Education Deliverables

- Weekly, Monthly, Quarterly, and Annual deliverables

Market Perspectives

As of August 2, 2013

News Last Week

- Nearly 20,000 initial jobless claims were reported last week, a 10% increase from 18,000 in the week prior.
- Major U.S. 10-year Treasury yield fell to 3.43% in June.
- U.S. stock prices rose sharply as bond yields fell, while 10-year Treasury yield fell to 3.43%.
- U.S. stock prices rose sharply as bond yields fell, while 10-year Treasury yield fell to 3.43%.

Market Levels

Index	10/12/12	7/27/13	Change (%)
Dow	16,620	16,384	-1.41%
S&P 500	1,317	1,324	0.53%
NASDAQ	3,075	3,000	-2.47%
VIX	12.94	10.82	-16.41%

Market Total Returns

Index	1 Week	1 Mo	3 Mo	YTD
Dow	0.6%	4.9%	28.6%	30.2%
S&P 500	0.6%	4.4%	21.1%	30.4%
NASDAQ	1.7%	8.9%	22.9%	37.7%
Russell 2000	1.8%	7.9%	24.2%	35.6%
MSCI EAFE	1.0%	4.5%	20.7%	30.3%
MSCI ACWI	1.4%	7.4%	22.0%	32.3%
MSCI EM	0.6%	3.9%	19.2%	30.2%
BH20	-2.8%	1.6%	4.2%	18.8%

Global Factors

Category	Value	Change	Outlook
Oil	94.94	-0.5%	Stable
Gold	1,212.10	-1.3%	Stable
FX	1.00	-1.3%	Stable
Commodities	1.00	-1.3%	Stable
Equities	1.00	-1.3%	Stable
Bonds	1.00	-1.3%	Stable

Real Assets

Asset Class	Value	Change
Real Estate	\$1,100.00	0.0%
Art	\$100.00	0.0%
Commodities	\$100.00	0.0%
Infrastructure	\$100.00	0.0%
Private Equity	\$100.00	0.0%
Real Estate	\$100.00	0.0%

Weekly Equity Markets Snapshot

As of August 2, 2013

Regional Chart: Small Cap Performance

Style Returns

Style	1 Week	1 Mo	3 Mo	YTD
Small Cap	0.8%	5.1%	25.1%	31.8%
Mid Cap	0.6%	4.4%	21.1%	30.4%
Large Cap	0.6%	4.4%	21.1%	30.4%

Index Characteristics

Index	Volatility	Correlation	Skewness	Kurtosis
S&P 500	16.8%	0.9%	0.7%	3.4%
MSCI EAFE	15.0%	0.8%	0.6%	3.2%
MSCI EM	18.0%	0.6%	0.8%	3.6%
Russell 2000	20.0%	0.5%	1.0%	4.0%
BH20	25.0%	0.4%	1.2%	4.5%

Q2 2013

Market Perspectives

Quarterly Review

"If things are worse, we would do more. If things are better, we will do less."

— Ben Bernanke, Chairman of the U.S. Federal Reserve, testimony before Congress on July 10, 2013

Table of Contents

- U.S. Overview
- U.S. Equities
- U.S. Fixed Income
- Developed World Europe
- Developed World Japan
- China
- Emerging Markets
- Global Returns
- Themes

2013-2014 Market Outlook

To keep the global economic recovery intact, Europe, China and the U.S. must overcome a number of challenges. In 2013, we'll be looking for them to take sufficient steps to harness several underlying positives.

A Quarter Full of Twists and Turns

The first half of the second quarter moved along without much noise. For example, U.S. equities did well while bonds were trading weak. But then May 22 hit. Significant developments unfolded, primarily in response to U.S. central bank commentary and also a resumption of initiatives in Japan. After years of quantitative easing with little economic update, some data in the U.S. has been on the mend. In testimony before Congress on May 22, and again in a news conference on June 19, the U.S. Federal Reserve (Fed) chairman hinted at these developments, but with almost benign language (see quote). However, Fed watchers immediately jumped to the possibility of a nearer than expected "taper" of quantitative easing. This quickly sent bond yields higher and prices lower, and drove mortgage rates up, as well. These reactions led to a triggered immediate sell-off in bonds, but both U.S. stocks, too—in particular, those with bond-like yields were hit first and hardest. U.S. stocks, as measured by the Dow Jones Industrial Average (DIA), did only the best three days of June, but fell 1.3% for the month and rose 2.9% for the quarter.

We know the developed world is awash in cheap liquidity. But the new administration in Japan, Prime Minister Shinzo Abe and new bank of Japan head Haruhiko Kuroda, moved very aggressively to double Japan's monetary base, plus provide fiscal stimulus and structural reforms. From year-end, the Nikkei 225 index (Nikkei) catapulted nearly 40% into April and then corrected precipitously from 17 yen per dollar to 94. Then profit taking and some really soft—in stocks sold off 20% in a few weeks and the currency rebounded to well below 100 yen per dollar.

The following review of the second quarter path: these twists and turns from around the globe into a broader context.

Market Perspectives

January 2013

2013-2014 Market Outlook

Table of Contents

- U.S. Overview
- U.S. Equities
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- Developed World Europe
- Developed World Japan
- China
- Emerging Markets
- Global Returns
- Themes

Themes, Headwinds, Tailwinds

Region	Economic/Market Themes	Headwinds	Tailwinds
U.S.	Consumer confidence, employment, housing, auto etc.: strong	Interest rate risk: "taper talk" re: asset purchases Mortgage rates: rise a potential negative Tax and entitlement reform	Low interest rates but eventual may underlay Financial repression: wealth effect Improving housing & auto profile SHE by retail investors from bonds to stocks Fiscal gap & greater energy dependence
Europe	European economic recovery, structural reforms	European economic recovery, structural reforms	European economic recovery, structural reforms
Japan	Japan's economic recovery, structural reforms	Japan's economic recovery, structural reforms	Japan's economic recovery, structural reforms
China	China's economic recovery, structural reforms	China's economic recovery, structural reforms	China's economic recovery, structural reforms
Emerging Markets	Emerging Markets economic recovery, structural reforms	Emerging Markets economic recovery, structural reforms	Emerging Markets economic recovery, structural reforms

Key Drivers of Market Overweight to Real Assets

Macro Factors	Fundamental/Valuation Factors
Central banks keep world awash in cheap liquidity	U.S. stocks reasonably valued
Inflation remains contained	Strong corporate balance sheets
U.S. growth stays positive	EM stock valuations cheap, but negative momentum persists

Whitepapers

Investor Focus | July 2013

Preparing for rising interest rates: Bond Ladder vs. Bond Fund Ladder

The last few years have seen interest rates hold steady, or even dip lower at times, causing investors to be appropriately concerned about how their fixed income portfolios will be affected when rates eventually rise. The question is, how can investors protect themselves from price declines by those rising rates, while still earning as much income as possible while they wait?

Laddered Strategy Pros and Cons

Many conservative investors have preferred to use a traditional bond ladder as a fixed income strategy. A laddered strategy is relatively simple to construct and manage. When a bond matures, another is selected that will mature at about the longest maturity available at the time. This discipline is designed to take the average out of timing to those interest rate moves. While bonds mature at least annually, the yearly reinvestment process should require less time than reinvesting in rates. Finally, and perhaps most important to investors, is the peace of mind that comes from having a specific maturity date for each bond. If rates rise and the market value of the bonds declines, investors know that if they simply hold on until maturity, they will be fully repaid.

However, a bond ladder strategy also has its drawbacks. When the portfolio is significantly large, there may be a excessive lack of diversification of individual credits. Diversify with a portfolio of 20 different bonds, each providing around 5% of the portfolio. Consider a credit diversified and a suite of diversified price issuers appropriate. It could have a meaningful negative impact on the total portfolio. This concentration risk encourages investors to invest in some of the highest quality bonds, perhaps moving out on the additional yield that real credit can provide. Similarly, investing in smaller, uncorrelated bonds may have a positive impact on the portfolio's overall return, but adding the reinvestment to the reinvestment process. The liquidity risk may be compounded by the sale of an illiquid security, which typically yields less than a highly liquid, when interest rates rise.

Bond Ladder vs. Bond Fund Ladder

There may be a better way. Conservative investors who are seeking capital protection against rising rates, but who also want to enhance income while they wait, should consider a bond ladder, rather than a bond fund. A bond ladder can be constructed with individual bonds, with staggered maturity months. More precisely, a bond ladder may offer a better risk/return profile than does a traditional portfolio of individual bonds for the largest investors. A bond ladder can be structured with corporate bonds of similar size, allowing the potential for more income and greater liquidity than a traditional bond ladder.

To help illustrate, we considered a hypothetical \$1 million fixed income portfolio using either a bond ladder or a mixture of five low bonds. The bond ladder portfolio was weighted to provide the same duration as each respective bond ladder and a similar average credit quality. The bond ladder selected for the purposes was a 5-Year Treasury Note (page 2) and a 1- to 10-year ladder (page 2) page 2). For any maturity, comparison with the BMO Short-Term Fund, the BMO Short-Term Fund could be used. The bonds selected for the purposes were the BMO Short-Term Fund, the BMO Short-Term Fund, the BMO Short-Term Fund, the BMO Short-Term Fund, the BMO Short-Term Fund.

Some of the advantages that the bond ladder provide are:

- Greater diversification—The risk of these bonds declines over time (100 individual issues vs. 20 individual holdings in each bond ladder. The exposure to any single credit in the ladder is less than 5%.

Client and Sales Presentation Book Inserts

U.S. – Consumer Confidence & Employment

Consumer Confidence

Employment

- Substantial improvement in last 2 years
- Consumption still 70% of GDP
- Consumer optimism improved on current and future conditions

- YTD nonfarm private payrolls avg 204,000/m
- Initial jobless claims on steady decline
- Continued job growth critical – Fed will be watching

Themes, Headwinds, Tailwinds

Region	Economic/Market Themes	Headwinds	Tailwinds
U.S.	Consumer confidence, employment, housing, auto etc.: strong	Interest rate risk: "taper talk" re: asset purchases Mortgage rates: rise a potential negative Tax and entitlement reform	Low interest rates but eventual may underlay Financial repression: wealth effect Improving housing & auto profile SHE by retail investors from bonds to stocks Fiscal gap & greater energy dependence
Europe	European economic recovery, structural reforms	European economic recovery, structural reforms	European economic recovery, structural reforms
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Key Drivers of Market Overweight to Real Assets

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Key Drivers of Market Overweight to Real Assets

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Inflation remains contained	Strong corporate balance sheets
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Short Duration Fixed Income Management

Standard Fee Schedule

Assets	Fee
First \$100 Million	14 Basis Points
Next \$100 Million	12 Basis Points
Thereafter	10 Basis Points

Proposed Fee Schedule

Assets	Fee
All assets	10 Basis Points

Minimum annual fee: \$25,000

Custodial services are included for one account in the separate account investment management fee schedule, provided the client uses BMO/Harris Bank's custody services.

This fee structure includes all expenses, dependent on custodian selection as noted above.

Why BMO Asset Management U.S.?

Performance

- The firm's investment strategies have historically resulted in strong returns versus their benchmarks and our competitors

Disciplined Process

- Repeatable investment process which relies on internally generated quantitative and fundamental research

Resources

- We hire experienced investment professionals, invest in cutting edge technology, and employ long-term strategies that benefit our clients

Experience

- Our proven long-term approach to managing portfolios guides strategy through uncertain and volatile markets

Commitment to Service

- We seek to provide each client with excellent service as well as strong performance

Appendix



Peter Arts
Fixed Income, Head of Short Duration/Liquidity Management

Peter heads up the short duration team with responsibilities covering 2a-7 Mutual Funds, Stable Principal, Securities Lending, Structured Products, Offshore Funds, and separately managed accounts. He is the lead manager of the BMO Prime and Government Money Market Funds, the BMO Short Term Income Fund, and related portfolios.

Peter joined the firm in 1994 as a Portfolio Manager specializing in securities lending portfolios, as well as 2a-7/Ultra Short mutual funds. Prior to joining asset management, he was on the BMO Capital Markets foreign exchange and derivatives trading desk and also worked in fixed income/equity sales at Lehman Brothers.

He holds an MBA in Finance from DePaul University and a BA in Finance from Loras College.



Marc Heyden
Relationship Management

Marc acts as a key advisor to existing clients and prospects within a variety of business units of BMO Financial Group. His responsibilities are focused primarily on new business development efforts across all the products offered by BMO Global Asset Management, including our broad range of investment products and solutions, retirement plan services and institutional trust & custody services.

Marc entered the financial services industry in 1988 and joined the firm in 2008. Prior to joining the firm, Marc was in the Chicago office of BMO Capital Markets where he served as Managing Director. There, he was responsible for directing and coordinating the overall investment and corporate banking relationship development efforts for a group of corporate and institutional clients. Prior to joining Bank of Montreal, Marc was a Banking Officer with Continental Bank where he was responsible for the management of a portfolio of clients within the Central States.

He holds an MBA from The University of Chicago and a BS from Loyola University.



Kevin Gergits
Relationship Management

Kevin is a key advisor to the firms' clients, managing and expanding relationships across all asset classes. He joined BMO Asset Management U.S. in 2007 and began his investment experience in 1998.

Prior to joining the firm, he was a Director in the Institutional Asset Management division of UBS (formerly Brinson Partners) and served as a key liaison for institutional clients and related business groups. His responsibilities included relationship management to existing clients and developing new business opportunities.

He holds an MBA in Finance from DePaul University and a BS in Finance from Eastern Illinois University.

Short Duration Fixed Income

For Separate Account mandates only

	BMO Global Asset Management Strategy			
	Liquid	Short	Medium	Short Term Bond
Duration Range	30-90 Days	6 Months	9 Months to 1 Year	1 to 2 Years
Average Quality	A1/P1	AA	AA	AA+
Benchmark	ML 3-Month US T-Bill Index	ML 6-Month US T-Bill Index	Static Index	ML 1-3 Year Gov./Corp. Index
1 Year Performance as of 3/31/14	0.27%	0.35%	0.50%	0.66%

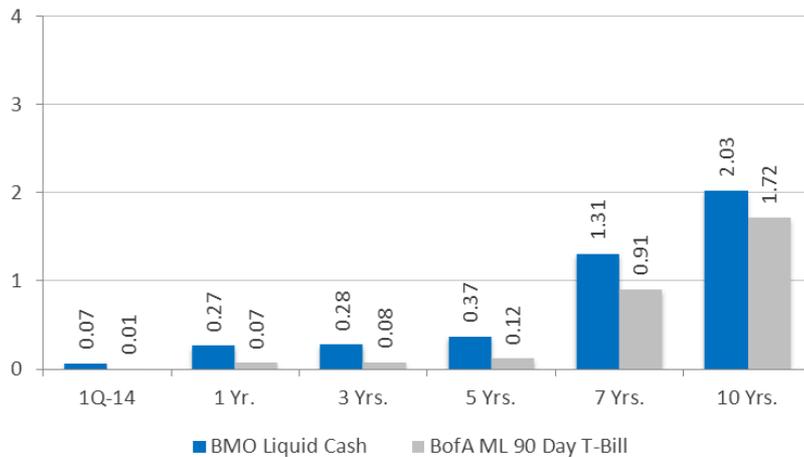
Composite performance is as of March 31st, 2014. Past performance does not guarantee future results. This is supplemental information. Composite performance is based on gross of fees annualized composite returns. Please see GIPS® compliant presentation at the end of this report.

Static Index: Static Index is an equal (25%) weighting of the Merrill Lynch 3-Month U.S. Treasury Bill Index, the Merrill Lynch 6-Month U.S. Treasury Bill Index, the Merrill Lynch 1-Year U.S. Treasury Note Index, and the Merrill Lynch US Treasury 1-3 Year Index. The index was redefined and recalculated in June 2009 to reflect the current blend. From July 1, 2001 through June 2009, the Static Benchmark had been an equal (25%) weighting of the Merrill Lynch 3-Month U.S. Treasury Bill Index, the Merrill Lynch 6-Month U.S. Treasury Bill Index, the Merrill Lynch U.S. Treasury Notes & Bonds 0-1 Year Index, and the Merrill Lynch 1-3 Year U.S. Corporate/Government Index. Prior to July 1, 2001, the HIM Static Index had been an equal (25%) weighting of the Merrill Lynch 3-Month U.S. Treasury Bill Index, the Merrill Lynch 6-Month U.S. Treasury Bill Index, the Merrill Lynch 1-Year U.S. Treasury Bill Index, and the Merrill Lynch 1-3 Year U.S. Corporate/Government Index.

BMO Liquid Cash Composite

Historical Performance

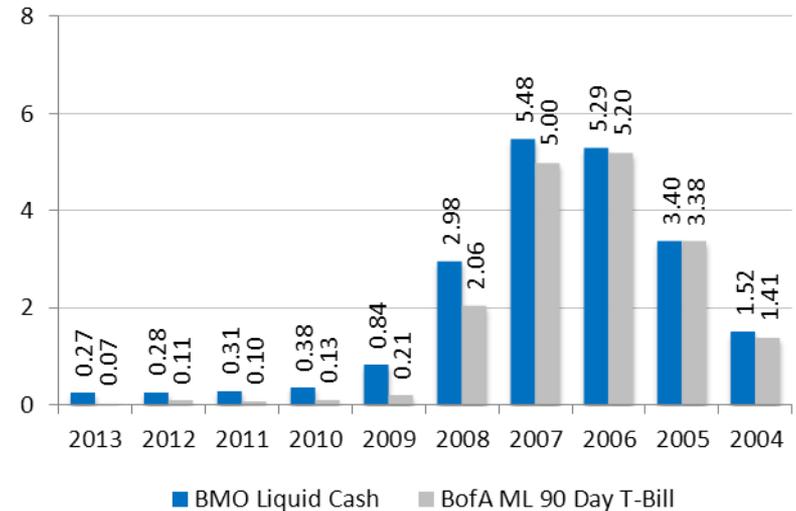
Gross of Advisory Fees as of March 31st, 2014



Composite performance is as of March 31st, 2014. Time periods of one year or greater are annualized. Past performance does not guarantee future results. This is supplemental information. Please see full performance disclosure at the end of this presentation.

Annual Performance

Gross of Advisory Fees as of December 31st, 2013

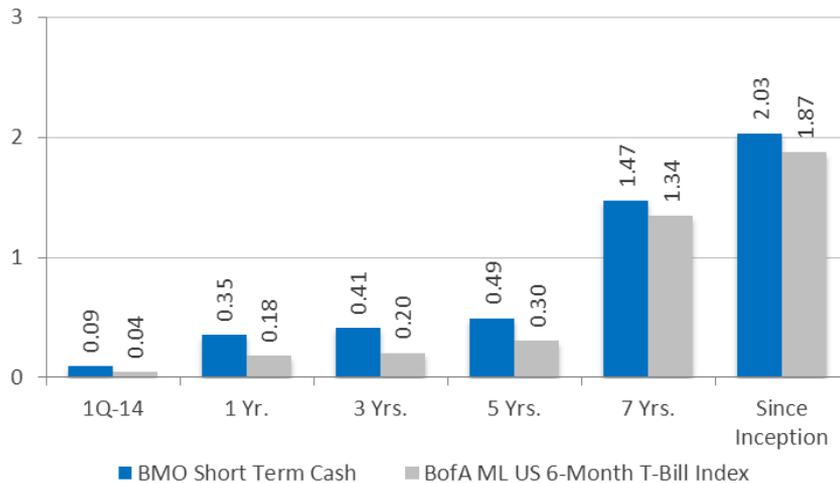


Annual composite performance is as of December 31st, 2013. *For the years 2007 forward, benchmark returns reflect the Merrill Lynch 3-Month US Treasury Bill Index. Prior to 2007, benchmark returns reflect the 30-Day Commercial Paper Index.

BMO Short Term Cash Composite

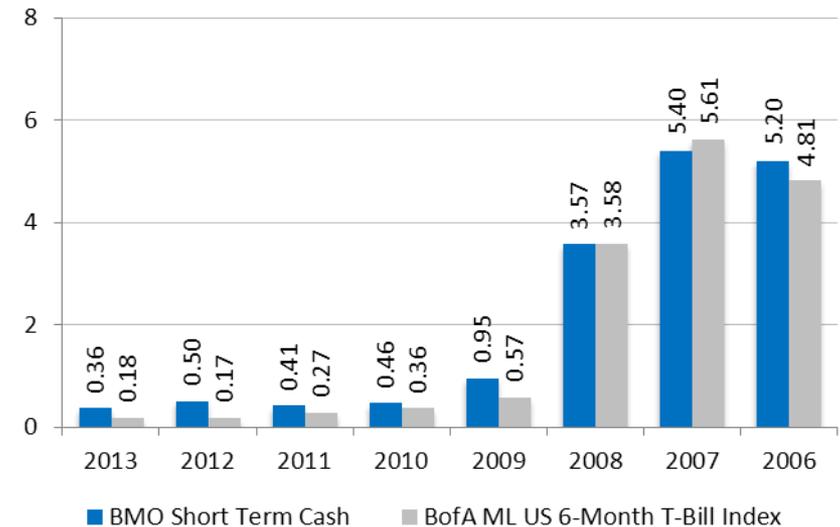
Historical Performance

Gross of Advisory Fees as of March 31st, 2014



Annual Performance

Gross of Advisory Fees as of December 31st, 2013



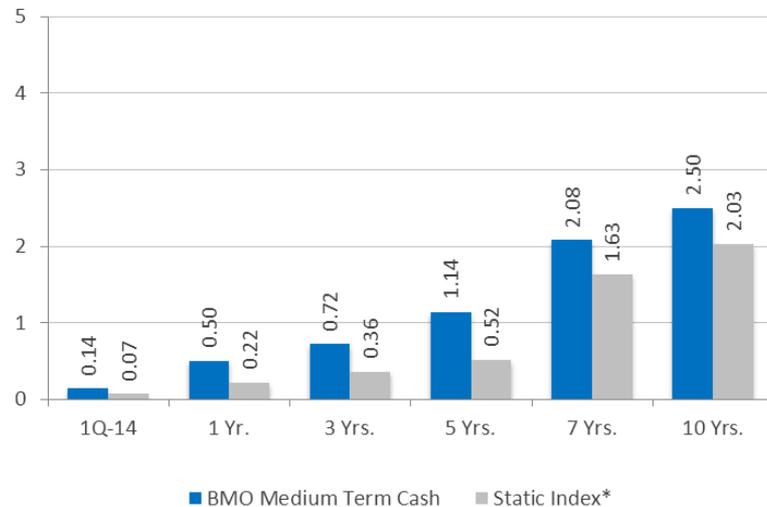
Composite performance is as of March 31st, 2014. The inception date is January 1, 2006. Time periods of one year or greater are annualized. Past performance does not guarantee future results. This is supplemental information. Please see full performance disclosure at the end of this presentation.

Annual composite performance is as of December 31st, 2013.

BMO Medium Term Cash Composite

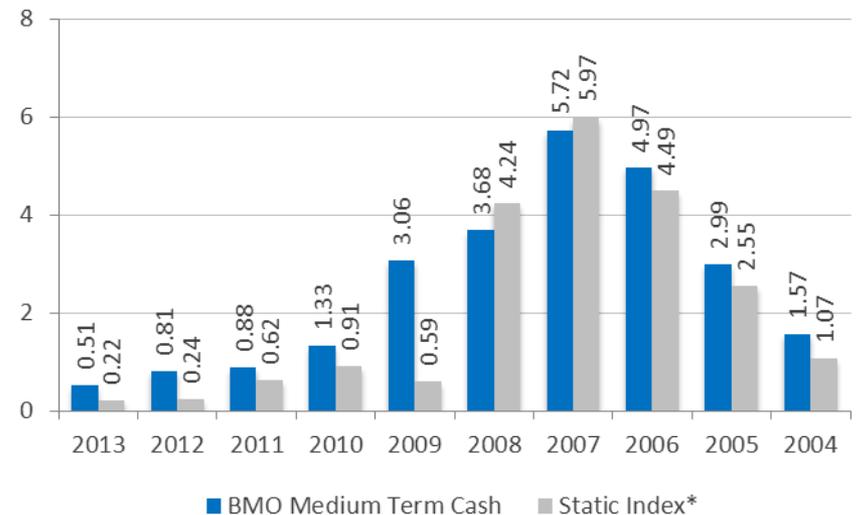
Historical Performance

Gross of Advisory Fees as of March 31st, 2014



Annual Performance

Gross of Advisory Fees as of December 31st, 2013



Composite performance is as of March 31st, 2014. Time periods of one year or greater are annualized. Past performance does not guarantee future results. This is supplemental information. Please see full performance disclosure at the end of this presentation.

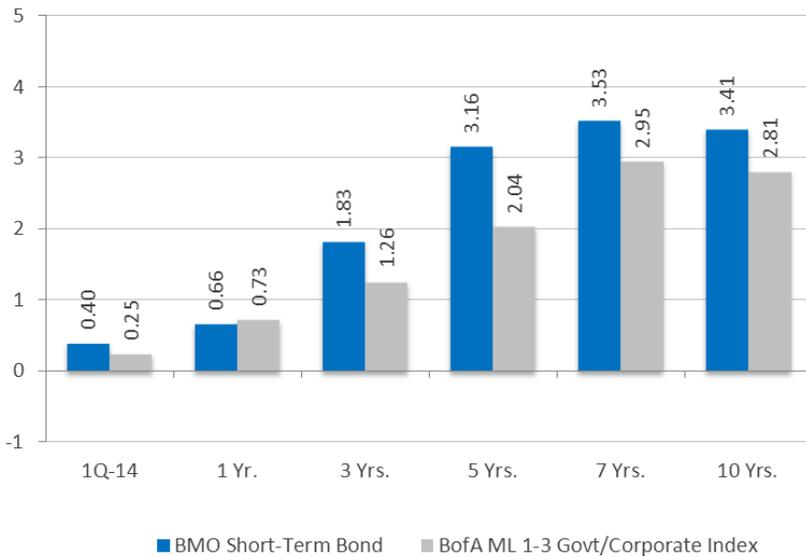
Annual composite performance is as of December 31st, 2013.

* The Static Index is an equal (25%) weighting of the Merrill Lynch 3-Month U.S. Treasury Bill Index, the Merrill Lynch 6-Month U.S. Treasury Bill Index, the Merrill Lynch 1-Year U.S. Treasury Note Index, and the Merrill Lynch US Treasury 1-3 Year Index. The blended benchmark is calculated on a monthly basis. The index was redefined and recalculated in June 2009 to reflect the current blend. Please see complete GIPS® compliant presentation at the end of this report.

BMO Short-Term Bond Composite

Historical Performance

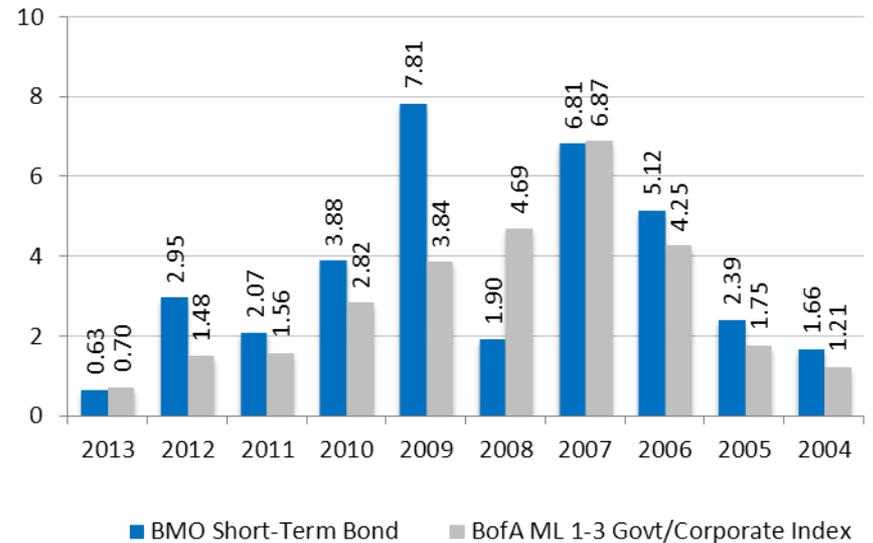
Gross of Advisory Fees as of March 31st, 2014



Composite performance is as of March 31st, 2014. Time periods of one year or greater are annualized. Past performance does not guarantee future results. This is supplemental information. Please see full performance disclosure at the end of this presentation.

Annual Performance

Gross of Advisory Fees as of December 31st, 2013



Annual composite performance is as of December 31st, 2013.

Disclosure

BMO Asset Management Corp. is a registered investment adviser with the SEC. BMO Asset Management Corp. is a wholly owned subsidiary of BMO Financial Corp., a wholly owned subsidiary of Bank of Montreal. The firm maintains a complete list and description of composites, which is available upon request. On June 1, 2012, M&I Investment Management Corp. merged into BMO Asset Management Corp. (formerly Harris Investment Management Inc.).

BMO Global Asset Management is the brand name for various affiliated entities of BMO Financial Group that provide investment management, retirement, and trust and custody services. Certain of the products and services offered under the brand name BMO Global Asset Management are designed specifically for various categories of investors in a number of different countries and regions and may not be available to all investors. Products and services are only offered to such investors in those countries and regions in accordance with applicable laws and regulations. BMO Financial Group is a service mark of Bank of Montreal (BMO).

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Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (1) general economic conditions, (2) performance of financial markets, (3) interest rate levels.

Representative account statistics and performance information is presented solely to provide information about institutional accounts. Such accounts may have been managed in a manner the same as, or substantially similar to, that of the managed accounts, but there may be differences in the management of the institutional accounts due to size, number of securities contained or tax or other strategy limitations. Portfolio characteristics and statistic representations are based upon a representative account for each strategy. Representative account selection was based upon account size, cash flow activity, guidelines restrictions, and best represents based on proximity to the actual model for that particular strategy.

Products or services are only offered to such investors in those countries and regions in accordance with applicable laws and regulations. This presentation is for informational purposes only and should not be construed as an offer to sell, a solicitation to buy, or a recommendation for any security, or as an offer to provide advisory or other services in any jurisdiction in which such offer, solicitation, purchase, or sale would be unlawful under the securities laws of such jurisdiction. Bank of Montreal and its affiliates do not provide legal advice to clients. You should review your particular circumstances with your independent legal and tax advisors.

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BMO Asset Management U.S.: BMO Liquid Cash Composite

Annual Disclosure Presentation

The **BMO Liquid Cash Composite** is a fully discretionary strategy with an emphasis on institutional based portfolios denominated in U.S. currency assets. This strategy entails a duration range of 1 - 3 months and is benchmarked against the Merrill Lynch 3 - Month U.S. Treasury Bill Index. These portfolios are managed according to the guidelines established by the client as it relates to liquidity needs and risk tolerances. The objective of this strategy is to achieve a total return that exceeds the benchmark via three categories: Yield Curve Management, Sector Rotation and Security selection. Prior to January 1, 2007, the Liquid Cash Composite was measured against the 30-Day Commercial Paper Index. The index was changed to be more representative of the composite strategy. The composite was created January 1, 1987. Prior to January 1, 2007, the composite was named the Liquid Cash Composite. Prior to December 31, 2011, the composite was named the Liquid Cash – Institutional Composite. Past performance does not guarantee future results.

BMO Asset Management Corp. (BMO AM) is a registered investment adviser and wholly owned subsidiary of BMO Financial Corp, which is a wholly owned subsidiary of Bank of Montreal. The firm provides separate account investment management services for institutional and private clients, securities lending, proprietary and sub-advised mutual funds and common/collective trust funds. Prior to November 1989, the firm was known as Harris Investment Management Group, which was operated as part of Harris Trust and Savings Bank. Prior to June 1, 2012 the firm was known as Harris Investment Management, Inc. On July 6, 2011 Bank of Montreal (BMO), the parent company of Harris Investment Management, Inc., purchased Marshall & Ilsley Corporation. M&I Investment Management Corp. merged into BMO Asset Management Corp. (formerly Harris Investment Management, Inc.) on June 1, 2012. The firm maintains a complete list and description of composites, which is available upon request.

BMO Asset Management Corp. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. BMO Asset Management Corp. has been independently verified for the periods January 1, 1992 through March 31, 2013. A copy of the verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any composite specific composite presentation.

The U.S. dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Gross returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Additional information regarding the policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The current fee schedule for the Liquid Cash Composite is as follows:

First \$100 Million:	14 basis points
Next \$100 Million:	12 basis points
Thereafter:	10 basis points

Actual investment advisory fees incurred by clients may vary. Prior to 01/01/2013 Net Returns were calculated using a fee of 18bps. Prior to 07/01/2012 net returns were calculated using 15 bps. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Trade date or settlement date valuation may have been used to calculate performance in periods prior to January 1, 1994.

The **Merrill Lynch 3-Month US Treasury Bill Index** is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month, that issue is sold and rolled into a newly selected issue. The issue selected at each month-end re-balancing is the outstanding Treasury Bill that matures closest to, but not beyond 3 months from the re-balancing date. To qualify for selection, an issue must have settled on or before the re-balancing (month-end) date. While the index will often hold the Treasury Bill issued at the most recent or prior 3-month auction, it is also possible for a seasoned 6-month or 1-Year Bill to be selected.

Year End	Total Firm Assets (millions)	**Strategy Assets (millions)	Composite Assets			Annual Performance Results					
			U.S. Dollars (millions)	% of Firm Assets	Number of Accounts	Composite Gross	Composite Net	Benchmark*	3 Yr Std Deviation Composite	3 Yr Std Deviation Index	Composite Dispersion
2013	\$33,953	\$759.17	\$423.03	1.25%	5	0.27%	0.09%	0.07%	0.01%	0.03%	0.01%
2012	\$32,621	\$1,011.89	\$583.46	1.81%	5	0.28%	0.10%	0.11%	0.02%	0.03%	0.03%
2011	\$12,208	\$1,155.53	\$978.64	8.02%	7	0.31%	0.13%	0.10%	0.09%	0.04%	0.12%
2010	11,641	2,042.10	2,458.1	21.12%	8	0.38%	0.22%	0.13%	0.35%	0.36%	0.11%
2009	12,588	2,807.90	3,182.00	25.30%	8	0.84%	0.69%	0.21%	0.55%	0.63%	0.08%
2008	11,766	2,721.20	2,829.10	24.00%	8	2.98%	2.83%	2.06%	0.35%	0.50%	0.24%
2007	16,738	4,559.50	4,502.60	26.90%	8	5.48%	5.32%	5.00%	0.29%	0.29%	0.04%
2006	16,409		4,033.30	24.60%	9	5.29%	5.13%	5.20%	0.45%	0.46%	0.03%
2005	21,681		8,180.00	37.70%	10	3.40%	3.24%	3.38%	0.29%	0.31%	0.02%
2004	21,005		6,766.40	32.20%	11	1.52%	1.37%	1.41%	0.11%	0.10%	0.01%

N.A. – Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year. **Strategy Assets are shown as supplemental information. Strategy assets include composite and non-composite accounts that have the same investment mandate. Non-composite accounts are excluded from the composite due to size, specific client guidelines, or other strategy limitations.

*For the years 2007 forward, benchmark returns reflect the Merrill Lynch 3-Month US Treasury Bill Index. Prior to 2007, benchmark returns reflect the 30 - Day Commercial Paper Index.

BMO Asset Management U.S.: BMO Short Term Cash Composite

Annual Disclosure Presentation

The **BMO Short Term Cash Composite** is a fully discretionary strategy with an emphasis on institutional based portfolios denominated in U.S. currency assets. This strategy entails a duration range of 6 - 9 months and is benchmarked against the Merrill Lynch 6 - Month U.S. Treasury Bill Index. These portfolios are managed according to the guidelines established by the client as it relates to liquidity needs and risk tolerances. The objective of this strategy is to achieve a total return that exceeds the benchmark via three categories: Yield Curve Management, Sector Rotation and Security selection. The composite was created January 1, 2006. Prior to January 1, 2007, the composite was named the Short Term Cash Composite. Prior to December 31, 2011, the composite was named the Short Term Cash – Institutional Composite. Past performance does not guarantee future results.

BMO Asset Management Corp. (BMO AM) is a registered investment adviser and wholly owned subsidiary of BMO Financial Corp, which is a wholly owned subsidiary of Bank of Montreal. The firm provides separate account investment management services for institutional and private clients, securities lending, proprietary and sub-advised mutual funds and common/collective trust funds. Prior to November 1989, the firm was known as Harris Investment Management Group, which was operated as part of Harris Trust and Savings Bank. Prior to June 1, 2012 the firm was known as Harris Investment Management, Inc. On July 6, 2011 Bank of Montreal (BMO), the parent company of Harris Investment Management, Inc., purchased Marshall & Ilsley Corporation. M&I Investment Management Corp. merged into BMO Asset Management Corp. (formerly Harris Investment Management, Inc.) on June 1, 2012. The firm maintains a complete list and description of composites, which is available upon request.

BMO Asset Management Corp. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. BMO Asset Management Corp. has been independently verified for the periods January 1, 1992 through March 31, 2013. A copy of the verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any composite specific composite presentation.

The U.S. dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Gross returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Additional information regarding the policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The current fee schedule for the Short Term Cash Composite is as follows:

First \$100 Million:	14 basis points
Next \$100 Million:	12 basis points
Thereafter:	10 basis points

Actual investment advisory fees incurred by clients may vary. Prior to 01/01/2013 Net Returns were calculated using a fee of 18bps. Prior to 07/01/2012 net returns were calculated using 15 bps. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Trade date or settlement date valuation may have been used to calculate performance in periods prior to January 1, 1994.

The **Merrill Lynch 6-Month US Treasury Bill Index** is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month, that issue is sold and rolled into a newly selected issue. The issue selected at each month-end re-balancing is the outstanding Treasury Bill that matures closest to, but not beyond 6 months from the re-balancing date. To qualify for selection, an issue must have settled on or before the re-balancing (month-end) date. While the index will often hold the Treasury Bill issued at the most recent or prior 6-month auction, it is also possible for seasoned 1-Year Bill to be selected.

Year End	Total Firm Assets (millions)	**Strategy Assets (millions)	Composite Assets			Annual Performance Results					
			U.S. Dollars (millions)	% of Firm Assets	Number of Accounts	Composite Gross	Composite Net	ML 6-Month T-Bill Index	3 Yr Std Deviation Composite	3 Yr Std Deviation Index	Composite Dispersion
2013	\$33,953	\$350.76	\$123.61	0.36%	2	0.36%	0.18%	0.18%	0.09%	0.05%	N.A.
2012	\$32,621	\$367.69	\$121.89	0.38%	2	0.50%	0.32%	0.17%	0.09%	0.06%	N.A.
2011	\$12,208	\$383.56	\$92.78	0.76%	2	0.41%	0.23%	0.27%	0.12%	0.10%	N.A.
2010	11,641	106.2	80.4	0.69%	2	0.46%	0.29%	0.36%	0.51%	0.59%	N.A.
2009	12,588	237.4	26.7	0.21%	1	0.95%	0.80%	0.57%	0.62%	0.75%	N.A.
2008	11,766	55.8	26	0.22%	1	3.57%	3.42%	3.60%	0.42%	0.54%	N.A.
2007	16,738	43	35.8	0.17%	2	5.40%	5.25%	5.60%	N.A.	N.A.	N.A.
2006	16,409		35.7	0.22%	1	5.20%	5.04%	4.80%	N.A.	N.A.	N.A.

N.A. is shown on Composite Dispersion- Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year. N.A. is shown on the 3 Yr Std Deviation for the composite and index because 36 monthly returns are not available on the composite. **Strategy Assets are shown as supplemental information. Strategy assets include composite and non-composite accounts that have the same investment mandate. Non-composite accounts are excluded from the composite due to size, specific client guidelines, or other strategy limitations.

BMO Asset Management U.S.: BMO Medium Cash Composite

Annual Disclosure Presentation

The **BMO Medium Term Cash Composite** is a fully discretionary strategy with an emphasis on institutional based portfolios denominated in US currency assets. This strategy entails a duration range of 9 months to 1 year and is benchmarked against the Static benchmark which has equal weightings of the Merrill Lynch 3-Month U.S. Treasury Bill index (25%), the Merrill Lynch 6-Month U.S. Treasury Bill index (25%), the Merrill Lynch 1-Year U.S. Treasury Note index (25%) and the Merrill Lynch U.S. Treasury 1-3 year index (25%). These portfolios are managed according to the guidelines established by the client as it relates to liquidity needs and risk tolerances. The objective of this strategy is to achieve a total return that exceeds the benchmark via three categories: Yield curve Management, Sector rotation and Security selection. The index was redefined and recalculated in June 2009 to reflect the current blend. From July 1, 2001 through June 2009, the Static Benchmark had been an equal (25%) weighting of the Merrill Lynch 3-Month U.S. Treasury Bill Index, the Merrill Lynch 6-Month U.S. Treasury Bill Index, the Merrill Lynch U.S. Treasury Notes & Bonds 0-1 Year Index, and the Merrill Lynch 1-3 Year U.S. Corporate/Government Index. Prior to July 1, 2001, the Static Index had been an equal (25%) weighting of the Merrill Lynch 3-Month U.S. Treasury Bill Index, the Merrill Lynch 6-Month U.S. Treasury Bill Index, the Merrill Lynch 1-Year U.S. Treasury Bill Index, and the Merrill Lynch 1-3 Year U.S. Corporate/Government Index. The blended benchmark is calculated on a monthly basis. The composite was created January 1, 1988. Prior to January 1, 2007, the composite was named the Medium Term Cash Composite. Prior to December 31, 2011, the composite was named the Medium Term Cash – Institutional Composite. Past performance does not guarantee future results.

BMO Asset Management Corp. (BMO AM) is a registered investment adviser and wholly owned subsidiary of BMO Financial Corp, which is a wholly owned subsidiary of Bank of Montreal. The firm provides separate account investment management services for institutional and private clients, securities lending, proprietary and sub-advised mutual funds and common/collective trust funds. Prior to November 1989, the firm was known as Harris Investment Management Group, which was operated as part of Harris Trust and Savings Bank. Prior to June 1, 2012 the firm was known as Harris Investment Management, Inc. On July 6, 2011 Bank of Montreal (BMO), the parent company of Harris Investment Management, Inc., purchased Marshall & Ilsley Corporation. M&I Investment Management Corp. merged into BMO Asset Management Corp. (formerly Harris Investment Management, Inc.) on June 1, 2012. The firm maintains a complete list and description of composites, which is available upon request.

BMO Asset Management Corp. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. BMO Asset Management Corp. has been independently verified for the periods January 1, 1992 through

March 31, 2013. A copy of the verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any composite specific composite presentation.

The U.S. dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Gross returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Additional information regarding the policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The current fee schedule for the Medium Term Cash Composite is as follows:

First \$100 Million:	14 basis points
Next \$100 Million:	12 basis points
Thereafter:	10 basis points

Actual investment advisory fees incurred by clients may vary. Prior to 01/01/2013 Net Returns were calculated using a fee of 18bps. Prior to 07/01/2012 net returns were calculated using 15 bps Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Trade date or settlement date valuation may have been used to calculate performance in periods prior to January 1, 1994.

Static Index: The Static Index is an equal (25%) weighting of the Merrill Lynch 3-Month U.S. Treasury Bill Index, the Merrill Lynch 6-Month U.S. Treasury Bill Index, the Merrill Lynch 1-Year U.S. Treasury Note Index, and the Merrill Lynch US Treasury 1-3 Year Index. The index was redefined and recalculated in June 2009 to reflect the current blend.

Year End	Total Firm Assets (millions)	**Strategy Assets (millions)	Composite Assets			Annual Performance Results					
			U.S. Dollars (millions)	% of Firm Assets	Number of Accounts	Composite Gross	Composite Net	Static Index	3 Yr Std Deviation Composite	3 Yr Std Deviation Index	Composite Dispersion
2013	\$33,953	\$168.30	\$165.11	0.49%	4	0.51%	0.33%	0.22%	0.24%	0.16%	0.08%
2012	\$32,621	\$193.41	\$161.43	0.50%	4	0.81%	0.63%	0.24%	0.31%	0.24%	N.A.
2011	\$12,208	\$237.74	\$180.14	1.48%	5	0.88%	0.70%	0.62%	0.51%	0.33%	0.14%
2010	11,641	226.6	226.6	1.95%	5	1.33%	1.17%	0.91%	1.06%	0.84%	0.27%
2009	12,588	121.5	109.5	0.87%	3	3.06%	2.91%	0.59%	1.07%	1.01%	N.A.
2008	11,766	54.6	58.6	0.50%	3	3.68%	3.53%	4.24%	1.00%	0.80%	N.A.
2007	16,738	101.1	118.6	0.76%	3	5.73%	5.57%	5.96%	0.47%	0.65%	N.A.
2006	16,409		64.4	0.39%	2	4.97%	4.82%	4.48%	0.54%	0.60%	N.A.
2005	21,681		13.6	0.06%	1	2.99%	2.84%	2.54%	0.42%	0.51%	N.A.
2004	21,005		13.1	0.06%	1	1.57%	1.42%	1.07%	0.67%	0.63%	N.A.

N.A. – Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year. **Strategy Assets are shown as supplemental information. Strategy assets include composite and non-composite accounts that have the same investment mandate. Non-composite accounts are excluded from the composite due to size, specific client guidelines, or other strategy limitations.

BMO Asset Management U.S.: BMO Medium Cash Composite

Annual Disclosure Presentation (Continued)

Merrill Lynch 3-Month US Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month, that issue is sold and rolled into a newly selected issue. The issue selected at each month-end re-balancing is the outstanding Treasury Bill that matures closest to, but not beyond 3 months from the re-balancing date. To qualify for selection, an issue must have settled on or before the re-balancing (month-end) date. While the index will often hold the Treasury Bill issued at the most recent or prior 3-month auction, it is also possible for a seasoned 6-month or 1-Year Bill to be selected.

Merrill Lynch 6-Month US Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month, that issue is sold and rolled into a newly selected issue. The issue selected at each month-end re-balancing is the outstanding Treasury Bill that matures closest to, but not beyond 6 months from the re-balancing date. To qualify for selection, an issue must have settled on or before the re-balancing (month-end) date. While the index will often hold the Treasury Bill issued at the most recent or prior 6-month auction, it is also possible for seasoned 1-Year Bill to be selected.

Merrill Lynch 1-Year US Treasury Note Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding two-year Treasury note that matures closest to, but not beyond, one year from the rebalancing date. To qualify for selection, an issue must have settled on or before the month-end rebalancing date.

The Merrill Lynch 1-3 Year US Treasury Index is a subset of The Merrill Lynch US Treasury Index including all securities with a remaining term to final maturity less than 3 years. The Merrill Lynch US Treasury Index (G0Q0) tracks the performance of US dollar denominated sovereign debt publicly issued by the US government in its domestic market. Qualifying securities must have at least one year remaining term to final maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 billion. Perpetual and fixed-to-floating rate securities also qualify provided they are callable within the fixed rate period and are at least one year from the start of the floating rate period. Bills, inflation-linked debt and strips are excluded from the Index; however, original issue zero coupon bonds are included in the index and the amounts outstanding of qualifying coupon securities are not reduced by any portions that have been stripped.

BMO Asset Management U.S.: BMO Short-Term Bond Composite

Annual Disclosure Presentation

Strategy Name	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Gross Annual Returns (%)	0.62%	2.96%	2.07%	3.88%	7.81%	1.90%	6.81%	5.12%	2.39%	1.66%	3.18%	6.59%	7.43%
Net Annual Returns (%)	0.36%	2.70%	1.82%	3.62%	7.54%	1.65%	6.55%	4.86%	2.14%	1.41%	2.92%	6.33%	7.17%
Merrill Lynch 1-3 Gov/Corp Index	0.70%	1.48%	1.56%	2.82%	3.84%	4.69%	6.90%	4.24%	1.74%	1.21%	2.74%	6.09%	8.75%
# of Accounts in Composite	19	17	18	16	12	14	15	16	17	19	14	13	14
Composite Assets (mm)	\$ 591.0	\$ 564.8	\$ 523.7	\$ 489.4	\$443.1	\$414.7	\$427.6	\$458.0	\$473.6	\$463.1	\$363.1	\$231.8	\$268.6
Composite Dispersion (%)	0.43%	1.36%	0.47%	1.60%	2.86%	3.73%	0.39%	0.30%	0.20%	0.30%	0.47%	0.67%	0.89%
Total Firm Assets (mm)	33,953.1	32,621.5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
% Firm Assets	1.7%	1.7%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Composite 3 Year Dev	0.84%	0.90%	1.33%	2.14%	2.16%	1.97%	0.98%	1.17%	1.37%	1.77%	1.81%	1.78%	NA
Index 3 Year Dev	0.54%	0.72%	1.05%	1.70%	1.80%	1.70%	1.23%	1.25%	1.39%	1.67%	1.78%	1.60%	1.52%

The BMO Short-Term Bond composite contains all actively managed, discretionary portfolios with a minimum market value of approximately \$1 million. The portfolios are managed with investment guidelines stating maturity constraints of five years or less. For periods prior to 12/31/11 the name of the composite was the M&I Short-Term Income Composite. The primary comparison is the BofA Merrill Lynch 1-3 Year U.S. Corporate & Government Index (BofA Merrill Lynch 1-3 Year U.S. Corp. & Gov. Index). Composite inclusion following the first two full months of management. BofA Merrill Lynch 1-3 Year U.S. Corporate & Government Index is an unmanaged index tracking short term U.S. government and corporate securities with maturities between 1 and 2.99 years. Investments cannot be made in an index.

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BMO AM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. BMO AM has been independently verified for the periods 01/01/1992 through 09/30/2012. The verification report(s) is/are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

The composite inception date is 01/01/2000. The composite creation date is 01/01/2000. Richard Rokus managed the strategy from inception until his departure from the firm on 03/31/2010. Effective 04/01/2010, the strategy is managed by Vincent Russo. Results were calculated in U.S. dollars on a monthly basis using time-weighted methodology. Composites are asset weighted using beginning-of-month market values. Annual returns are derived from the geometric linking of monthly returns. Additional information regarding policies for valuing portfolios, calculating performance and preparing compliant presentations is available upon request. Investment transactions are recorded on trade date. Investment income is included on an accrual basis. Cash and cash equivalents are included in account assets. Gross performance results include the cost of brokerage commissions, but exclude management and custodial fees and the impact of income taxes. Net-of-fee results are calculated by taking the highest fee a separately managed account would be charged based on the current fee schedule, and deducting one-twelfth of this annual fee from each monthly gross return. Since January 1, 2006 accounts are excluded from the composite when significant cash flows occur. Significant cash flows are defined as flows for the month which exceed 10% of the beginning market value (including accruals for fixed income). Portfolios which experience a significant cash flow are removed for the month in which the flow occurred and returned based upon the inclusion policy. Prior to January 1, 2006 the policy varied by composite but in no case was less than 10% of the beginning market value (including accruals for fixed income). Additional information regarding the treatment of significant cash flows is available upon request. For periods prior to 1/1/06, cash was allocated to the carve out return using the target allocation method. The management fee schedule is as follows: 0.25% on first \$25M; 0.20% on the next \$25M; 0.15% thereafter. Actual investment advisory fees incurred by clients may vary. The dispersion of annual returns is measured by the standard deviation across asset-weighted portfolio returns represented within the composite for the full calendar year. Portfolios that hold mutual funds are excluded from the composite. Portfolios are removed from the composite if their market value falls below 90% of the \$1 million threshold for six consecutive months unless due to market conditions. Please contact us to receive a complete list and description of BMO Asset Management Corp's composites. **Past performance is no guarantee of future results.**

Not FDIC Insured No Bank Guarantee May Lose Value



GREAT LAKES ADVISORS

A WINTRUST WEALTH MANAGEMENT COMPANY



GREAT LAKES ADVISORS FIXED INCOME

Q1 2014



Firm Overview – pg. 3

Fixed Income – pg. 9

Appendix – pg. 17



FIRM OVERVIEW



Our aim is to deliver superior performance while maintaining a conservative risk profile.

- Actively managed fixed income strategies for a diverse group of clients
- Long-term, successful track record across multiple strategies
- Over \$5.8 billion in total assets under management
- Offices in Chicago, Illinois and Safety Harbor, Florida
- SEC Registered Investment Advisor since 1981



Great Lakes Advisors is an investment manager providing active, best-ideas for equity and high quality fixed income strategies to a diverse group of institutional clients. Our aim is to deliver superior performance while maintaining a conservative risk profile.

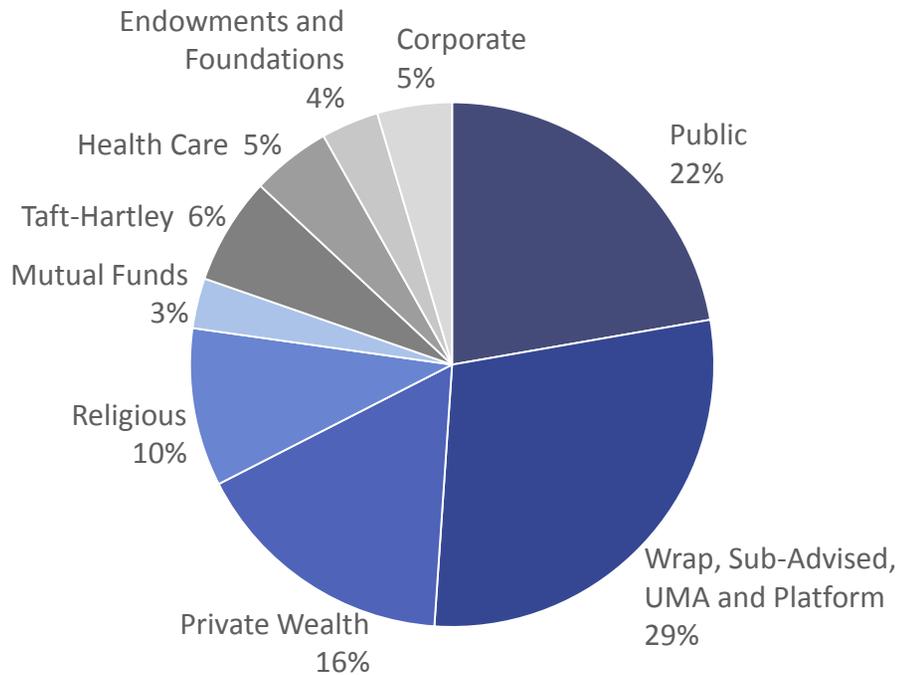
- Owned by Wintrust Financial Corporation, a \$17.5 billion publically traded financial services company (NASDAQ: WTFC)
- \$5.8 billion in managed assets across a diverse group of institutional and private wealth clients and strategies.
- Long and steady track records dating back to 1989
- Tenured senior investment professionals averaging 25 years of experience
- Portfolios customized to each client's unique goals, objectives and restrictions

CLIENT AND ASSET MIX

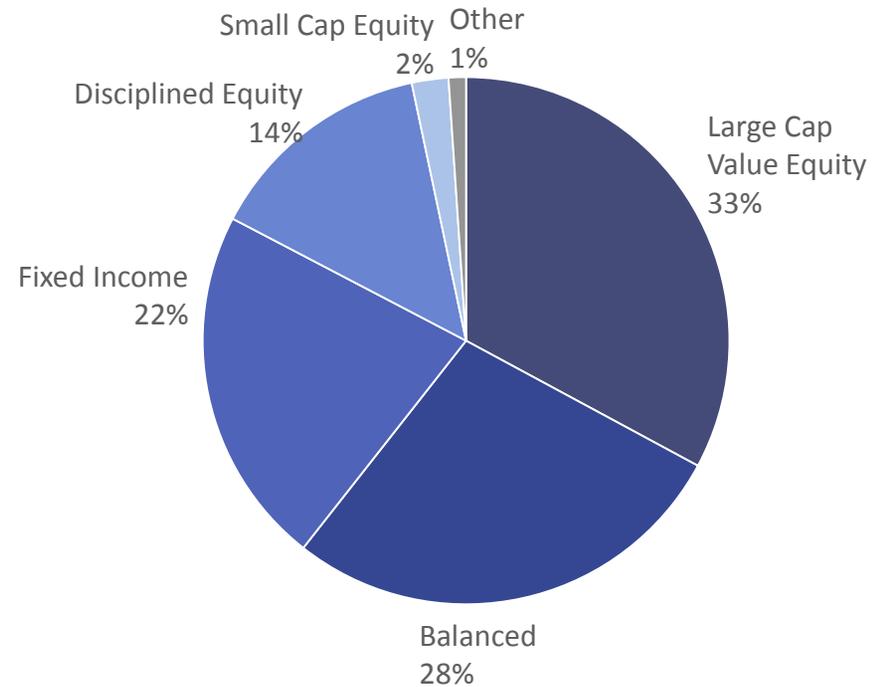


Total firm assets under management: \$5.82 billion

Client Mix



Asset Mix



ORGANIZATION STRUCTURE



Large Cap Value

- 2 Portfolio Managers
- 3 Senior Analysts
- Average 28 years of experience
- 25 year track record
- Great Lakes Large Cap Value Fund
- SRI/ESG Capabilities

Small Cap Equity

- 1 Portfolio Manager
- 2 Senior Analysts
- Average 21 years of experience
- 5 year track record
- Great Lakes Small Cap Opportunity Fund
- SRI/ESG Capabilities

Disciplined Equity

- Large, SMid, AllCap
- 2 Portfolio Managers
- 3 Senior Analysts
- Average 17 years of experience
- Great Lakes Disciplined Equity Fund
- SRI/ESG & TaxManaged Capabilities

Fixed Income

- Core, Intermediate, Short-term
- 5 Portfolio Managers
- 1 Senior Analyst
- Average 30 years of experience
- Great Lakes Bond Fund
- SRI/ESG Capabilities

Balanced

- Risk-based Asset Allocation
- Dedicated Due Diligence
- 18 Professionals
- Average 23 years experience
- Customizable to Client Needs

Compliance and Marketing • Operations • Sales and Client Service • Corporate Leadership

REPRESENTATIVE CLIENT LIST



Multi-employer Plans

- Boilermakers, Local #1
- Electrical Insurance Trustees (IBEW #134)
- Hawaii Laborers Annuity Fund
- Heat & Frost, Local #17
- IBEW, Local #176
- Pipefitters, Local #195
- Pipefitters' Retirement, Local #597
- Plumbers, Local #68
- Plumbers & Steamfitters, Local #65
- Structural Iron Workers, Local #1

Endowments & Foundations

- Helen Brach Foundation
- The International Tennis Hall of Fame, Inc
- Moody Bible Institute
- The National Anti-Vivisection Society
- SOS Children's Villages

Corporations & Associations

- American Ordinance, LLC
- MathWorks Corporation
- Oshkosh Corporation

Public Funds

- Arlington Heights Police Pension Fund
- Barrington Police Pension Fund
- Bismarck Firefighter Relief Assoc. Pension Fund (ND)
- Chicago Park Employees
- Chicago Municipal Employees' Annuity & Benefit
- Chicago Policemen's Annuity and Benefit Fund
- The Chicago Transit Authority Retiree Health Care Trust
- Cook County Employees
- Countryside Firefighters' Pension Fund
- DuPage County Treasurer's Office
- Evanston Police Pension Fund
- Forest Preserve District of DuPage County
- Galesburg Firefighters Pension Fund
- Macomb Police Pension Fund
- Midland County Employees (MI)
- Naperville Fire Pension Fund
- Naperville Police Pension Fund
- Oak Park Police Pension Fund
- Probate Judges of Georgia
- Riverdale Police Pension Fund
- Sycamore Firefighters' Pension Fund

Health Care Organizations

- The Academy of General Dentistry
- Covenant Ministries of the Benevolence
- Martin Memorial Health Systems
- Monongahela Valley Hospital Inc.
- Franciscan Alliance

Religious Institutions

- The Claretian Eastern Province Charitable Trust
- The Clerics of St. Viator
- Congregation of St. Joseph
- Diocese of Northern Alaska
- Dominicans, Province of St. Albert the Great, USA
- Dominican Sisters of Springfield, IL
- The Friends Fiduciary Corporation
- Glenmary Home Missioners
- OSM Pooled Investment Fund
- St. Francis of Mary Immaculate
- St. Vincent DePaul Regional Seminary
- School Sisters of Notre Dame -Central Pacific Province
- The School Sisters of St. Francis
- Sinsinawa Dominicans
- Sisters of Charity, BVM
- Sisters of the Divine Redeemer
- Sisters of the Holy Family of Nazareth
- Sisters of St. Francis of the Immaculate Conception
- Sisters of St. Francis-Marycrest
- Sisters of St. Joseph Third Order of St. Francis
- Sisters of St. Joseph of Brentwood

Data as of March 31, 2014

We would like to thank our institutional clients for granting us permission to include their names on this client listing. Inclusion on this list should not be construed as an endorsement of Great Lakes Advisors or the advisory services provided.

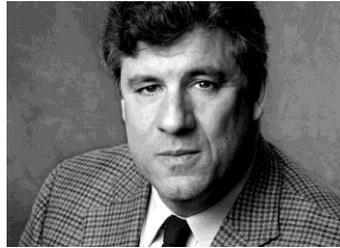


FIXED INCOME



Stephen Rost
Senior Portfolio Manager

- 31 years of experience
- University of Iowa, BA
- University of Wisconsin, MS
- Founder of the Firm



William Gregg
Senior Portfolio Manager

- 30 years of experience
- Trinity College, BS
- Northwestern University, MBA



Emily Li, CFA
Senior Portfolio Manager

- 30 years of experience
- National Taiwan University, BA
- Indiana University, MBA



Patrick Morrissey
Senior Portfolio Manager

- 29 years of experience
- University of Wisconsin-Oshkosh, BS



Richard Rokus, CFA
Senior Portfolio Manager

- 22 years of experience
- University of Wisconsin-Whitewater, BBA



Scott Schneider
Senior Research Analyst

- 13 years of experience
- University of Illinois, BA



We believe in an active and conservative approach to fixed income management. We have generated strong relative risk-adjusted returns through fundamental analysis and bottom-up investing.

Active Approach

- Focus on higher income sectors and securities
- Control interest rate risk by constraining duration around benchmark
- Manage specific issues, sectors, quality, and yield curve positions

Where We Add Value

- Strategic individual security selection
- Rotating to most attractive sectors
- Use only very liquid issues to easily move in or out of positions

Manage Risk

- Minimize market timing
- Use only the highest quality issuers
- Achieve a proper diversification level



Research/General Discussions

- Global situation
- U.S. economy
- Bond market
- Interest rates
- Yield curve: shape, historical spreads, and current levels
- Supply/demand

Wall Street and our experience are employed throughout

Security Selection

- Credit
- Mortgages
- Commercial mortgages
- Treasuries
- Government agencies
- Asset-Backed

Bloomberg, Credit Services, TradeWeb, MarketAxess

Portfolio Decisions

- Duration management
- Sector management: invest in those with best relative value
- Quality preference
- Structure preference
- Emphasis on long-term trends, rather than short-term fluctuations

FactSet, SunGard

Sell Discipline

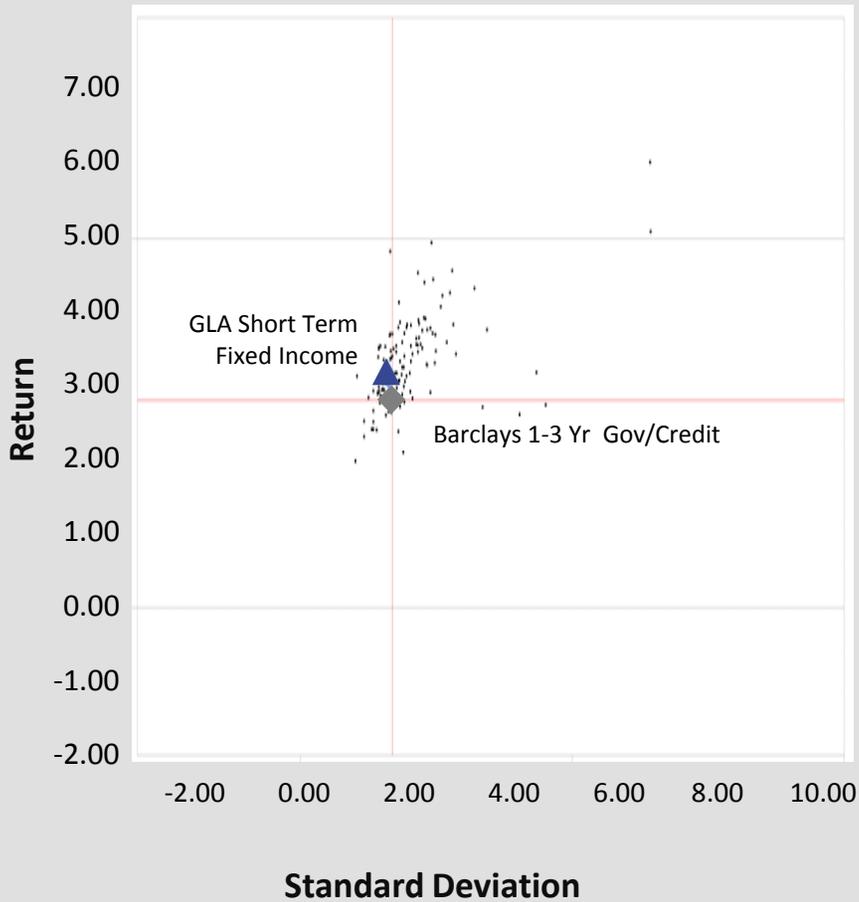
- Credit fundamentals are deteriorating or expected to
- A bond has performed well in relation to criteria, other bonds
- An outlook changes
- Duration management
- Meet any outflows

Our long-term record has been produced through the consistent application of our time-proven approach by our experienced team of professionals.

SHORT-TERM RISK/REWARD AND SECTORS



Risk/Reward Structure
10 Years Ending March 31, 2014



Characteristic	Short-term Fixed Income Composite	Barclays 1-3 Year Gov/Credit Index	Difference
Average Quality	AA-	AA	--
Modified Duration	1.56	1.95	-0.39
Average Maturity	1.69	2.00	-0.31
Yield-to-Maturity	0.95	0.60	+0.35
Current Yield	1.56	1.89	-0.33
Average Coupon	1.58	1.94	-0.36

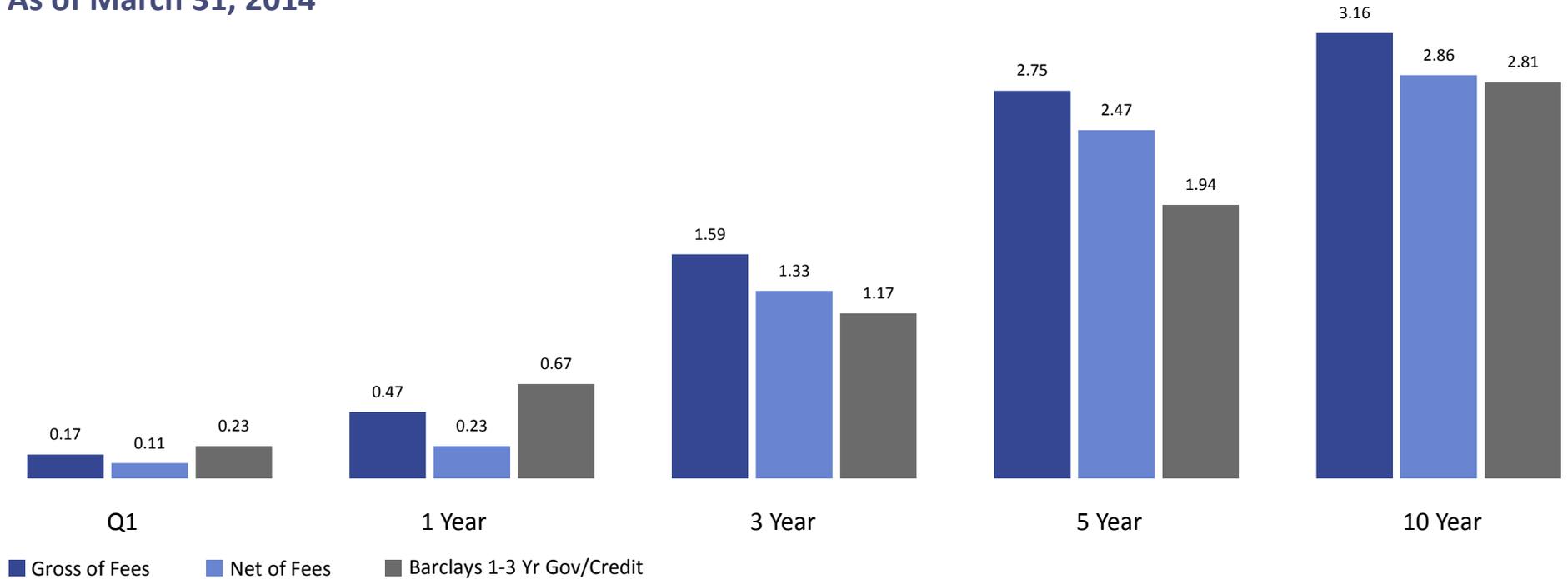
Sector Weightings	Short-term Fixed Income Composite	Barclays 1-3 Year Gov/Credit Index	Difference
Agencies	3%	8%	-5%
Asset Backed	4	0	+4
Credit	57	27	+30
Comm. Mort. Backed	5	0	+5
Mortgage Backed	13	0	+13
Treasuries	17	65	-48
Municipal	1	0	+1

Source: eVestment

*Composite returns are gross of fees. The ellipse represents the CAI universe of Intermediate Fixed Income managers. Information compliments the GIPS compliant presentation, located in the Appendix. Past performance is not indicative of future results.



As of March 31, 2014



Annual Gross of Fees Total Returns¹

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
GLA Short-Term	0.66	2.54	1.85	3.60	6.83	2.12	6.07	4.91	2.35	1.80	2.99
Barclays 1-3 Yr Gov/Credit	0.63	1.26	1.58	2.80	3.83	4.98	6.83	4.26	1.76	1.28	2.82
Difference	0.03	1.28	0.27	0.80	3.00	-2.86	-0.76	0.65	0.59	0.52	0.17

¹Please see notes to performance and disclosures statements. Annualized since inception. Returns greater than 1 year are annualized. Information compliments the GIPS compliant presentation, located in the Appendix. Past performance is not indicative of future results. Inception for Short-Term Fixed Income Composite is 6/30/1999



- **Chicago headquartered firm with extensive expertise with a diverse group of clients**
- **Consistent investment approach applied over more than 20 years has demonstrated competitive returns with low historic volatility and high added value**
- **“High touch” client experience with senior management extensively involved with clients**
- **Firm with a reputation for doing business with honesty and integrity**



Standard Fixed Income Investment Management Fees

<u>Investment Level</u>	<u>Fees</u>
First \$10 million	0.30%
Next \$40 million	0.20%
Over \$50 million	0.15%



APPENDIX

ORGANIZATIONAL CHART



Management Team

Edward J. Calkins, CFA
Senior Managing Director - Equities

Thomas R. Kiley
Chief Executive Officer

Stephen W. Rost
Senior Managing Director – Fixed Income

Large Cap Value

Edward J. Calkins, CFA
Senior Portfolio Manager

Wells Frice, CFA
Senior Portfolio Manager

Ophelia Barsketis
Senior Research Analyst

Huong Le, CFA
Senior Research Analyst

Steve Wittwer, CPA, CFA
Senior Research Analyst

Small Cap Equity

Gary Lenhoff, CFA
Senior Portfolio Manager

Bryan Engler, CFA
Research Analyst

Ben Kim, CFA, CPA
Senior Research Analyst

Disciplined Equity

Jon Quigley, CFA
Senior Portfolio Manager

John Bright, CFA
Senior Portfolio Manager

Lyn Taylor
Research Analyst

Dmitri Prokhorov
Research Analyst

Fixed Income

Stephen W. Rost
Senior Portfolio Manager

William N. Gregg
Senior Portfolio Manager

Emily Li, CFA
Senior Portfolio Manager

Patrick Morrissey
Senior Portfolio Manager

Rich Rokus, CFA
Senior Portfolio Manager

Scott Schneider
Senior Research Analyst

Private Wealth

Charles Dillon
Managing Director

David Cox, CFA
Senior Portfolio Manager

Allison Hall
Associate Portfolio Manager

Christy Coon, CFP
Senior Portfolio Manager

Teodora Petrova
Associate Portfolio Manager

David Bruskin
Senior Portfolio Manager

Adam Liebman
Associate Portfolio Manager

Sales & Client Service

Raymond O. Wicklander, Jr.
Chairman Emeritus

Kelly Weller
Managing Director

Kate Szymanski
Director of Institutional Sales & Marketing

Jenny Notte
Managing Director of Client Service and Sales

Maureen Mulhern
Director of Institutional Sales & Marketing

Margaret Mary Cosgrove, BVM
Director of Client Services

Laura West
Director of Client Service and Sales

Laurence C. Richey
Director of Client Service and Sales

Frank J. Harmon
Relationship Manager

Thomas A. Erdmier
Director-Intermediary Distribution

W.O. Bell
Director of Consultant Relations

Laurie Watson, CIMA®
Director of Client Service and Sales

Aimie Roche
Client Service Associate

Operations

Jason Turner
Managing Director

Roberta Cramer
Managing Director of Inst'l Ops

Maggie Bryla
Accounting & Trading Specialist

Wesley Crane
Accounting & Trading Specialist

Elia Juarez
Portfolio Administrative Assistant

Mary Pifko
Portfolio Advisory Support Specialist

Haley Schumaker
Accounting & Trading Specialist

Randy Cook
Systems Administrator

Compliance & Marketing

Heather Ludlum
Managing Director

Matie Krebs
Compliance Officer

Xavier Quinn
Marketing & Operations Associate

Wayne Meredith
Marketing & Operations Associate

Corporate Support

Tom Zidar
Chairman & CEO, Wintrust Wealth

Tom Paulus
Chief Financial Officer

Elliott Silver
Chief Compliance Officer

Eric Munger
Director of Strategy and Marketing

Jelena Jovovic
Director, Human Resources

Jim Sommerfield, CSCP
Senior Compliance Officer

Patrick Sereda
Compliance Officer

Jacqueline Sedlak
Compliance Officer

Lisa Patterson
Marketing Manager

Maureen Mahoney
Marketing Coordinator

Dennis Barron
Graphics and Production Specialist



Stephen W. Rost

Chief Investment Officer- Fixed Income

Steve Rost is a Senior Portfolio Manager at Great Lakes Advisors. He is responsible for all fixed income products delivered to the firm’s institutional and high net worth clients. He is also a member of the management team that oversees Great Lakes Advisors.

In 1990, Steve was one of founders of Great Lakes Advisors, Inc. Since that time, he has been responsible for fixed income products as well as the overall management of the company. He also handles all mortgage-backed and commercial mortgage-backed investing for the firm’s clients. Prior to Great Lakes, Steve spent almost six years at Stein Roe & Farnham in Chicago managing the firm’s fixed income portfolios and taxable mutual funds.

Steve earned an MS in Finance, Investments, and Banking from the University of Wisconsin at Madison and a BA from the University of Iowa. Steve lives outside of Woodstock, Illinois with his wife and four children.



William N. Gregg

Senior Portfolio Manager

William Gregg has over 30 years of trading and market experience which includes eight years leading and growing a successful alternative asset management company.

Prior to joining Great Lakes Advisors, Bill was one of the original partners of a fixed income arbitrage hedge fund that grew to over \$1.8 billion in assets. He also founded Windy Hill Asset Management, a boutique firm specializing in global fixed income arbitrage. Most recently, he served as a Senior Portfolio Manager for Peak6, LLC.

Bill holds a BS in Computer Science and Economics from Trinity College in Hartford, Connecticut and an MBA from the J.L. Kellogg Graduate School of Management at Northwestern University

**Emily Li, CFA***Senior Portfolio Manager*

Emily Li has been a part of the firm for over 16 years. She is directly involved in the management of the firm's fixed-income assets, with particular emphasis on the corporate and treasury sectors of the marketplace.

Prior to joining Great Lakes Advisors, she spent 12 years at Harris Investment Management where she was Chief Financial Officer and then Principal, Portfolio Manager, managing institutional fixed-income portfolios.

After receiving a BA in International Business from National Taiwan University and an MBA from Indiana University, Emily worked in various capacities at Brunswick Corporation and The Quaker Oats Company before entering the investment management business. From July 2000 to June 2001, Emily served as an officer of the CFA Society of Chicago (previously the Investment Analyst Society of Chicago). From July 2001 to June 2005, she was a Director of the CFA Society of Chicago.

**Patrick M. Morrissey***Senior Portfolio Manager*

Patrick M. Morrissey is a Senior Portfolio Manager for Great Lakes Advisors. He brings over 30 years of investment management experience, including 24 years running tax-exempt mutual funds.

Prior to joining Great Lakes, Patrick served as Managing Director of Tax-Free Investments at Bank One Investment Advisors Corp., now JPMorgan Fleming Asset Management. There, he managed 11 Tax-Exempt Mutual Funds with \$15 billion under management. Most recently, Patrick acted as Managing Director and Head of Tax-Exempt Investments at FSI Capital where he developed, marketed, and managed tax-exempt alternative investment strategies.

Patrick holds a BS in Finance from the University of Wisconsin-Oshkosh and is a member of the Chicago Municipal Analysts' Society.



Rich Rokus, CFA

Senior Portfolio Manager

Richard Rokus is a Senior Portfolio Manager at Great Lakes Advisors. He has over 20 years of experience as an investment professional dedicated to fixed income portfolio management. As a portfolio manager for the firm, Rich is responsible for the management of all taxable short-duration fixed income portfolios.

Rich has managed numerous fixed income strategies. During his 17 years at M&I Investment Management Corp., Rich was responsible for managing over \$18 billion in taxable mutual funds, limited partnerships, and separate accounts. As a member of the Fixed Income Policy Committee, Rich had oversight responsibility for all fixed income products managed by the firm. He also managed the securities lending trading desk. As a Portfolio Manager of the Marshall Prime Money Market Fund, he received the IBC Money Fund Report award for the highest yielding taxable money market fund in 1998, as well as the Crane Data and IMoney.net awards for the highest yielding AAA-rated taxable institutional money market fund in 2009.

Rich received a BBA in Finance from the University of Wisconsin at Whitewater. He is a Chartered Financial Analyst (CFA) and a member of the CFA Society of Milwaukee.



Scott Schneider

Senior Research Analyst

Scott Schneider is a Senior Research Analyst with more than eight years of industry experience. He assists the firm's fixed income group supporting both taxable and tax-exempt fixed income investment strategies. Scott supports the group in a variety of capacities from analysis to client support. Prior to joining the firm, he worked at SMW Trading Company, Inc., trading equity, interest rate, and commodity futures.

Scott graduated from the University of Illinois, Champaign-Urbana in 2001 with a major in Economics.

DISCLOSURES: SHORT FIXED INCOME



Year	Composite Gross Return	Composite Net Return*	Index Return (Barclays Capital 1-3 Yr. Govt/Credit)	Internal Dispersion (%)	Number of Composite Portfolios	Composite Assets (\$ millions)	Total Firm Assets (\$ millions)	% of Firm Assets
1Q14	0.17	0.11	0.23	0.12	3	83.12	5,819.60	1.43
2013	0.66	0.42	0.63	0.12	3	82.98	5,400.05	1.54
2012	2.54	2.30	1.26	0.20	3	75.44	4,449.22	1.70
2011	1.85	1.55	1.58	0.08	2	55.42	4,183.49	1.32
2010	3.60	3.30	2.80	0.13	2	54.38	2,236.77	2.43
2009	6.83	6.53	3.83	0.85	2	52.28	2,243.85	2.33
2008	2.12	1.82	4.98	0.14	2	49.08	2,193.88	2.24
2007	6.07	5.77	6.83	0.03	2	47.76	2,937.19	1.63
2006	4.91	4.61	4.26	0.09	2	45.06	2,823.61	1.60
2005	2.35	2.05	1.76	0.05	2	45.34	1,832.31	2.47
2004	1.80	1.50	1.28	0.09	2	41.24	2,175.32	1.90
2003	2.99	2.69	2.82	0.09	2	40.40	1,720.95	2.35

• **Historically, net performance is gross performance after the subtraction of only investment management fees. Net returns are calculated by subtracting the highest applicable separately managed account fee (0.30% on an annual basis) from the gross composite quarterly return. Effective 1/1/12, Great Lakes Advisors adopted a new methodology to calculate net composite returns and actual fees paid are now utilized.*

• “Great Lakes Advisors, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Great Lakes Advisors, LLC has been independently verified for the periods 1/1/1993 through 3/31/2011. A copy of the verification report is available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm’s policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.”

• A complete list of firm composites and performance results, and the policies for valuing portfolios, calculating performance, and preparing GIPS compliant presentations are available upon request.

• **Fee Schedule:** The standard institutional-only separately managed account fee schedule for the Short-Term Fixed Income composite is as follows: 0.30% on the first \$10 million; 0.20% on the next \$40 million; 0.15% over \$50 million.

DISCLOSURES: SHORT FIXED INCOME



- **Carve-Outs:** For periods prior to 1/1/10, the Short-Term Fixed Income Composite included segments of balanced accounts (“carve-outs”) whereby return calculations included cash within balanced accounts allocated to segments based on target asset allocation weightings. The percentage of the Short-Term Fixed Income Composite assets represented by these carve-outs as of each annual period end is as follows: for 2009: 4.21%; for 2008: 2.97%; for 2007: 5.18%; and for 2006, 5.88%. Effective 1/1/10, balanced accounts were divided into separate portfolios; therefore, the Short-Term Fixed Income Composite no longer include segments of balanced accounts.
- **Benchmark:** The benchmark selected for comparison of returns for the Short-Term Fixed Income Composite is the Barclays Capital 1-3 year Government/Credit, an unmanaged index considered representative of performance of short-term investment-grade U.S. corporate and government bonds with maturities from one to three years. For comparison purposes, each index is fully invested, which includes the reinvestment of income. The returns for the index do not include any transaction costs, management fees or other costs. The index is not available for direct investment.
- **Composite Description:** The Short Term Fixed Income Composite includes all institutional, discretionary, fee paying, tax-exempt total return portfolios of taxable bonds with portfolio durations and security guidelines that are similar to the composite’s benchmark, the Barclays Capital 1-3 Year Government/Credit Index. Portfolios subject to substantial client imposed restrictions are excluded from the composite. Beginning on June 30, 2012, the minimum portfolio size for inclusion in Short Term Fixed Income Composite is \$2 million USD. Accounts are added to the composite when they have been fully invested and their duration is similar to that of the Barclays Capital 1-3 Year Government/Credit Index. Accounts are removed from the composite prospectively, while retaining their prior historical performance in the composite, at termination of the Firm as investment manager, when there is a change in the benchmark, when the value of the account drops below \$1 million for a period of nine consecutive months, or when investment policy guidelines are instituted substantially restricting implementation of the Short Term Fixed Income Composite strategy. Accounts within this composite do not employ leverage. The composite inception date and GIPS standards creation date was June 30, 1999. All cash reserves and equivalents are included in returns. Returns are time weighted and include reinvestment of dividends, income and gains. The value of assets is expressed in U.S. dollars.
- **Ex-Post Standard Deviation:** The three-year annualized ex-post standard deviation of the Short-Term Fixed Income composite and benchmark as of each year end is as follows:

Year	Composite 3-Yr St Dev (%)	BC 1-3 Yr. Govt/Credit 3-Yr St Dev (%)
2013	0.69	0.55
2012	0.85	0.73
2011	1.30	1.01
2010	2.18	1.70

GENERAL DISCLOSURES



- **Definition of the Firm:** Great Lakes Advisors, LLC (“Great Lakes” or “GLA”) is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. Established in 1981, Great Lakes is a subsidiary of Wintrust Financial Corporation and a part of the Wintrust Wealth Management family of companies. On October 1, 2013, majority owned subsidiary Advanced Investment Partners, LLC (“AIP”) became fully-owned and integrated into Great Lakes. Great Lakes is a distinct business unit with distinct investment processes and procedures relating to the management and/or trading of investment portfolios for its clients.
- **Fees:** Great Lakes Advisors, LLC’s fees are available upon request and may be found in our Form ADV Part 2A. Performance results are presented gross and net of investment management fees.
- **Performance Results & Returns:** Returns are dollar and time weighted and include reinvestment of dividends, income and gains. All cash equivalents used by the manager are included in returns. Rates of return presented are historical results. Future results may differ or vary from the past performance results presented. Past performance is no guarantee of future results.
- **Internal Dispersion:** The internal dispersion of the composite returns is calculated using the asset-weighted one-year standard deviation of annual gross-of-fees returns of those portfolios that were included in the composite for the entire year.
- Performance data quoted herein represents past performance. All data is as of March 31, 2014, unless otherwise noted. Returns and net asset value will fluctuate. Performance figures have been reduced by the actual fees paid by composite accounts; applicable fees may vary depending on a number of factors, including the relevant fee schedule and portfolio size. For performance current to the most recent month end, please call 866-WH-DIRECT. Additionally, market commentary is available on the firm’s website at greatlakesadvisors.com or upon request.

All indices are unmanaged and performance of the indices includes reinvestment of dividends and interest income, unless otherwise noted. The indices are not illustrative of any particular investment and it is not possible to invest directly in an index. Indices are not managed or sold by Great Lakes Advisors or any of its affiliates.

Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investment in lower-rated and non-rated securities presents a greater risk of loss to principal and interest than higher-rated securities. To determine if an investment strategy is appropriate for you, carefully consider the investment objectives, risk factors, and expenses before investing.

Securities and insurance products offered through Wayne Hummer Investments (Member FINRA/SIPC), founded in 1931. Trust and asset management services offered by The Chicago Trust Company, N.A. and Great Lakes Advisors, respectively. Investment products such as stocks, bonds, and mutual funds are not insured by the FDIC or any federal government agency, not bank guaranteed or a bank deposit, and may lose value. ©2014 Wintrust Wealth Management.



If you would like further information please do not hesitate to contact Great Lakes Advisors at:

www.greatlakesadvisors.com

222 S. Riverside Plaza, 28th Floor

Chicago, Illinois 60606

312.553.3700



Agenda Item Executive Summary

Title: Village-Wide Community Survey

Presenter: E. Gene Greable, Village President

Agenda Date: 09/02/2014

Consent: YES NO

- | | |
|-------------------------------------|-------------------------|
| <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | Bid Authorization/Award |
| <input checked="" type="checkbox"/> | Policy Direction |
| <input type="checkbox"/> | Informational Only |

Item History:

- May 13, 2014, Council Study Session: Strategic Planning, Goal Setting
- June 10, 2014, Council Study Session: Strategic Planning, Next Steps
- July 8, 2014, Council Study Session: Community-Wide Village Survey, Update
- July 15, 2014, Regular Council Meeting: Village Survey Development & Administration, National Research Center (NRC)

Executive Summary:

After retaining NRC to develop and administer the Village's inaugural community-wide survey, a schedule, potential topics, and draft questions were created. The process, outlined by NRC and the Survey Team, then expanded to input from the Council, Staff, and the boards/commissions. The input received has led to several significant revisions of the survey, focusing on the areas of core service evaluation, downtown revitalization, and demographics.

Recommendation:

Provide policy direction.

Attachments:

None.