

MINUTES

BOARD OR COMMISSION: Glen Ellyn Police Pension DATE: 7/13/11

MEETING: Regular X Special _____ CALLED TO ORDER: 7:27 PM

QUORUM: Yes X No _____ ADJOURNED: 9:28 PM

MEMBER ATTENDANCE: PRESENT: John Adduci, Bill Housey,
James Monson, James Mullany,
Raymond Munch

OTHERS: Investment Manager
Merrill Rajeck, Interim Treasurer
Larry Noller

AUDIENCE: Bob Thompson, Terese
Krafcheck and Spencer Klein from
MB Financial

CALL TO ORDER:

The July 13, 2011 regular meeting of the Glen Ellyn Police Pension Board was called to order by Trustee Adduci at 7:27 PM in Room 301 of the Glen Ellyn Civic Center. A quorum was present.

AUDIENCE PARTICIPATION:

None.

APPROVAL OF MINUTES:

Trustee Mullany moved, seconded by Trustee Housey to approve as printed the April 13, 2011 meeting minutes. The Motion carried unanimously.

QUARTERLY INVESTMENT MANAGER'S REPORT:

Merrill Rajeck presented the Investment Management Review of investment activity. Corporate investments were down approximately .5% and bonds up approximately 3.4% for a performance total of a 1.07% increase for the quarter ending June 30, 2011. Year-to-date, the investment portfolio has increased 3.72%. Over the past 12 months, the fund has realized an 11.99% investment return.

Manager Rajeck noted that cash flow is solid, and securities will not need to be sold to pay for pension contributions. The funding level is at 66%.

In response to a question, Manager Rajeck identified General American Investors and Source Capital, Inc. as closed end funds. General American is a high quality growth fund and Source Capital is a more volatile mid cap fund.

There was discussion among the Trustees concerning the current allocation strategy, with Manager Rajeck answering several questions to support the proposal to reduce Liquidity Reserves and increase Equity Securities and Fixed Income Securities as outlined in the Investment Management Review.

At this point, Manager Rajeck left the meeting.

ELECTION OF PENSION FUND OFFICERS:

Trustee Mullany nominated Trustee Adduci as President.

Trustee Munch nominated Trustee Mullany for Vice President

Trustee Monson nominated Trustee Munch for Secretary

Trustee Housey nominated Trustee Monson for Assistant Secretary.

Trustee Adduci moved and Trustee Mullany seconded a motion to retain officers as nominated. The motion was carried unanimously.

MB PRESENTATION:

Bob Thompson, Terese Krafcheck and Spencer Klein made a presentation to the Trustees for consideration of MB Financial to act as investment manager. Their presentation explained how MB looks at an investment opportunity with a view of the municipality's risk tolerance. Goals are set and then the asset allocation is established. They look at diversity more than market timing. They discussed their investment philosophy and how investment vehicles are chosen. It was pointed out that as a bank, MB does not have house investment products, thus eliminating a source of potential conflict of interest. MB's compensation is fee only. Staff would make a presentation quarterly at the Pension Board meeting, and has a team of people who would be available for these meetings. The Trustees thanked MB for their presentation and their interest.

At this point, the MB representatives left the meeting.

APPROVAL OF MEMBERSHIP CHANGES/CONTRIBUTION REFUNDS/TRANSFERS:

An officer left the department the day before this meeting. The newest officer was voted on at the last meeting.

APPROVAL OF EXPENSES:

The following expenses were recommended for approval:

Illinois Department of insurance (compliance fee):	\$4,186.04
Federal Express:	\$ 36.41
MB Financial:	\$3,768.22

Trustee Munch moved to approve payment of the above expenditures and approval of vouchers as presented by staff, seconded by Trustee Mullany. The motion carried unanimously.

OTHER BUSINESS:

- a. The Trustees discussed the report by Investment Manager Rajeck and the presentation by MB Financial. Merrill Rajeck has been investment manager since approximately 1994. It was agreed that it was good to have a comparison to the current Manager. There are pros and cons to the individual attention and to the more depth of resources. Although the Trustees are not looking to make a change, it is always good to have such discussions. If the Trustees are interested in making a change, they will need to talk to more managers. No action was required on the MB presentation. The information received will be taken under consideration.
- b. The Trustees discussed changing the investment strategy as proposed on page four of Investment Manager Rajeck's report. Trustee Housey noted that there is care about risk as well as return.

Trustee Mullany moved and Trustee Munch seconded a motion to keep the allocation as it is now: 65-25-10 Large Cap-Mid Cap-Small Cap funds. The motion was passed unanimously.

ADJOURNMENT:

Trustee Adduci moved to adjourn the meeting. Trustee Munch seconded the motion, which was carried unanimously. The July 13, 2011 meeting was adjourned at 9:28 PM.

Submitted by Karen Blake, Recording Secretary

Reviewed by L. Noller, Interim Treasurer, Village of Glen Ellyn