

BOARD OR COMMISSION: Glen Ellyn Police Pension

MEETING: Regular

QUORUM: Yes

DATE: January 11, 2012

CALLED TO ORDER: 7:34 p.m.

ADJOURNED: 8:58 p.m.

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

ABSENT: None

OTHERS: Investment Manager Merrill Rajeck, Treasurer Kevin Wachtel

AUDIENCE: None

CALL TO ORDER:

The January 11, 2012 regular meeting of the Glen Ellyn Police Pension Board was called to order by Trustee Adduci at 7:32 p.m. in Room 301 of the Glen Ellyn Civic Center. A quorum was present.

AUDIENCE PARTICIPATION:

None.

WELCOME:

Trustee Adduci introduced new treasurer Kevin Wachtel to the group.

APPROVAL OF MINUTES:

Trustee Mullany moved to approve the October 19, 2011 meeting minutes with the addition of the new officer Phillip Wessel's name to the "Approval of Membership Changes" section, and Trustee Munch seconded. The motion carried unanimously.

QUARTERLY INVESTMENT MANAGER'S REPORT:

Merrill Rajeck presented the Quarterly Investment Manager's Report of investment activity.

Trustee Housey questioned the difference between the Corporate Investment Return of -1.07% and the Standard & Poor's Stock Index of 2.04% for the past 12 months. Manager Rajeck responded the difference was very slight but due to the underperformance of the international funds.

Trustees Housey and Munch voiced questions about portfolio's bond ladder. Manager Rajeck began investing in bonds due to non-predictable stocks and now the portfolio has good equity. If bonds are not currently making money, Manager Rajeck suggests waiting to rebuild the bond ladder once bonds

returns have begun to increase a few years. The commission wants a 15% allocation of bonds in the portfolio.

Trustee Housey stated the portfolio would be better investing in 2% funds than keeping funds as cash for short durations. Manager Rajeck agreed and will investigate and select a fund to invest cash. Trustee Housey asked about purchasing Step-up CDs. Manager Rajeck responded CDs are hard to track and are not favored but will investigate options.

The commission discussed using the Vanguard four-year chart to gauge stock market. Charts indicate a 2-3% growth in the next few years with a based on living growth of zero. For the board, this would indicate a good time to buy stock on the lower range now and sell on the higher when stock increases. The plan is to move the portfolio into a growth oriented portfolio to prepare now for when the market starts to grow again. The ideal breakdown for the portfolio would be 38.4% equity, 11.6% fixed income and 50% corporate investment with 1.8% from money market and 48.2% from GSE fixed.

Trustee Munch moved, and Trustee Monson seconded, to approve the Quarterly Investment Manager's Report. The Motion carried unanimously.

For the long term investment policy, the board wants to select a set of benchmarks for tracking domestic and international investments, and asked Manager Rajeck to investigate two options to use as benchmarks.

At this point, Manager Rajeck left the meeting.

APPROVAL OF EXPENSES:

The following expenses were recommended for approval:

Accounts Payable Warrant PP1011-1	\$8,209.00
Accounts Payable Warrant PP1011-2	\$3,748.42
Accounts Payable Warrant PP0112	\$1,300.00
Pension Payments and Manager Fees	\$13,257.42

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

APPROVAL OF MEMBERSHIP CHANGES/CONTRIBUTION REFUNDS/TRANSFERS:

Trustee Monson reported received a letter from Allen Villeges requesting a transfer of his pension to the Alsip Police Department. Alsip needs to send the board a request once Alsip computes Villeges' pension buy-in amount before the transfer can occur.

Trustee Munch reported the annual statement currently contains money from three people no longer in the fund, and questioned the legal obligation of the board to contact these people about their money and if people have to specifically request the money at the time of their departure. The board agreed to review the annual statement when it is prepared and to send letters to any individuals when money in the fund who are no longer in the fund. Trustee Munch will further investigate the issue.

A new officer was hired September 30, 2011 and is scheduled to attend police training academy.

Trustee Mullany moved, and Trustee Housey seconded, to accept the application of the newest officer. The Motion carried unanimously.

LONG TERM INVESTMENT POLICY:

Trustee Adduci will forward a few changes to the long term investment policy to Trustee Housey for updating and redistribution to the board.

Trustee Munch questioned the benchmarks being used to measure the portfolio, and requested the board adopt the set of benchmarks for the investment manager and not have the investment manager set their own benchmarks. Trustee Housey will investigate benchmarks that are easily accessible for the investment manager to utilize and will ask Manager Rajeck to review three benchmarking options.

Trustee Monson reported the policy is missing an asset custodian section and referred to the section used in Carol Stream's policy. Trustee Housey agreed to add a section to the investment policy.

OTHER BUSINESS:

The board discussed benefit changes and increases for the next calendar year. Trustee Mullany moved, and Trustee Monson seconded, to approve benefit changes for the new calendar year. The Motion carried unanimously.

Trustee Mullany announced he will be attending the Illinois Public Pension Fund Association (IPPFA) Illinois Pension Spring Conference will be held in May 2012, and requested any other trustees wanting to attend to contact him to coordinate registrations.

NEXT MEETING:

The next meeting will be April 11, 2012.

ADJOURNMENT:

Trustee Mullany moved, and Trustee Housey seconded, to adjourn the meeting. The motion carried unanimously. The January 11, 2012 meeting was adjourned at 8:58 p.m.

Submitted by Jody Conidi, Recording Secretary