

BOARD OR COMMISSION: Glen Ellyn Police Pension

MEETING: Regular

QUORUM: Yes

DATE: April 11, 2012

CALLED TO ORDER: 7:30 p.m.

ADJOURNED: 8:49 p.m.

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

ABSENT: None

OTHERS: Investment Manager Merrill Rajeck, Finance Director Kevin Wachtel, Assistant Finance Director Christina Coyle

AUDIENCE: None

CALL TO ORDER:

The April 11, 2012 regular meeting of the Glen Ellyn Police Pension Board was called to order by Trustee Adduci at 7:30 p.m. in Room 301 of the Glen Ellyn Civic Center. A quorum was present.

AUDIENCE PARTICIPATION:

None.

APPROVAL OF MINUTES:

Trustee Mullany moved to approve the January 11, 2012 meeting minutes, and Trustee Housey seconded. The motion carried unanimously.

QUARTERLY INVESTMENT MANAGER'S REPORT:

Manager Rajeck presented the Quarterly Investment Manager's Report; and reviewed the Investment Management Review and the summaries of the Barclays Capital U.S. Treasury Bond Index, Russell 3000 Index, and MSCI ACWI ex U.S. Index. The summaries will be used as benchmarks to measure GEPPF Performance.

Manager Rajeck reported the purchase of strips to get money out of lower interest money market fund and to fill in the ladder for when interest rates increase; also better alternative to Step CDs. The strategy is to have cash available now so when there is something decent to purchase the fund has the cash to purchase it. This will allow the board to load up in front of the curve for a defensive position. Rajeck reported a healthy cash flow with no concern for having to sell anything, the money market outlook is

very low with flat line on bottom, and he would like to move into shorter end zeros. Rajeck showed a variety of general equity funds he'd like added to the portfolio in order to move into a grow strategy.

Trustee Adduci inquired why large caps were doing better than small and mid. Rajeck responded the market was still fearful and uncertain which leads to a market that favors large companies.

Trustee Munch inquired about international growth. Rajeck answered Canada and Australia have good natural resources, and Canada has oil. Trustee Adduci favors international diversity, but Rajeck likes domestic because the board knows the rules. In the future, Trustee Munch wants to look at investing in international funds that are currently very low. Rajeck said the international menu has Latin America as an emerging market and there are other alternatives. Trustee Housey stated our target for international investment is 0-10%; it is currently at 1½%.

At this point, Rajeck left the meeting at 8:17 p.m.

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

RENEWAL OF ANNUAL FIDUCIARY LIABILITY POLICY:

The Village of Glen Ellyn has submitted a quote for the renewal of the annual fiduciary liability policy, and is waiting to receive it. Once the quote is received, it will be available at the police department for the trustees to sign individually. The current policy expires in May or June 2012.

Trustee Mullany motioned, and Trustee Housey seconded, to approve payment of the renewal amount, if the amount does not exceed last year's amount by a 15% increase.

REVIEW AND APPROVAL OF LONG TERM INVESTMENT POLICY:

Trustee Housey presented an update of the long term investment policy. The board can update target allocations in the policy as often as needed. As long as the policy is reviewed annually, the board can review and change asset allocation targets in 12 months. The policy does not have to be updated every year. Trustee Housey will make updates, recirculate the policy once again, and then the policy will be ready for signature.

Trustee Munch moved, and Trustee Housey seconded, to accept the long term investment policy.

APPROVAL OF MEMBERSHIP CHANGES/CONTRIBUTION REFUNDS/TRANSFERS:

Trustee Monson reported a new member, Michael Jagodzinski, applied to the pension fund. Jagodzinski was hired March 29, 2012. Trustee Mullany moved, and Trustee Monson seconded, to accept the application of Michael Jagodzinski. Motion carried unanimously. Trustee Adduci signed the application approving the new member.

No request was received from the Alsip Police Pension requesting a transfer of Allen Villeges' pension from Glen Ellyn to Alsip.

The board will review the annual statement for former Glen Ellyn officers who have not requested a transfer of their pension fund from Glen Ellyn to their new pension fund. Letters will be sent to these officers at that time requesting direction.

APPROVAL OF EXPENSES:

The following expenses were recommended for approval:

Accounts Payable Warrant PP0112-1	\$3,826.65
Accounts Payable Warrant PP0212	\$125.00
Pension Payments and Manager Fees	\$8,412.00

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

Roll Call – Adduci, Housey, Monson, Mullany, Munch

OTHER BUSINESS:

Finance Director Kevin Wachtel introduced the Village of Glen Ellyn’s new Assistant Finance Director Christina Coyle.

Finance Director Wachtel distributed the Village of Glen Ellyn Advisory Board & Commission Manual: Police Pension Board dated April 2012.

Finance Director Wachtel reported on a study of consolidation of all police pension funds; including funds above a certain amount, and funds where pensions had to invest. There were partial consolidations to allow smaller pension funds the opportunity to save fees and full consolidations options for downstate pension funds. The study is available on the Illinois Municipal League website.

Trustee Mullany presented a memo to the board stating Mullany had completed 16 hours of trustee training for the period of April 1, 2011 through March 31, 2012 per Illinois Public Pension Fund Association (IPPPFA) recommendations. Training consisted of attending an eight-hour regional seminar and online training. Attached to the memo was a certificate showing completion of an eight-hour session at the IPPFA Regional Seminar on March 14, 2012. The session was related to the open meeting act. According to the act, the board needs to have online training by the end of this year and new board members must complete training within 90 days of appointment. Online training is available at www.illinoisattorneygeneral.gov and by click the Ensuring Open and Honest Government link and logging on to the OMA/FOIA Portal.

NEXT MEETING:

The next meeting will be July 11, 2012.

ADJOURNMENT:

Trustee Mullany moved, and Trustee Housey seconded, to adjourn the meeting. The motion carried unanimously. The April 11, 2012 meeting was adjourned at 8:49 p.m.

Submitted by Jody Conidi, Recording Secretary

President