

DRAFT DATED 10/17/12

BOARD OR COMMISSION: Glen Ellyn Police Pension

MEETING: Regular

QUORUM: Yes

DATE: October 17, 2012

CALLED TO ORDER: 7:33 p.m.

ADJOURNED: 9:00 p.m.

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

ABSENT: None

OTHERS: Investment Manager Merrill Rajeck, Finance Director Kevin Wachtel

AUDIENCE: None

CALL TO ORDER:

The October 17, 2012 regular meeting of the Glen Ellyn Police Pension Board was called to order by Trustee Adduci at 7:33 p.m. in Room 301 of the Glen Ellyn Civic Center. A quorum was present.

AUDIENCE PARTICIPATION:

None.

APPROVAL OF MINUTES:

Trustee Adduci noted Trustees Housey and Munch were listed as present and absent on the July 11, 2012 minutes; both trustees were absent. Trustee Mullany moved to approve the July 11, 2012 meeting minutes noting the change, and Trustee Monson 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 with the board. In the past three months, the net total fund investment return was 2.5% and segment rates of return were above benchmarks. Two stocks were added to the portfolio: Vanguard Utilities Index ETF and MSCI Canada Index Fund. Looking to the next three month period, one bond will be called in November. Gross rate of return rate is 2.55 for three months and 6.09 for 12 months. The fund's cash flow is good. In the future, Manager Rajeck would like to invest in Growth Funds, Consumer Staples, and Australia and Singapore Index Funds, along with increasing investment in Utilities Vanguard.

Trustee Housey asked about the overvaluation of utility funds because they are seen as a safe haven. Manager Rajeck responded there is a need to be concerned. Utilities are currently benefiting from very

low production costs and need to be watched, but he feels utilities are a solid investment on the more conservative side of investing and the fund is on solid footing.

Trustee Adduci questioned about investing in annuities instead of zero coupons because the return on investment for zeros is less than 2% for five years. Manager Rajeck replied the law on investments has changed and annuities can make up 10% of the fund. Although annuities are good for individuals, he does not feel they are a good match for this fund right now with one reason being the usually high expense ratio associated with annuities.

Trustee Housey questioned if the fund was well positioned for any vitality in the market. Manager Rajeck confirmed the fund was in a good position.

At this point, Manager Rajeck left the meeting at 8:13 p.m.

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

APPROVAL OF EXPENSES:

The following expenses were recommended for approval:

Northern Illinois University (IPPPA Conference Fees for Monson & Munch).....	\$570.00
Jay Company	\$8,459.00
MB Financial.....	\$3,908.32

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

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

APPROVAL OF MEMBERSHIP CHANGES/CONTRIBUTION REFUNDS/TRANSFERS:

Trustee Monson reported the Village of Glen Ellyn hired two new police officers. The new officers are currently at the academy, and he will bring their information to the next board meeting.

ANNUAL REPORT TO THE DEPARTMENT OF INSURANCE

Trustee Adduci verified the trustees have all received training. After the Annual Report to the Department of Insurance is filed, Finance Direct Wachtel will submit copies of the report to the board for review.

ANNUAL ACTUARY REPORT AND ANNUAL REPORT TO VILLAGE BOARD

The board discussed actuarial assumption material submitted to the board by Finance Director Wachtel. Trustee Mullany motioned to approve an assumption of 7.25% for investment contributions and 5.5% for salary, and Trustee Housey amended the motion that the assumption would decrease to 7.0% for investments and 5.25% for salary upon the second year. Trustee Mullany agreed.

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

Trustee Adduci will send a memo stating the board's recommendation for actuarial assumptions to Finance Director Wachtel.

OTHER BUSINESS:

None.

NEXT MEETING:

The next meeting will be January 9, 2013.

ADJOURNMENT:

Trustee Housey moved, and Trustee Mullany seconded, to adjourn the meeting. The motion carried unanimously. The October 17, 2012 meeting was adjourned at 9:00 p.m.

Submitted by Jody Conidi, Recording Secretary

President