

BOARD OR COMMISSION: Glen Ellyn Police Pension

MEETING: Regular

QUORUM: Yes

DATE: January 9, 2013

CALLED TO ORDER: 7:32 p.m.

ADJOURNED: 8:44 p.m.

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

ABSENT: None

OTHERS: Investment Manager Merrill Rajeck, Finance Director Kevin Wachtel,  
Former Trustee Raymond Munch

AUDIENCE: None

CALL TO ORDER:

The January 9, 2013 regular meeting of the Glen Ellyn Police Pension Board was called to order by Board President Adduci at 7:32 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 October 17, 2012 meeting minutes, 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 1.9% and segment rates of return stayed with market. Technologies didn't perform well for the fourth quarter or energy for the year. Two items were purchased: a bank CD and futures. The estimated cash flow will be impacted with maturities in November and December 2013. Manager Rajeck discussed proposed investments for 2013.

Trustee Housey requested a summary of the 2012 financial situation. Manager Rajeck responded the energy segment was a hedge; it looked like an economy with more growth but actually had slow growth; there is discussion of the United States becoming an energy exporter that would make energy a nice solid, but not worth a large investment. Going into 2013, he would like to build up equity and corporate fixed incomes.

At this point, Rajeck left the meeting at 8:12 p.m.

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

APPROVAL OF EXPENSES:

The following expenses were recommended for approval:

James Monson, IPPFA Conference.....	\$597.33
MB Financial, Bank Fees.....	\$4,006.05
Timothy Sharpe, Actuarial Valuation .....	\$1,050.00
Jay Company, Investment Manager Fees .....	\$8,536.00
Cahill, Chadwick & Garvy, Accounting Services .....	\$525.00
IPPFA, Annual Dues.....	\$775.00

Trustee Mullany moved, and Trustee Monson seconded, to approve payment of the above expenditures and approval of monthly pensions as presented by staff.

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

The Motion carried unanimously.

APPROVAL OF MEMBERSHIP CHANGES

Trustee Monson presented two new police officers to the board: Brad Thompson and Marvin Thomas. The applications for participation in the Glen Ellyn Police Pension from Brad Thompson and Marvin Thomas were approved by unanimous voice vote.

There were no other changes or transfers.

ANNUAL REPORT TO THE DEPARTMENT OF INSURANCE

Director Wachtel presented the approved Annual Report to the Department of Insurance for ratification. He reported the original report has already been filed, and the demographic information related to the fund had been successfully submitted.

Trustee Mullany motioned, and Trustee Monson seconded, to ratify the Annual Report to the Department of Insurance.

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

ANNUAL ACTUARY REPORT AND ANNUAL REPORT TO VILLAGE BOARD

Director Wachtel reported the actuary report produced by Tim Sharpe was based on assumption changes the board and Village Board recommended. After reviewing the recommendations of the Police Pension Board and Finance Commission, the Village Board decided upon assumptions of 7.25% for investment returns and 5% for salary increases to determine the FY13/14 employer contribution, but did not set assumptions for the following year yet. The Village Board will be required to relook at all assumptions in another year or two based on a new GASB financial reporting rule. Director Wachtel confirmed the Pension Board does not have to take any action on the report.

Trustee Monson motioned, and Trustee Housey seconded, to ratify the Annual Actuary Report and Annual Report to the Village Board.

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

OTHER BUSINESS:

ANNUAL STATUTORY BENEFIT CHANGES

The board reviewed the Scheduled Pension Increased dated January 1, 2013, which calculates statutorily required increases for annuitants. Per statute, most annuitants receive a 3% increase, while others receive a lesser amount or zero percent, depending on the classification of their pension, age, or other factors.

Trustee Mullany motioned, and Trustee Monson seconded, to approve the scheduled pension increases as printed and in accordance with state law.

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

BOARD MEMBERSHIP UPDATES

President Adduci reported that Former Trustee Munch has submitted a resignation letter to the board due to injuries received in the line of duty in June 2012. Munch presented an application for disability pension, reporting doctors will not approve his return to regular duty and he is only approved for light duty. The Village of Glen Ellyn does not have any permanent light duty positions available.

The board will need to hold a hearing to review the application. The board's attorney will need to rule on the use of three doctors for opinions. Munch requested his physician be used as one of the contributing doctors.

Trustee Mullany asked if the individual who caused the injury that causes a disability pension can be held financially accountable to the fund since disability payments will be distributed from the pension fund and not from an insurance claim.

President Adduci and Trustee Monson will contact board attorney Rick Reimer to discuss how to proceed with a special hearing, the use of two or three physicians, and to learn how to fulfill the board's obligation to the pension fund. The Pension Board may be required to call special meetings to facilitate the disability hearing process.

ELECTIONS

Trustee Monson questioned holding a special election to fulfill the pension board vacancy made by former Trustee Munch's resignation. The board agreed to wait for the regular election in spring, 2013. Director Wachtel needs to identify a board secretary for the Illinois Public Pension Fund Association (IPPFA) membership application and other reports; Trustee Monson will be acting secretary until the position is filled by election.

NEXT MEETING:

The next meeting is scheduled April 10, 2013.

ADJOURNMENT:

Trustee Mullany moved, and Trustee Housey seconded, to adjourn the meeting. The motion carried unanimously. The January 9, 2013 meeting was adjourned at 8:44 p.m.

Submitted by Jody Conidi, Recording Secretary

Reviewed by Kevin Wachtel, Finance Director