

BOARD OR COMMISSION: Glen Ellyn Police Pension

MEETING: Regular

QUORUM: Yes

DATE: October 23, 2013

CALLED TO ORDER: 7:26 p.m.

ADJOURNED: 9:24 p.m.

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

ABSENT: None

OTHERS: Investment Manager Merrill Rajeck, Finance Director Kevin Wachtel, National Investment Services Principal John Fremgen, Principal/Managing Partner Norman Sidler, Portfolio Manager Mark Anderson

AUDIENCE: None

CALL TO ORDER:

The October 23, 2013 regular meeting of the Glen Ellyn Police Pension Board was called to order by President Adduci at 7:26 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 July 10, 2013 meeting minutes, and Trustee Monson seconded. The motion carried unanimously.

Trustee Mullany moved to approve the August 28, 2013 special meeting minutes as corrected, 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 with the board. In the past three months, the market increased and the total fund investment return increased 2.19% and net total fund investment return increased 2.15%. The portfolio had two purchases: PIMCO Income Strategy Fund and PIMCO Income Opportunity Fund. Total U.S. stock funds for the period were up 7.73%, total foreign stock funds were up 10.01%, and total corporate fixed income funds went down 1.92%. The bond portfolio was flat.

For year to date, the portfolio rate of return for total U.S. stock funds increased 24.96%, total foreign stock funds increased 9.06%, and total corporate fixed income funds decreased.85% resulting in a total corporate investments increase of 15.46%. Manager Rajeck plans to build up the income tax flow by buying funds; believes risk is a lot lower than consumers believe.

The investment portfolio's maturity value is comprised of 37.4% coupons and 62.6% zeros. The estimated cash flow increased for the period from investment maturities, income and contributions from the village and members, and decreased from benefit payments. The funding level as of April 30, 2013 is 67.5%.

For the equity portfolio allocation, Manager Rajeck would like to increase total government and corporate fixed income funds from 11.5% to 15.0% and decrease the fixed income ladder from 43.8% to 40.0% to achieve a long-term growth pattern.

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

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

APPROVAL OF EXPENSES:

The following expenses were recommended for approval:

Jay Company, Investment Manager Fees	\$8,956.00
Reimer & Karlson LLC, Legal Services.....	\$864.04
MB Financial, Bank Fees.....	\$4,047.02
INSPE Associates, Disability Claim	\$1,521.00
Reimer & Karlson LLC, Legal Services.....	\$936.03
IPPPFA, Membership Dues.....	\$775.00
Coalition for Qualified Plan Status	\$300.00
Reimer & Karlson LLC, Legal Services.....	\$350.00

Trustee Mullany moved, and Trustee Housey seconded, to approve the expense vouchers in the amount of \$17,749.09 and pension expenditures in the amount of \$379,476.72 for a total of \$397,225.81. The Motion carried unanimously.

Roll Call Vote – Aye: President Adduci, Trustee Mullany, Trustee Monson, Trustee Housey, Trustee Terranova

Nay: none

APPROVAL OF MEMBERSHIP CHANGES / CONTRIBUTION REFUNDS / TRANSFERS:

The board discussed and confirmed the disability payment calculations. If there would be a problem with the calculation of a disability payment, the board would be required to meet within 35 days of the recipient receiving the first disability check to discuss the calculation. A special meeting would be called if the board were not scheduled to meet within that time period.

Trustee Monson reported no new memberships, refunds or transfers for the period.

Manager Wachtel reported the board will be required to review Raymond Munch's disability annually.

ANNUAL REPORT

Director Wachtel requested the board review the Department of Insurance report for any changes before its filing. If there are no changes, Director Wachtel will get a certification form for the board to sign.

Trustee Mullany moved, and Trustee Monson seconded, that pending review, the board approve the Department of Insurance report dated April 30, 2013. The motion carried unanimously.

The board discussed the Annual Actuary Report. Director Wachtel reported the funded ratio as of April 30, 2013 was up to 67.5%, and the village board approved continuing to use the same assumption rates for funding the pension. Director Wachtel also reported the village board adopted a policy that included communicating and budgeting the pension fund every year, and calling for a review every five years.

The board discussed the Annual Report to the Village Board. Director Wachtel stated it was a standard report. President Adduci and Trustee Monson signed the report as board president and secretary.

Trustee Mullany moved, and Trustee Monson seconded, to approve the Annual Report to the Village Board as printed. The motion carried unanimously.

MEETING SCHEDULE FOR 2014

The meeting schedule for 2014 is January 8, April 9, July 9, and October 8. Trustee Mullany requested rescheduling the January meeting from January 8 to January 15. The board approved the date change.

OTHER BUSINESS

National Investment Services, Inc. presented a fixed income and equity investing presentation to the board. In attendance from the Chicago office were principal/managing partner Norman Sidler and principal John Fremgen, and portfolio manager Mark Anderson from the Milwaukee office. National Investment Services manages 16 public funds, is a fixed income manager, a member of the Titanium Family of companies, a member of Illinois Public Pension Fund Association (IPPPFA) with knowledge of Illinois pension fund laws, and is 100% employee owned.

At this point, National Investment Services left the meeting at 9:19 p.m.

The board discussed the presentation. Trustee Terranova suggested, and the board agreed, to speak to Manager Rajeck about his future career plans as an investor and to discuss a contingency plan for managing the fund if something were to happen to the manager.

NEXT MEETING:

The next meeting will be January 15, 2013.

ADJOURNMENT:

Trustee Mullany moved, and Trustee Housey seconded, to adjourn the meeting. The motion carried unanimously. The October 23, 2013 meeting was adjourned at 9:24 p.m.

Submitted by Jody Conidi, Recording Secretary

President