

BOARD OR COMMISSION: Glen Ellyn Police Pension

MEETING: Regular

QUORUM: Yes

DATE: January 15, 2014

CALLED TO ORDER: 7:29 p.m.

ADJOURNED: 8:16 p.m.

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

ABSENT: None

OTHERS: Investment Manager Merrill Rajeck, Finance Director Kevin Wachtel

AUDIENCE: None

CALL TO ORDER:

The January 15, 2014 regular meeting of the Glen Ellyn Police Pension Board was called to order by President Adduci at 7:29 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 23, 2013 meeting minutes, and Trustee Terranova 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.

Manager Rajeck compared the Glen Ellyn Police Pension Fund policy percentages to the portfolio percentages as of December 31, 2013:

<u>Investments</u>	<u>Policy</u>	<u>Portfolio</u>
Total Equity Securities	55.0%	51.2%
Large Cap Funds	65.0%	49.8%
Mid Cap Funds	25.0%	29.2%
Small Cap Funds	10.0%	11.0%
Total Fixed Income Securities	40.0%	39.5%

Total Liquidity Reserves	5.0%	9.3%
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The pension fund earnings after adjustments were \$653,456 for the quarter and \$1,887,919 annually. Net Total Fund Investment Return after fees was 2.59% for the quarter and 7.18% annually. The ten year fund percentages exceeded all benchmarks.

For the fourth quarter of 2013, changes to the fund included the sale of S&P 500, Energy, Foreign, and S&P Preferred stock; and the purchase of Vanguard Extended Market Fund, Consumer Discretionary, and PIMCO Corporate and Income stock. The Total Corporate Fixed Income Funds increased from 11.5% to 14.9%. The cash balance changed from 13.3% to 9.3%. For the year 2013,

- Total Equity Index increased from 20.4% to 25.7% with a 29.69% rate of return;
- Total Sector ETFs increased 7.1% to 10.5% with a 12.03% rate of return;
- Total U.S. Stock increased 27.5% to 36.3% with a 22.88% rate of return;
- Total Foreign Stock Funds were sold and ended with a 8.26% rate of return;
- Total Corporate Fixed Income Funds increased 6.4% to 14.9% with a -2.36% rate of return;
- Total Corporate Investments increased 36.1% to 51.2% with a 13.59 rate of return;
- Total Treasury Bonds decreased 46.0% to 39.5 with a -.81% rate of return; and
- Total Cash Balance decreased 18.0% to 9.3%.

The average funding level for the past five years was two-thirds funded. The economy is doing well; interested rates are not expected to increase; and the investment outlook for the portfolio is good.

At this point, Rajeck left the meeting at 8:10 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:

Anthony Terranova, IPPFA Conference Reimbursement.....	\$518.64
Timothy W. Sharpe, Actuarial Fees.....	\$1,200.00
Chadwick and Garvey, LLC, DOI Report Preparation	\$525.00
Jay Company, Investment Manager Fees	\$9,016.00
MB Financial, Bank Fees.....	\$4,137.75
Reimer & Karlson LLC, Legal Services.....	\$1,167.57
Alsip Police Pension Board, Villagas Transfer	\$26,186.52

Trustee Mullany moved, and Trustee Terranova seconded, to approve the expense vouchers in the amount of \$42,751.48 and pension expenditures in the amount of \$388,158.99 for a total of \$430,910.47. The Motion carried unanimously.

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

APPROVAL OF MEMBERSHIP CHANGES / CONTRIBUTION REFUNDS / TRANSFERS:

President Adduci reported Officer Villegas pension fund was transferred to the Alsip Police Pension Fund. Trustee Monson confirmed no new officers were hired during the past quarter.

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

OTHER BUSINESS:

Annual Statutory Benefit Changes:

Trustee Mullany moved, and Trustee Monson seconded, to approve the annual increase of 3% for retirees over the age of 55 as provided by the village.

DOI Actuary Report:

The DOI Actuary Report was presented to the board for information.

Village Fiscal Year Change:

Director Wachtel announced the village is changing its fiscal year. The fiscal year traditionally ended on April 30 and will now be based on calendar year. The upcoming fiscal year will be May 1, 2014 to December 31, 2014, and subsequent years will be per calendar year. The fund will need to adjust some reports for the shortened fiscal year. The only impact to the fund will be reporting; the timing of payments will not be impacted.

MEETING SCHEDULE FOR 2014

The remaining meeting schedule for 2014 is April 9, July 9, and October 8.

NEXT MEETING:

The next meeting will be April 9, 2014.

ADJOURNMENT:

Trustee Mullany moved, and Trustee Housey seconded, to adjourn the meeting. The motion carried unanimously. The January 15, 2014 meeting was adjourned at 8:16 p.m.

Submitted by Jody Conidi, Recording Secretary

President