

BOARD OR COMMISSION: Glen Ellyn Police Pension

MEETING: Regular

QUORUM: Yes

DATE: April 9, 2014

CALLED TO ORDER: 7:30 p.m.

ADJOURNED: 8:59 p.m.

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

ABSENT: None

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

AUDIENCE: None

CALL TO ORDER:

The April 9, 2014 regular meeting of the Glen Ellyn Police Pension Board was called to order by President 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 15, 2014 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.

For the first quarter of 2014, the fund earnings were \$515,212 with a net total fund investment return of 2%; and the segment rates of return on GEPPF U.S. Treasury & GSE was .66%, GEPPF Corporate Fixed Income was 5.75%, and GEPPF Domestic Stocks was 1.93%. Funds purchased for the quarter were Financial Services SPDR sector funds, PIMCO Corporate & Income Strategy fixed income funds which offered a high current income return, and FHLB bonds. Corporate fixed income fund BlackRock Credit Allocation, Power Shares Preferred Portfolio, and Wells Fargo Preferred Stock were sold due to their group yield being 2% lower than the newly purchased PIMCO funds. TVA coupons matured.

Coupons represent one-third of the pension fund portfolio and zeros represent two-thirds with zeros compounding a higher rate than coupons. At present, the pension fund cash flow is good with \$300,000 in investments maturing in April, and the funding level is about two-thirds.

Manager Rajeck reported he is currently happy with the structure of the pension fund and may want to invest in market fund vanguard funds in the future.

At this point, Rajeck left the meeting.

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

APPROVAL OF EXPENSES:

The following expenses were recommended for approval:

Jay Company, Investment Manager Fees	\$9,292.00
MB Financial, Bank Fees.....	\$4,181.41
James Mullany, IPPFA Registration Reimbursement	\$305.00
Reimer & Karlson LLC, Legal Services.....	\$50.00

Trustee Mullany moved, and Trustee Monson seconded, to approve the expense vouchers in the amount of \$13,828.41 and pension expenditures in the amount of \$398,058.93 for a total of \$411,887.34. The Motion carried unanimously.

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

APPROVAL OF MEMBERSHIP CHANGES / CONTRIBUTION REFUNDS / TRANSFERS:

Trustee Monson reported Mark Campbell is retiring from the police department. Director Wachtel confirmed he will be sending Campbell's pension calculations to the board for review.

Trustee Monson also reported Ryan Wilkes inquired about transferring his pension funds to DeKalb; both Wilkes' and the village's contributions would be eligible to transfer.

Director Wachtel has unsuccessfully tried contacting Alsip to inquire about Officer Villegas' December 2013 pension fund check that has still not been deposited.

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

OTHER BUSINESS:

Investment Policy Update:

Assistant Director Coyle reported a new national mandate for boards to update investment policies to include expanded policy disclosures by adding investment targets to the policy to change how figures are reported by expanding numbers to better to compare actual and actuary figures. President Adduci and Trustee Housey were concerned about the impact putting those figures into the pension policy would be and if there was a recommendation. Assistant Director Coyle suggested asking the board's

financial advisor for his recommended figures. Trustee Housey will contact Manager Rajeck for rate recommendations the board can discuss and use for making a final figure decision.

Fiduciary Insurance Renewal:

Director Wachtel reported the fiduciary insurance renewal increased five percent.

Actuarial Assumptions:

Director Wachtel reported the village finance commission is currently addressing the village's overall long-term financials including a strategy for the police pension liability. The finance commission would like to meet with the board to discuss calculations, rates, contributions, and amount of annual payments for lowering funding liability. The commission's long term questions are about establishing a long term goal, discovering how much needs to be contributed, and knowing how often the contribution amount is reviewed. Through Director Wachtel, the board invited the finance commission to attend the next board meeting in July or to schedule a special meeting that all could attend. President Adduci added Tim Sharp would need to be invited and available to attend.

IDOI Report Preparation:

Director Wachtel reported a quote for preparing the IDOI report was requested from a local firm, but after not receiving a quote, one was secured from another firm. President Adduci agreed changing firms if the firm was easier to work with and if the new firm had the same qualifications and would be more reliable.

Trustee Mullany moved, and Trustee Housey seconded, to use auditing firm Sikich to prepare the IDOI report. The Motion carried unanimously.

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

Pension Fund Budget Review:

Director Wachtel reported the village is changing its May 1 through April 30 fiscal year to a calendar fiscal year of January 1 through December 31. The current fiscal year will end April 31, 2014 followed by an eight-month fiscal year of May 1, 2014 through December 31, 2014. After December 31, 2014, all fiscal years will run January 1 through December 31. The impact to the fund for the upcoming fiscal year is the village will make half contributions to the fund in June and September, and then the schedule of contributions will slightly change based on the new calendar fiscal year. No action is required by the board for the change to calendar fiscal year.

NEXT MEETING:

The next meeting will be July 9, 2014.

ADJOURNMENT:

Trustee Mullany moved, and Trustee Monson seconded, to adjourn the meeting. The motion carried unanimously. The April 9, 2014 meeting was adjourned at 8:59 p.m.

Submitted by Jody Conidi, Recording Secretary

President