

BOARD OR COMMISSION: Glen Ellyn Police Pension

MEETING: Regular

QUORUM: Yes

DATE: July 9, 2014

CALLED TO ORDER: 7:30 p.m.

ADJOURNED: 8:35 p.m.

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

ABSENT: Anthony Terranova

OTHERS: Investment Manager Merrill Rajeck, Interim Finance Director Christina Coyle, Edward Jones Rep Ryan Covington, Finance Commissioner Eric Ford, Trustee Liaison Jim Burket, Village Manager Mark Franz

AUDIENCE: None

CALL TO ORDER:

The July 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 noted Trustee Monson presented Membership updates at the April 9, 2014 meeting, not Trustee Mullany. Trustee Monson moved to approve the April 9, 2014 meeting minutes with amendment, 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.

The market value of the pension fund for the quarter ending June 30, 2014 was \$25,897,331. Net total fund investment return for the quarter was 2.96%, and 10.33 for the previous 12 month period. The segment rates of return for GEPPF U.S. Treasury & GSE increased 1.43%, GEPPF corporate fixed income increased 8.39%, and GEPPF domestic stocks increased 3.79%.

Investments for the quarter were the purchase of Vanguard extended market ETF while Synovus Bank and FHLB bonds matured. FHLMC bonds also matured and the funds were reinvested in additional FHLMC bonds. The total equity index was 26.8%, total sector ETFs was 12.9%, and total U.S. stock funds was 39.8%. The total corporate fixed income funds was 15.6% which ended higher than the limit because of returns. Statute does not mandate selling funds if the percentage is higher than 15%. The total rate of return for the quarter was 3.0% and 4.71% for 12 months.

For the quarter ending June 30, 2014, the GSE-CD portfolio was approximately 16% coupons and 84% zeros, the 12 month net cash flow was \$1,129,309, and the funding level was 67.5%.

Manager Rajeck reported he was pleased with the current portfolio and does not foresee a lot of changes to the portfolio over the next quarter unless there is a change in the market.

At this point, Rajeck left the meeting at 8:06 p.m.

Trustee Housey 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:

MB Financial, Bank Fees.....	\$4,207.79
Dekalb Police Pension Fund, Wilkens Transfer.....	\$47,929.40
Jay Company, Investment Manager Fees .....	\$9292.00
The Rockwood Company, Fiduciary Liability Insurance.....	\$4,115.00
Illinois State Treasurer, DOI Compliance Fee.....	4,873.33
James Mullany, IPPFA Travel Reimbursement.....	\$470.11

Trustee Monson moved, and Trustee Mullany seconded, to approve the expense vouchers in the amount of \$70,885.63 and pension expenditures in the amount of \$411,167.48 for a total of \$482,053.11. 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 one new hire, Andrew Hibschan, and signed paperwork for Hibschan will be presented at the next meeting.

Trustee Monson also reported the passing of retiree Nick Bellini. The board does not need to take any action for the pension payments to now distribute to his widow. The pension payment will remain the same and be reported at the next meeting.

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

ELECTION OF PENSION BOARD OFFICERS:

Trustee Mullany moved, and Trustee Monson seconded, to keep the current board officers as the positions are filled today. The Motion carried unanimously.

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

OTHER BUSINESS:

Investment Policy Update:

As a continuation from the April 9, 2014 meeting, Christina Coyle reported there are new accounting standards for adding calculations to the footnotes of the investment policy.

President Adduci moved, and Trustee Monson seconded, to list calculations as 6.75% net equity rate of return and 3.0% net fixed asset rate of return (after inflation). The Motion carried unanimously.

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

Finance Department Staff:

Interim Director Coyle reported former Finance Director Kevin Wachtel has left the village and she will be filling in as interim. All village functions related to the pension fund are covered and moving forward, and she invited the board to reach out to her with any questions.

Audience Participation:

Village Manager Mark Franz addressed the meeting to explain the village and finance commission over the past year have been analyzing and reviewing the pension fund. One point under review is how and when to increase the funding level. Both groups would like to work with the pension board to discuss long term planning because the pension fund is one of the village's biggest obligations over the next five-year forecast and would like to be prepared with large liabilities before making decisions on village reserves. The board welcomed working with the village and finance commission.

NEXT MEETING:

The next meeting will be October 8, 2014.

ADJOURNMENT:

Trustee Mullany moved, and Trustee Monson seconded, to adjourn the meeting. The motion carried unanimously. The July 9, 2014 meeting was adjourned at 8:35 p.m.

Submitted by Jody Conidi, Recording Secretary

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President