

BOARD OR COMMISSION: Glen Ellyn Police Pension

MEETING: Regular

QUORUM: Yes

DATE: October 8, 2014

CALLED TO ORDER: 7:30 p.m.

ADJOURNED: 8:42 p.m.

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

ABSENT: None

OTHERS: Investment Manager Merrill Rajeck, Finance Director Christina Coyle, Village Trustee Pete Ladesic, Finance Commissioners

AUDIENCE: None

CALL TO ORDER:

The October 8, 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 July 9, 2014 meeting minutes with amendment, 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.

The market value of the pension fund for the quarter ending September 30, 2014 was \$25,831,738. Net total fund investment return for the quarter was down .82%, but up 5.65% for the previous 12 month period. The segment rates of return for GEPPF U.S. Treasury & GSE increased .05%, GEPPF corporate fixed income decreased 3.92%, and GEPPF domestic stocks decreased .53%.

Transactions for the quarter were the maturity of Freddie Mac investment and the reinvestment of funds in FHLB bonds. The fund was funded by 55.3% total corporate investments; 37.1% total GSE & U.S.

Treasury Bonds; and 7.6% total cash. All PIMCO funds were down due to the resignation of PIMCO's Chief Investment Officer, but funds are beginning to increase again. Trustee Housey was concerned PIMCO investors may be focusing on the company's crisis instead of on funds. Manager Rajeck assured investments are beginning to increase again and he would monitor PIMCO's performance. The total rate of return for the quarter was down .78% and up 3.47% for the past 12 months.

Manager Rajeck reported some investments will be reaching maturity and he is beginning to investigate short term options to reinvesting the funds.

Trustee Terranova arrived at 7:42 p.m.

For the quarter ending September 30, 2014, the GSE-CD portfolio was approximately 36.0% coupons and 64.0% zeros, the 12 month net cash flow was \$1,118,684, and the funding level was 65.2%. Manager Rajeck reported future investments may be in Large Cap Growth, Healthcare or Industrial funds. He would not purchase any additional PIMCO funds because the fund is at its max, nor invest in Energy at this time.

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

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

PENSION FUNDING AND ANNUAL REPORT TO THE VILLAGE BOARD:

The Village last reviewed the salary and investment return assumption in 2012. The finance committee will be reviewing it again at its upcoming meeting and will be presenting a recommendation to the Village Board. The Pension Board may also recommend assumptions to the Village Board.

The current investment return assumption passed by the Village Board is 7.25%. The board is scheduled to review the rate this year and can make any changes to the rate. The State of Illinois is requiring 90% funding by 2041. The Village has a policy to be 100% funded by 2041.

Trustee Mullany moved, and Trustee Monson seconded, to recommend to the Village Board an investment return decrease from 7.25% to 7.0%. The Motion carried unanimously.

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

Manager Rajeck left the meeting at 8:16 p.m.

As of April 30, 2014, the funding level is at 65.2%. The Finance Director will update the Annual Report to the Village Board and then bring it back before the Pension Board to have it signed and ratified.

APPROVAL OF EXPENSES:

The following expenses were recommended for approval:

MB Financial, Bank Fees.....	\$4,328.31
Jay Company, Investment Manager Fees	\$9,346.00
Northern Illinois University, Trustee Conference	\$760.00
IPPFA, Annual Membership	\$775.00

Trustee Mullany moved, and Trustee Terranova seconded, to approve the expense vouchers in the amount of \$15,209.31 and pension expenditures in the amount of \$411,777.18 for a total of \$426,986.49. 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 Adduci reported the last pension payment made to deceased former officer Dominic Bellini was in April 2014 in the amount of \$4,912.06. The first pension payment made to his surviving spouse, Martha Bellini, was in May 2014 in the amount of \$4,912.06.

Trustee Adduci reported former officer John Perkins, who resigned from the Glen Ellyn Police Department in 2012, requested a refund of his pension contributions in the amount of \$39,742.96 to be rolled into an eligible IRA.

Trustee Terranova motioned, and Trustee Monson seconded, to approve the refund of former officer Perkins in the amount of \$39,742.96. The Motion carried unanimously.

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

Monson presented Officer Andrew Hibschman’s signed pension application to the board. Trustee Adduci signed the application. Also former officer Mark Campbell’s retirement amount is \$54,873.

ANNUAL REPORTS:

Director Coyle presented the Department of Insurance report required by the State of Illinois the board complete and file with the state.

Trustee Mullany motioned, and Trustee Housey seconded, to approve the report as presented. The Motion carried unanimously.

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

Directory Coyle presented a draft the Pension Actuary Report. A final report will be presented to the board for approval.

OTHER BUSINESS:

The board discussed having a long term succession plan in place before Manager Rajeck retires in approximately five years. Trustees Terranova and Monson will contact consultants to meet with the board about recruiting candidates for fund manager. Director Coyle will also contact the consultants.

NEXT MEETING:

The next meeting will be January 14, 2015.

ADJOURNMENT:

Trustee Housey moved, and Trustee Monson seconded, to adjourn the meeting. The motion carried unanimously. The October 8, 2014 meeting was adjourned at 8:42 p.m.

Submitted by Jody Conidi, Recording Secretary