Minutes
Village of Glen Ellyn
Police Pension Fund
Regular Meeting
Wednesday, July 22, 2015
7:30 PM
Glen Ellyn Civic Center, Room 301

A. Call to Order

Attendee Name	Title	Status
John Kenwood	Trustee	Present
John Adduci	Board Member	Present
Anthony Terranova	Board Member	Present
Bill Housey	Board Member	Present
Jim Monson	Board Member	Present
Jim Mullany	Board Member	Present
Debbie Solomon	Recording Secretary	Present

Also Present: Investment Manager Merrill Rajeck and Finance Director Christina Coyle

B. Public Comment (Non Agenda Items)

None.

C. Approval of Minutes

1. Approve the Minutes of the April 8, 2015 Regular Meeting

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Jim Mullany, Board Member
SECONDER:	Jim Monson, Board Member
AYES:	Adduci, Terranova, Housey, Monson, Mullany

D. Quarterly Investment Manager Report

1. Investment Manager Report - 2nd Quarter

Manager Rajeck presented the Quarterly Investment Manager's Report and reviewed the Investment Management Review with the board.

The net total fund investment return decreased 0.35% for the past quarter and increased 3.62% for the past 12 months. The quarterly segment rates of return for GEPPF U.S. Treasury & GSE decreased 0.02%, GEPPF Corporate Fixed Income decreased 3.22%, and GEPPF Domestic Stocks increased 0.25%.

The fund ended the quarter by being funded by 55.0% total corporate investments; 37.9% total GSE & U.S. Treasury Bonds; and 7.1% total cash. The funding level is currently at approximately 65%. The CD portfolio is funded by 64.4% zeros and 35.6% coupons.

Manager Rajeck stated it was a quiet quarter as not much changed. He stated he did add total investment returns for the 3-year, 5-year and 10-year periods to the Investment Performance chart at the request of the Pension Board and added a new GEPPF Asset Mix graph to the report as well. He stated the US Treasury has talked about raising interest rates, but has not acted on this yet. Manager Rajeck stated he thinks these interest rates could be raised nominally this year.

At this point, Manager Rajeck left the meeting at 8:07 p.m.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Bill Housey, Board Member
SECONDER:	Jim Mullany, Board Member
AYES:	Adduci, Terranova, Housey, Monson, Mullany

E. Approval of Expenses

1. Approval of Expenses - July 2015

The following expenses were recommended for approval:

IPPFA, Conference Registration, $650.00
Illinois State Treasurer, DOI Filing Fee, $4,976.11
James Mullany, Conference Reimbursement, $455.11
Jay Company, Investment Manager Fees, $9,749.00
MB Financial, Custodial Fees, $4,410.35
Timothy W. Sharpe, Actuarial Report, $1,450.00
Lauterbach & Amen, DOI Report, $575.00
Rockwood Company, Fiduciary Liability Insurance, $4,344.00

Trustee Mullany moved, and Trustee Terranova seconded, to approve the expense vouchers in the amount of $26,609.57 and pension expenditures in the amount of $440,265.87 for a total of $466,875.44. The Motion carried unanimously.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Jim Mullany, Board Member
SECONDER:	Anthony Terranova, Board Member
AYES:	Adduci, Terranova, Housey, Monson, Mullany

F. Approval of Membership Changes / Contribution Refunds / Transfers

1. Approval of Membership Changes / Transfers / Contribution Refunds

Trustee Monson reported one new hire, Jake Wollenberg.
There were no transfer or refund activities.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Anthony Terranova, Board Member
SECONDER:	Jim Mullany, Board Member
AYES:	Adduci, Terranova, Housey, Monson, Mullany

G. Election of Pension Board Trustees and Officers

1. Election of Pension Board Trustees and Officers

Trustee Monson stated all officers were re-elected and asked how long the ballots should be retained. Ms. Coyle stated she will find out this information. President Adduci agreed to remain as president.

Trustee Mullany moved that all current positions by nominated for re-appointment, and Trustee Housey seconded. The motion passed by a vote of 4 to 1 with President Adduci dissenting.

RESULT:	**APPROVED [4 TO 1]**
MOVER:	Jim Mullany, Board Member
SECONDER:	Bill Housey, Board Member
AYES:	Terranova, Housey, Monson, Mullany
NAYS:	Adduci

H. Investment Firm Presentations

1. Investment Firm Presentations

Ms. Coyle stated three investment firms were invited to give presentations to the Pension Board to inform the board on their company and their services and to allow the board to gain knowledge of the marketplace for investment consultants. Ms. Coyle stated this information will help as the board drafts a Request for Proposal (RFP) in the future.

<u>Marquette Associates</u>
Marquette Associates is a Chicago-based independent consultant investment firm. Marquette Associates was represented by Mike Piotrowski, Vice President, and Chris Caparelli, Assistant Vice President. Mr. Piotrowski stated their firm is an independent investment consulting firm that guides institutional investment programs with a focused three-point approach and research. Mr. Caparelli stated their firm does consulting for 35 individual pension funds across 23 municipalities in Illinois. Mr. Caparelli stated stability of the team and consistency of the process is important to Marquette Associates. Mr. Piotrowski stated there are at least two consultants on each account, and they do attend pension board meetings.

<u>Strategic Capital Investment Advisors</u>
Strategic Capital Investment Advisors is based in the Chicago suburbs and is an independent investment consultant. Strategic Capital was represented by Daniel Gross, Principal, and Rich Weikal, Senior Analyst.

Mr. Gross stated their firm does not manage the money, but is an advisor to the board as to who should be working for the board and how the advisor should be working. Mr. Gross stated most of the clients that they advise today are pension funds. Mr. Weikal stated he is a full-time firefighter who is able to assist in feedback on police and firefighter pension funds. Mr. Gross stated consistency and persistence are important to Strategic Capital, and they do attend board meetings.

DeMarche Associates, Inc.
DeMarche Associates, Inc. is a Kansas City-based independent investment consulting firm. DeMarche Associates was represented by Don Lennard, Senior Consultant, and Ryan Pickert, Sales Associate. Mr. DeMarche stated their firm is an independent business consultant that consults in Detailed Performance Analysis, Outsourced CIO, and Manager Due Diligence among other services. Mr. DeMarche stated their firm has over 40 years in assisting clients and a great track record of picking money managers that outperform.

Board Debrief
There was a discussion on a possible timeline for succession planning and the issuing of an RFP. Trustee Mullany stated they need to find out from Manager Rajeck what his timing for retirement might be. Ms. Coyle stated it would be good if two or three of the Pension Board Trustees worked with her on drafting an RFP. Trustee Housey asked if the Board could see sample RFPs to which Ms. Coyle stated she will contact other villages to obtain samples and will bring these samples to the October meeting.

President Adduci exited the meeting at 10:25 p.m.

RESULT:	**DISCUSSION ONLY**

I. Other Business

None.

J. Reminders

1. Remaining Meetings in 2015 - October 21

K. Adjournment

1. Motion to Adjourn

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Jim Mullany, Board Member
SECONDER:	Bill Housey, Board Member
AYES:	Terranova, Housey, Monson, Mullany
ABSENT:	Adduci