Minutes
Village of Glen Ellyn
Police Pension Fund
Regular Meeting
Wednesday, October 21, 2015
7:30 PM
Glen Ellyn Civic Center, Room 301

## A. Call to Order

| Attendee Name | Title | Status |
|---|---|---|
| John Adduci | Board Member | Present |
| Anthony Terranova | Board Member | Present |
| Bill Housey | Board Member | Present |
| Jim Monson | Board Member | Present |
| Jim Mullany | Board Member | Absent |

Also Present: Investment Manager Merrill Rajeck, Finance Director Christina Coyle, Assistant Finance Director Lori Thomas, Recording Secretary Debbie Solomon

## B. Public Comment (Non Agenda Items)

None.

## C. Approval of Minutes

1. Police Pension Fund - Regular Meeting - Jul 22, 2015 7:30 PM

| | |
|---|---|
| **RESULT:** | **ACCEPTED [UNANIMOUS]** |
| **MOVER:** | Anthony Terranova, Board Member |
| **SECONDER:** | Jim Monson, Board Member |
| **AYES:** | Adduci, Terranova, Housey, Monson |
| **ABSENT:** | Mullany |

## D. Quarterly Investment Manager Report

1. Third Quarter Investment Report

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 3.85% for the past quarter and increased 0.29% for the past 12 months. The quarterly segment rates of return for GEPPF U.S. Treasury & GSE increased 0.57%, GEPPF Corporate Fixed Income decreased 6.09%, and GEPPF Domestic Stocks decreased 7.81%.

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 62.9% zeros and 37.1% coupons. Manager Rajeck stated the long-term target for this is 50/50.

Manager Rajeck stated the fund was down for the quarter, but it will come back. He stated he did add to all the PIMCO funds and added $1,000,000 in CD's. He stated he did sell the Industrial Investment funds as he does not think these funds will do well for a while. President Adduci asked about keeping the Corporate Fixed Income at the same mix. Manager Rajeck stated this is something he could think about. Manager Rajeck stated the Portfolio Allocation is right about where he would like it to be. There was a discussion regarding diversification of equities.

At this point, Manager Rajeck left the meeting at 8:17 p.m.

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

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

**E. Approval of Expenses**

1. October 2015 Vouchers - Police Pension Fund

The following expenses were recommended for approval:
IPPFA, Annual Dues, $795.00
Jay Company, Investment Manager Fees, $9,846.00
MB Financial, Custodial Fees, $4,433.68

Trustee Monson moved, and Trustee Terranova seconded, to approve the expense vouchers in the amount of $15,074.68 and pension expenditures in the amount of $441,091.86 for a total of $456,166.54. The Motion carried unanimously.

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

**F. Approval of Membership Changes/Contribution Refunds/Transfers**

Trustee Monson reported trainees Jonathan Guzman and Ryan Lane resigned.

Trustee Monson asked if police officers leave the department, what happens to their money in the pension fund. Ms. Coyle stated it stays in the fund until it is requested. Trustee Monson suggested sending a general 0letter to officers who leave so they know they should contact the Village for their money in the pension fund, and the other Trustees agreed to this.

**G. Pension Funding and Annual Report to the Village Board**

1. Police Pension Funding and Annual Report to the Village Board

Ms. Coyle stated the Annual Report is basically a summary of the Actuary Report, and the Annual Report is required by statute. President Adduci and Trustee Monson signed this.

Ms. Coyle stated the Trustees needs to provide a recommendation to the Village Board on the actuarial assumption for investment return. There was a discussion regarding the proposed assumption recommendation, and the consensus was to lower this investment return assumption.

Trustee Housey moved to recommend lowering the investment return assumption to 6.75% for fiscal year 2016, and Trustee Terranova seconded. The motion carried unanimously.

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

**H. Draft Investment RFP**

1. Draft RFP for Consultant Services

Ms. Coyle stated she compiled a few different Requests for Proposal (RFP's) to draft the Consultant Services RFP and asked for changes or comments on this. She stated she modeled the RFP on a consulting arrangement and the important Sections are the Scope of Services Required and the Proposal Terms.

Trustee Terranova asked if the items that need to be included according to the law were there to which Ms. Coyle stated they are at the end of the RFP.

President Adduci asked when the RFP would be going out. Trustee Monson stated it would be good to do it soon as it has been a while since they have done this and need to test the market. Trustee Housey stated these companies have deep benches of resources and could be helpful.

After a brief discussion of the Trustees about timing, Ms. Coyle stated they would distribute the RFP on November 1, 2015 and ask for the Sealed Responses to be due on January 15, 2016. Ms. Coyle stated once the RFPs are in, they can decide how the review of the RFPs will work, whether with the whole Pension Board or a sub-committee.

There was a discussion regarding having more financial expertise on the board when the RFPs are reviewed. Trustee Monson stated that by statue, the Pension Board can only be two current police officers, 1 retired police officer and two appointees. Ms.

Coyle stated they could ask one of the Finance Commissioners who works in the financial field or the Village Attorney about any consultant names for this.

| | |
|---|---|
| **RESULT:** | **DISCUSSION ONLY** |

## I. Other Business

1. Meeting schedule for 2016: January 20, April 20, July 20, October 19

## J. Adjournment

1. Motion to Adjourn

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