Minutes
Village of Glen Ellyn
Police Pension Fund
Special Meeting
Tuesday, June 21, 2016
6:00 PM
Glen Ellyn Civic Center, Clayton

A. Call to Order

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

Also Present: Finance Commission Chair Erik Ford and Finance Director Christina Coyle

B. Public Comment (Non Agenda Items)

None.

C. Investment Consultant

The Board heard the presentation of Marquette Associates. Presenting from Marquette Associates was Mike Piotrowski and Chris Caparelli. They first highlighted some background about Marquette. They have been a consulting firm since 1986 and are headquartered in Chicago. They are 100% employee owned and consult for $115 billion in assets, a significant portion of which is for public funds. 100% of the revenue is from client fees to avoid conflicts of interest. They have a dedicated research group.

They have been involved in Article 3 & 4 funds since 1997. They have 36 funds as clients. Mr. Ford asked where we would fall on the scale of their clients. Mr. Piotrowski responded that they serve all sizes of funds. There is also not a lot of difference between $10 million and $100 million; they typically would both receive the same recommendations. With working with so many funds, they can leverage relationships and can leverage the fees. Trustee Housey asked how this works. Mr. Piotrowski responded that they can negotiate a lower fee with some managers due to the number of clients they have.

Mr. Caparelli highlighted the firm's three point investment approach which centers on risk, quality, and cost. They educate their clients on new investments and will perform reviews of the investment systems. They reviewed the median Marquette results. Mr. Ford asked what the range was around the median. Mr. Piotrowski said that they would send that information.

A sample portfolio was reviewed. Trustee Housey asked them to explain how the real estate fund fits under the code and how the fund works. Mr. Piotrowski responded that it is an insurance contract with one single level of fees. It is technically permissible and they have verified that with the Department of Insurance. The fund yields approximately 5%. Mr. Ford asked how much money under management. Mr. Piotrowski responded approximately $7 billion. Mr. Caparelli stated they had approximately 130 properties and was diversified. Trustee Housey asked if they can get in and out of the investment. Mr. Piotrowski stated there was daily liquidity but that they could gate it.

The proposed fees were reviewed on page 15 of the presentation. Mr. Caparelli stated that they make sure that fees are allocated where it matters to the return. The fee proposed by Marquette on page 17 was reviewed. Marquette will not be the cheapest but they can add value.

Trustee Housey asked to talk about process; how do they hire and fire managers. Mr. Piotrowski directed the Board to Exhibit II. Each quarter the board sees a quarterly report which alerts the client to manager issues. Trustee Terranova asked if we should see this report. Mr. Piotrowski responded that they can create this report. Mr. Ford asked the range of investment return assumptions by their clients. Mr. Piotrowski responded 6.5%-7.5%.

At this point, the gentlemen from Marquette left and the Board took a 5 minute recess.

After the recess, the Board discussed the presentation and the two prior presentations at prior meetings. Trustee Housey recommended that the Board digest the presentations until the next meeting. Trustee Mullany stated it is important to look at what you get for the difference in fees. Trustee Housey moved to table the decision on the investment consultant until the next meeting. Trustee Terranova seconded.

D. Other Business

1. Other Business

2. Next Meeting: Wednesday, July 20, 7:30PM, Room 301 of Civic Center

E. Adjournment

1. Motion to Adjourn

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