Minutes
Village of Glen Ellyn
Police Pension Fund
Regular Meeting
Wednesday, October 19, 2016
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	Absent
Jim Monson	Board Member	Present
Jim Mullany	Board Member	Present

Also Present: Finance Director Christina Coyle; Investment Advisor Merrill Rajeck; Recording Secretary Andrianopoulos

B. Public Comment (Non Agenda Items)

None.

C. Approval of Minutes

1. Police Pension Fund - Regular Meeting - Jul 20, 2016 7:30 PM

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

D. Quarterly Investment Manager Report

1. Investment Manager Report - Third Quarter 2016

Investment Manager Rajeck presented and reviewed his investment summary packet which was included in the agenda packet.

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

E. Approval of Expenses

1. Motion to approve the expense Vouchers in the amount of $14,344.01 and Pension Expenditures in the amount of $511,884.76 for a total of $526,228.77.

President Adduci drew attention to the expenditure detail in the packet. Trustee Mullany moved and Trustee Terranova seconded a motion to approve the expenditure vouchers in the amount of $14,344.01 and pension expenditures in the amount of $511,844.76 for a total of $526,228.77.

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

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

1. Motion to approve entry of new hire Samuel Carius, hired on September 21, 2016

Samuel Carius is a new hire into the police department and should be admitted to the pension fund. Samuel was hired on September 21, 2016.

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

2. Motion to approve a contribution refund to Jonathan Guzman in the amount of $3,016.57

Finance Director Coyle reported that Jonathan Guzman would like to withdraw his contributions from the pension fund in the amount of $3,016.57. The required paperwork has been submitted and was sent to the Board for review.

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

3. Motion to approve retroactive pension payment to Thomas Roman in the amount of $6,491.30

Finance Director Coyle addressed an issue brought to the Fund's attention by the Illinois Department of Insurance. The Department has changed an opinion that the Glen Ellyn Police Pension Fund was given back in 2001 on how to calculate the pensions for Thomas and Mary Roman. Based upon the Department of Insurance's revised opinion, the Pension Fund now owes retroactive pension amounts to Mary and Thomas Roman. It will also be necessary to approve a revised pension amount for Mary and Thomas Roman.

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

4. Motion to approve retroactive pension payment to Mary Roman in the amount of $6,491.95

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

5. Motion to approve revised pension amounts for 2016 for Thomas Roman of $2,231.38 per month ($26,776.56 annually) and for Mary Roman of $2,231.37 per month ($26,776.44 annually).

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

G. Pension Funding and Annual Report to the Village Board

1. Motion to recommend to the Village Board an Investment Return Assumption of 6.5% for Fiscal Year 2017

Director Coyle stated that it is the time of year again where the Pension Board should review the investment return assumption and make a recommendation to the Village Board. There has not been a substantial change in the police contract which was extended in November of this year to warrant changing the salary increase assumption. The Finance Commission has recommended that the investment return assumption should be between 6% and 6.25%. Each year over the past few years, the investment return assumption has been lowered by 25 basis points. The proposed Village budget has been distributed and includes an investment return assumption of 6.5%. Director Coyle is recommending to continue to lower the investment return assumption to 6.5%

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

2. Motion to Approve the Annual Report to the Village Board

Finance Director Coyle presented the Annual Report. The information in the report has already been presented to the Pension Board in either the annual audit or the annual actuarial report.

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

H. Actuarial Services

1. Motion to Award Actuarial Services for the Police Pension Board to Foster & Foster.

In selecting actuarial services for the Police Pension Board, the Pension Fund Trustees discussed three options.

1. Timothy W Sharpe Actuary (current actuarial service provider for Glen Ellyn)
2. Foster & Foster
3. MWM Consulting Group

There was a general discussion among group detailing pros and cons of each choice.

Director Coyle stated that Tim Sharpe does want to continue providing Glen Ellyn the actuarial services.

President Adduci added he has been wanting to see additional services and he believes Foster & Foster’s brief and succinct report addressing detailed analysis, competitive rates, updated software, attendance of meetings and more aggressive assumptions and investments may be a positive change that can provide better return. He stated Foster & Foster should be awarded the contract or at the very least further investigation of their services.

Trustee Mullany claims he is impressed by Foster & Foster's representative Jason L. Franken, who wrote the report. Trustee Monson agreed - Franken is very knowledgeable and his analysis would be thorough.

President Adduci further claimed that Foster & Foster is a large firm so it is not a one-man shop and although there might be a price increase, he believes there will be great return in service, analysis and someone to attend meetings to bounce ideas off of.

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

I. Investment Consultant Search

1. Motion to Transition from an Investment Advisor Model to an Investment Consultant Model

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

Motion to Award Investment Consulting Services to Marquette Associates, pending contract negotiation

The Pension Board has interviewed three investment consulting firms at prior meetings and have narrowed their choices to two, the Bogdahn Group ($30,000 fee) and Marquette Associates ($50,000 fee).

Trustee Terranova stated that as a courtesy for his years of service, President Adduci should notify Merrill of his replacement prior notifying the awarding contract to new investment consulting firm. President Adduci added that Merrill is a professional and is aware that there is a search for a new firm going on.

President Adduci noted that although board member Housey is not present, he has met with Marquette and his vote had he been at this meeting would be for Marquette.

Trustee Mullany has a difficult time justifying the $20,000 difference fees. Trustee Terranova does see the value in paying more for the potential returns. He believes it has value and there is a reason you pay the increase.

RESULT:	**APPROVED [2 TO 1]**
MOVER:	Anthony Terranova, Board Member
SECONDER:	Jim Monson, Board Member
AYES:	Terranova, Monson
NAYS:	Mullany
ABSTAIN:	Adduci
ABSENT:	Housey

J. Other Business

1. Meeting Schedule for 2017: January 18, April 19, July 19, October 18

K. Adjournment

1. Motion to Adjourn

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