Agenda
Village of Glen Ellyn
Police Pension Fund
Regular Meeting
Wednesday, April 19, 2017
7:30 PM
Glen Ellyn Civic Center, Room 301

A. Call to Order

B. Public Comment (Non Agenda Items)

C. Approval of Minutes

1. Police Pension Fund - Regular Meeting - Jan 18, 2017 7:30 PM

D. Investment Report

1. Marquette First Quarter 2017 Market Report

E. Custodial Account

1. Motion to select a provider to provide custody services for the Glen Ellyn Police Pension Fund.

F. Approval of Expenses

1. Approve the Expense Vouchers in the amount of $15,388.29 and Pension Expenses in the amount of $518,242.47 for a total of $533,630.76

G. Approval of Membership Changes / Contribution Refunds / Transfers

1. Approve the admission into the Glen Ellyn Police Pension Fund of three new hires, Zachary Bava (hired 3/29/17), Jacob Zakaitis (hired 3/29/17), and Matthew Saitta (hired 3/29/17).

2. Approve a contribution refund to Mallory Riggle in the amount of $61,715.72 which will be paid to National Financial Services LLC and is made to a qualifying IRA account.

3. Approve a contribution refund to Mark Bonislawski in the amount of $3,211.61.

H. Election of New Trustee

I. Approval of Fiduciary Liability Insurance Renewal

1. Motion to approve renewal of Fiduciary Insurance Policy with Rockwood Company/Travelers Insurance in the amount of $4,526.00.

J. **Department of Insurance Draft Annual Report**

K. **Other Business**

1. Next Meeting: Wednesday, July 19, 7:30 PM, Room 301

L. **Adjournment**

1. Motion to Adjourn

Individuals with disabilities who plan to attend the hearing and who require certain accommodations in order to allow them to observe and participate, or who have questions regarding the accessibility of the meeting or facilities, are requested to contact the Village at least 24 hours before the meeting.

Minutes
Village of Glen Ellyn
Police Pension Fund
Regular Meeting
Wednesday, January 18, 2017
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	Present

Also present: Finance Director Christina Coyle and Recording Secretary Johnson.

B. Public Comment (Non Agenda Items)

None.

C. Approval of Marquette Contract

1. Motion to Approve a Contract with Marquette Associates, Inc. To provide investment consulting services for a term not-to-exceed five years.

Chris Caparelli appeared on behalf of Marquette Associates. Mr. Caparelli and his colleagues will be taking more of an institutional approach going forward. He reviewed fixed income funds and showed current investments versus what Marquette recommends. The current rate of return is 6.5 percent. He recommended transferring fixed income assets to a fixed income manager. He reviewed the US equity portfolio. For small cap, they would propose using an active manager. Going forward, they would recommend more of an international allocation. He would like to add risk exposure on the international side to provide a well-diversified portfolio. They have an identified a private real estate fund they would like to incorporate. Discussion followed about real estate investment trusts. The Trustees would like to be well educated on the real estate investment funds. Mr. Caparelli reviewed a recommended portfolio allocation. He would like to bring fixed income down closer to 35 percent. The portfolio recommendation included fixed income, US equity, Non-US equity, alternative investments, and real estate. He also presented a transition timeline. At the April meeting, they will present a new asset allocation, an investment manager search for core fixed income, and present a strategy update. Discussion followed about what degree of latitude is given to portfolio managers and how quickly Marquette can take control of the funds. Between now and the April meeting, Marquette has access to the funds. If the Village needs to make a change, they can sign off on a letter for Marquette to make the change requested. The Trustees thanked Mr. Caparelli for the presentation.

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

D. Approval of Minutes

1. Police Pension Fund - Regular Meeting - Oct 19, 2016 7:30 PM

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

E. Quarterly Investment Manager Report

1. Motion to accept the Fourth Quarter 2016 Investment Manager Report

Mr. Rajeck was not in attendance to present a report, but had provided the quarterly report in advance of the meeting.

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

F. Approval of Expenses

1. Motion to approve expense vouchers in the amount of $17,033.22 and pension expenditures of $520,000.05 for a total of $537,003.27

Trustee Terranova made a motion to approve expense vouchers in the amount of $14,809.44 and pension expenditures in the amount of $451,775.73, for a total of $466,535.17

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

G. Approval of Membership Changes / Contribution Refunds / Transfers

1. Approval of Membership Changes, Transfers, and/or Contribution Refunds

There have been two resignations and no new hires over the quarter. Frank Fazio has requested a refund of his contributions in the amount of $1,894.45. He is requesting the contributions are rolled over into a qualifying fund. Trustee Monson made a motion to approve a refund of contributions for Frank Fazio in the amount of $1,894.45.

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

H. Disability Continuation

1. Motion to continue Raymond Munch's disability benefits subject to further annual evaluations as required by Illinois statutes

The trustees received information regarding the annual medical evaluation for Raymond Munch which indicated that he is still disabled from performing duties as a police officer. Trustee Mullany made a motion to continue Raymond Munch's disability benefits subject to further annual evaluations.

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

I. Approval of Statutory Benefit Changes

1. Motion to approve annual statutory benefit changes as presented in Attachment A

Finance Director Coyle presented the list of annual statutory benefit changes to the Trustees. Trustee Mullany made a motion to apply stautory benefit changes as listed in Attachment A.

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

J. Other Business

1. Next Meetings: April 19, July 19, October 18

The next meeting will be April 19, 2017. President Adduci asked if the Village hired a new actuary. Director Coyle said yes. They are working to get him the information he needs. Trustee Monson brought up MB Financial and asked if the Village has solicited for a new asset custodian. Director Coyle said that this has not been done since she has been at the Village, but offered to talk to Mr. Capparelli of Marquette Associates about the fees they are paying MB Financial.

K. Adjournment

1. Motion to Adjourn

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

Police Pension Fund
535 Duane Street
Glen Ellyn, IL 60137

Meeting: 04/19/17 07:30 PM
Department: Police Pension Fund
Department Head: Christina Coyle
Category: Report
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 2683)

DOC ID: 2683

Marquette First Quarter 2017 Market Report

Please find a copy of the report attached.

ATTACHMENTS:

- Marquette Market Environment 1Q 2017 (PDF)

Market Environment

1Q 2017

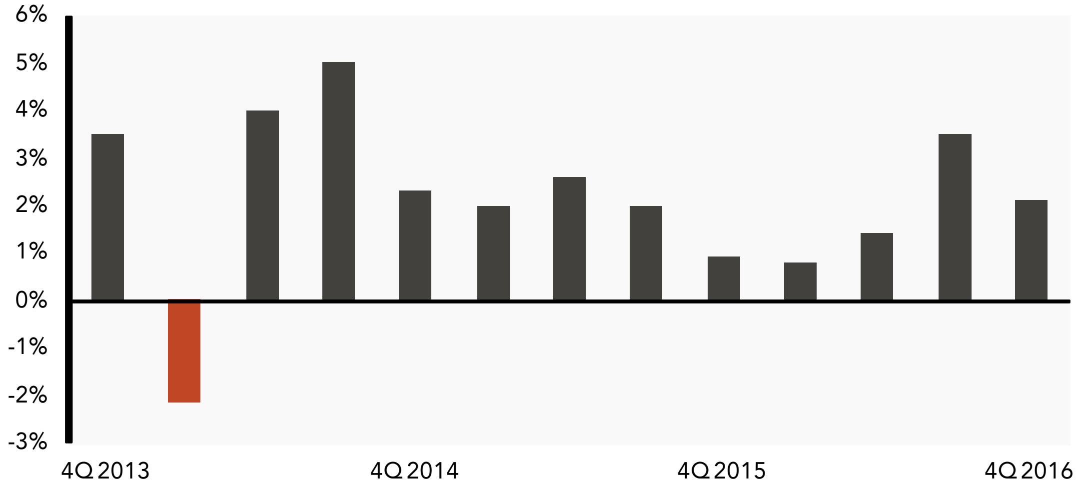
Table of Contents

Section

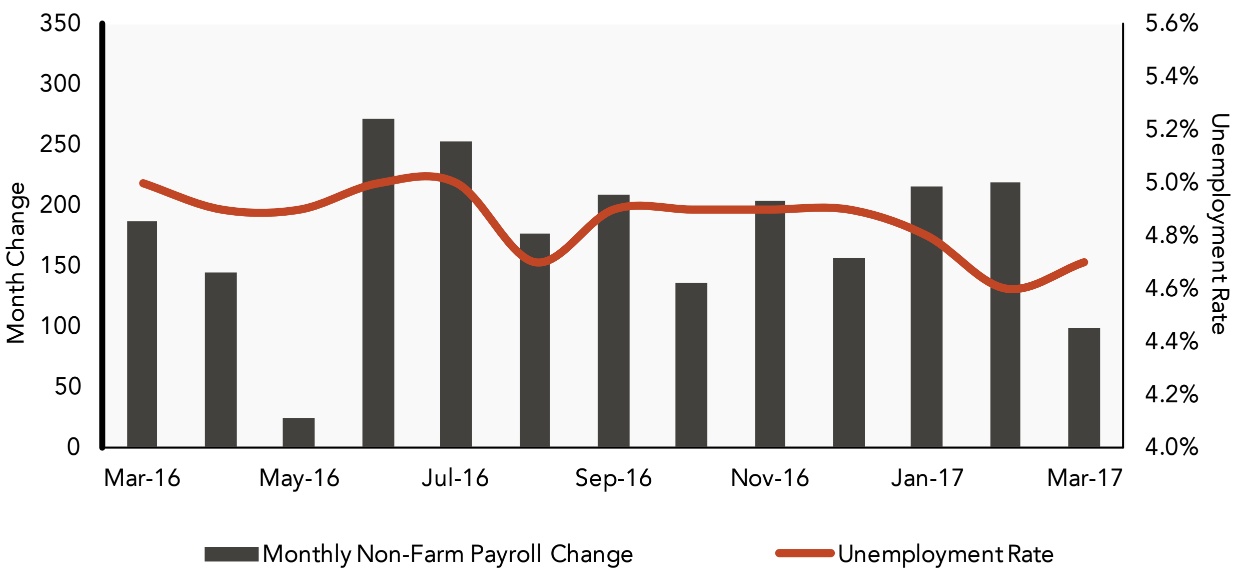
U.S. Economy

The third estimate for fourth quarter GDP was released showing an increase of 2.1%, an improvement from the previous fourth quarter estimate of 1.9%. Compared to the prior estimate personal consumption expenditures increased by a greater amount. Personal consumption expenditures were once again the largest contributor to GDP growth, with net exports detracting from it. In March, the unemployment rate declined to 4.5%. In the 1st quarter, 1.7 million people were classified as long-term unemployed, or jobless for 27 weeks or more, constituting 23.3% of the unemployed. In March, the labor force participation rate remained at 63% while the employment-population ratio stayed at 60.1%. The average duration of unemployment in March lasted 25.3 weeks and broad unemployment (U6) fell to 8.9%. Non-farm payroll gained 98K jobs in March and averaged 180K per month over the last twelve months. Non-farm payroll was revised for February and March for a net decrease of 38K jobs.

Gross Domestic Product: Real GDP Quarterly Percentage Change (seasonally adjusted annual rates)



Unemployment Data: Unemployment Rate % & Non-Farm Payroll (000's) Net Jobs Created

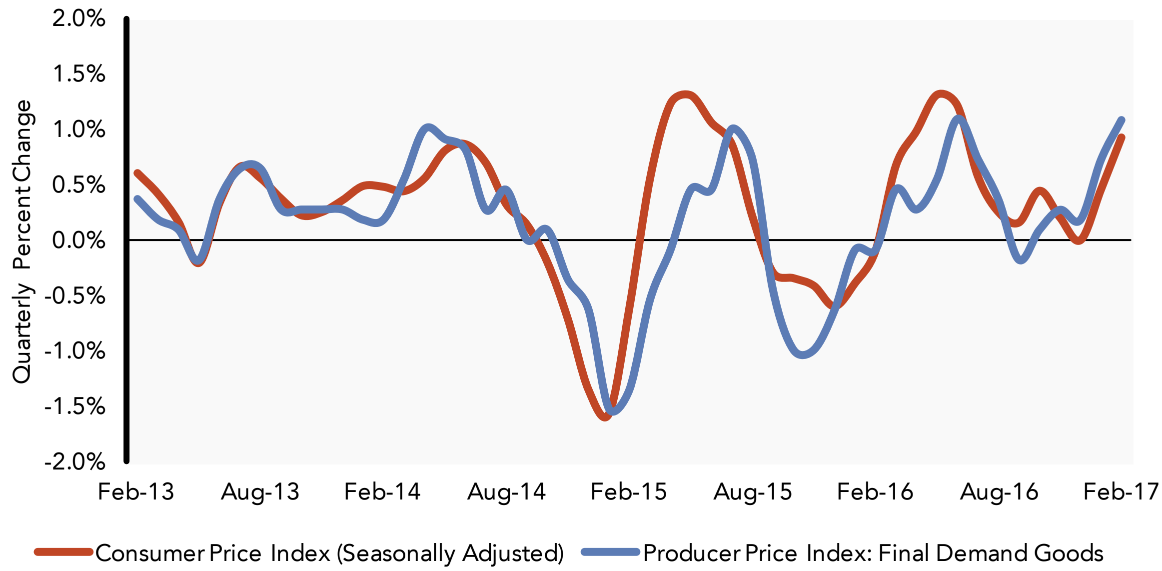


Sources: Bureau of Economic Analysis, Bureau of Labor Statistics

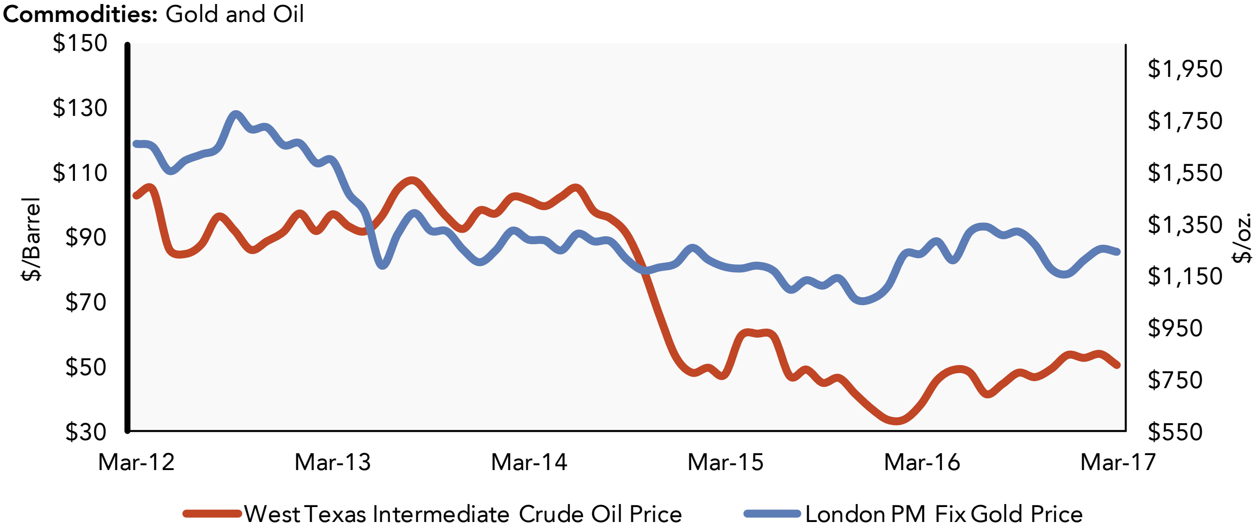
U.S. Economy

The Consumer Price Index (CPI-U) increased .1% in February. Within CPI-U, energy declined 1.0% while food rose 0.2% for the month. In the last twelve months, the CPI-U has risen 2.7%, with energy increasing by 15.2% and food staying unchanged. Core CPI rose by .2% in February and increased by 2.2% over the last twelve months. The Producer Price Index for final demand rose .3% during the month of February and 2.2% in the last twelve months. Within total final demand, final demand goods fell .3% while final demand services increased .4%. WTI crude oil prices finished the quarter at $50.60 per barrel, a monthly decline of 6.3%. Gold ended March at $1244.85/oz, a .9% decrease for the month. Year-over-year crude oil rose by 32% while gold increased by .6%.

U.S. Inflation Data: Consumer Price Index & Producer Price Index (Year over Year)



Commodities: Gold and Oil



Sources: St. Louis Federal Reserve, Union Pacific, Kitco

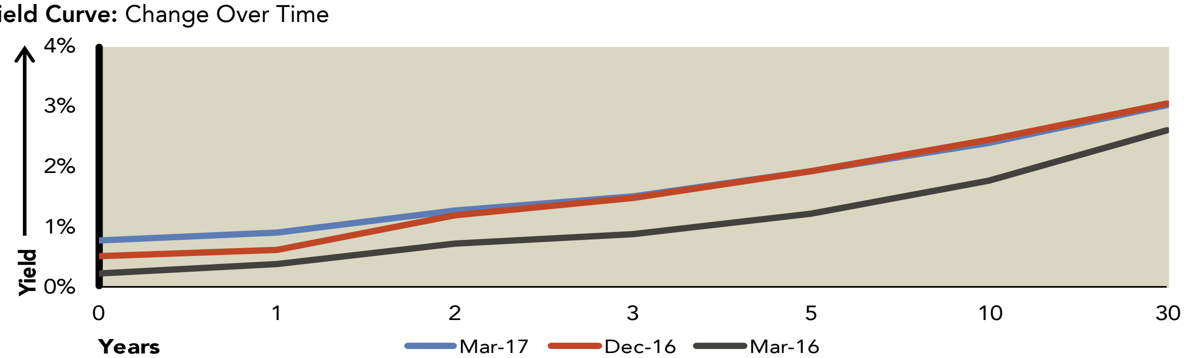
Fixed Income

The first 100 days of Trump's presidency featured the continued risk-on sentiment from the previous quarter as the "Trump trade" compressed credit spreads. It was capped off, however, by a pumping of the brakes through the March 15th 25bp Fed rate hike, followed by the failure of the healthcare bill to pass through Congress, which widened credit spreads. The Agg returned 0.8% in the quarter, driven largely from income with a small amount of price appreciation from the credit spread compression. Long government bonds rose 1.4%, while short government bonds gained 0.3%. TIPS posted a return of 1.3% amidst the strong inflation expectations. High yield bonds and bank loans were up 2.7% and 1.2%, respectively, in the spread-tightening, with high yield giving up some gains following the healthcare bill's demise. The securitized sector produced muted gains, mostly income-driven, as talk of the Fed's eventual balance sheet reduction escalated. The Global Agg gained 0.4% while emerging markets debt gained over 3% in this risk-on sentiment. The yield curve flattened in the Fed hike, with the short end rising 25bp while the 10-year Treasury yield fell from 2.45% to 2.40%.

Benchmark Performance: Select Fixed Income Indices

	Month	Qtr	YTD	1 Yr	3 Yr Ann	5 Yr Ann	10 Yr Ann
Broad Market Indices							
Blm BC Aggregate	-0.1%	0.8%	0.8%	0.4%	2.7%	2.3%	4.3%
Blm BC Gov./Credit	-0.1%	1.0%	1.0%	0.5%	2.7%	2.5%	4.3%
Intermediate Indices							
Blm BC Int. Gov./Credit	0.0%	0.8%	0.8%	0.4%	2.0%	1.9%	3.8%
Government Bond Indices							
Blm BC Gov.	0.0%	0.7%	0.7%	-1.3%	2.0%	1.6%	3.8%
Blm BC Long Gov.	-0.5%	1.4%	1.4%	-4.8%	5.8%	4.0%	6.6%
Blm BC Int. Gov.	0.0%	0.5%	0.5%	-0.7%	1.6%	1.2%	3.3%
Blm BC 1-3 Year Gov.	0.0%	0.3%	0.3%	0.3%	0.7%	0.7%	2.1%
Blm BC U.S. TIPS	-0.1%	1.3%	1.3%	1.5%	2.0%	1.0%	4.2%
Credit Indices							
Blm BC U.S. Credit	-0.2%	1.3%	1.3%	3.0%	3.5%	3.7%	5.3%
Blm BC U.S. Long Credit	-0.6%	1.7%	1.7%	4.9%	5.4%	5.4%	6.9%
Blm BC High Yield	-0.2%	2.7%	2.7%	16.4%	4.6%	6.8%	7.5%
CS Leveraged Loan Index	0.1%	1.2%	1.2%	9.7%	3.7%	4.9%	4.2%
Securitized Bond Indices							
Blm BC MBS	0.0%	0.5%	0.5%	0.2%	2.7%	2.0%	4.2%
Blm BC ABS	0.2%	0.5%	0.5%	1.2%	1.7%	1.6%	2.9%
Blm BC CMBS	0.0%	0.9%	0.9%	0.9%	2.7%	3.2%	4.8%
Non-U.S. Indices							
Blm BC Global Aggregate Hedged	0.0%	0.4%	0.4%	1.1%	3.6%	3.4%	4.3%
JPM EMBI Global Diversified	0.4%	3.9%	3.9%	8.9%	6.2%	5.8%	7.0%
JPM GBI-EM Global Diversified	1.4%	3.2%	3.2%	7.5%	7.4%	6.8%	8.2%

Yield Curve: Change Over Time



Source: Barclays

MarquetteAssociates

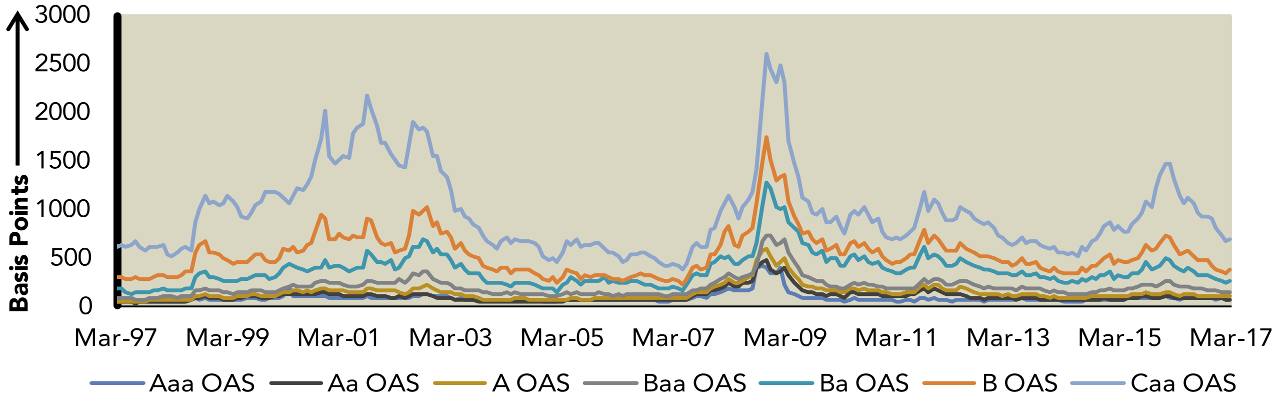
Fixed Income

Credit spreads continued their tightening due to the "Trump trade" for most of the quarter, with more impact felt the riskier the credit. The lowest quality CCC-rated high yield corporate bonds rose 4.7%, while the highest quality AAA-rated investment grade corporate bonds rose only 0.8%. All credit grades gave some ground, however, in the month of March due to the failure of the healthcare bill to pass. The Agg's return was almost entirely driven from income, at a 0.7% gain, versus price appreciation of 0.1% through the credit spread tightening in the quarter.

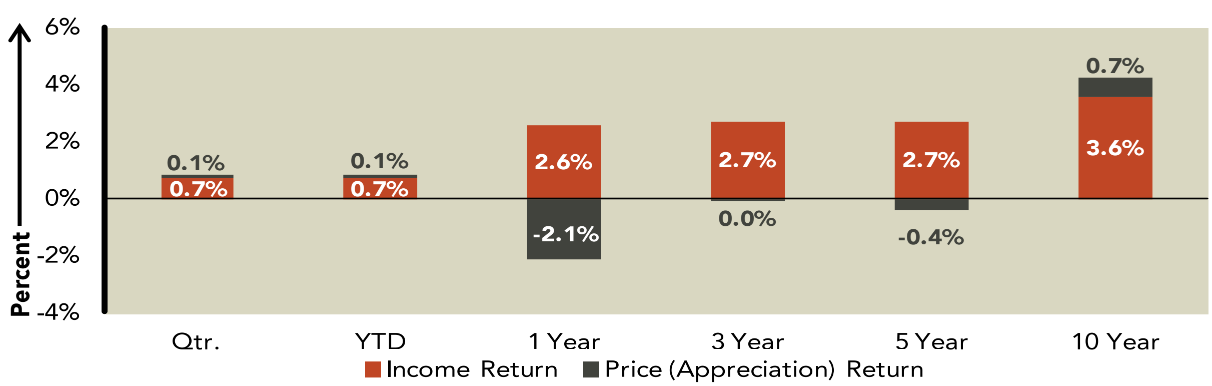
Corporate Quality Indices: Performance

	Month	Qtr.	YTD	1 Year	3 Year	5 Year	10 Year
Blm BC Corporate AAA	-0.3%	0.8%	0.8%	-0.4%	3.6%	2.8%	4.1%
Blm BC Corporate AA	-0.2%	0.9%	0.9%	0.9%	3.2%	2.8%	4.4%
Blm BC Corporate A	-0.3%	1.0%	1.0%	1.7%	3.6%	3.7%	4.9%
Blm BC Corporate BBB	-0.2%	1.5%	1.5%	5.3%	3.8%	4.4%	6.2%
Blm BC Corporate BB	-0.1%	2.1%	2.1%	10.8%	5.2%	6.7%	7.9%
Blm BC Corporate B	-0.2%	2.5%	2.5%	15.9%	3.8%	6.3%	6.2%
Blm BC Corporate CCC	-0.6%	4.7%	4.7%	32.6%	5.0%	8.3%	6.8%

Corporate Quality Indices: Option-Adjusted Spread



BarCap Aggregate: Components of Total Return

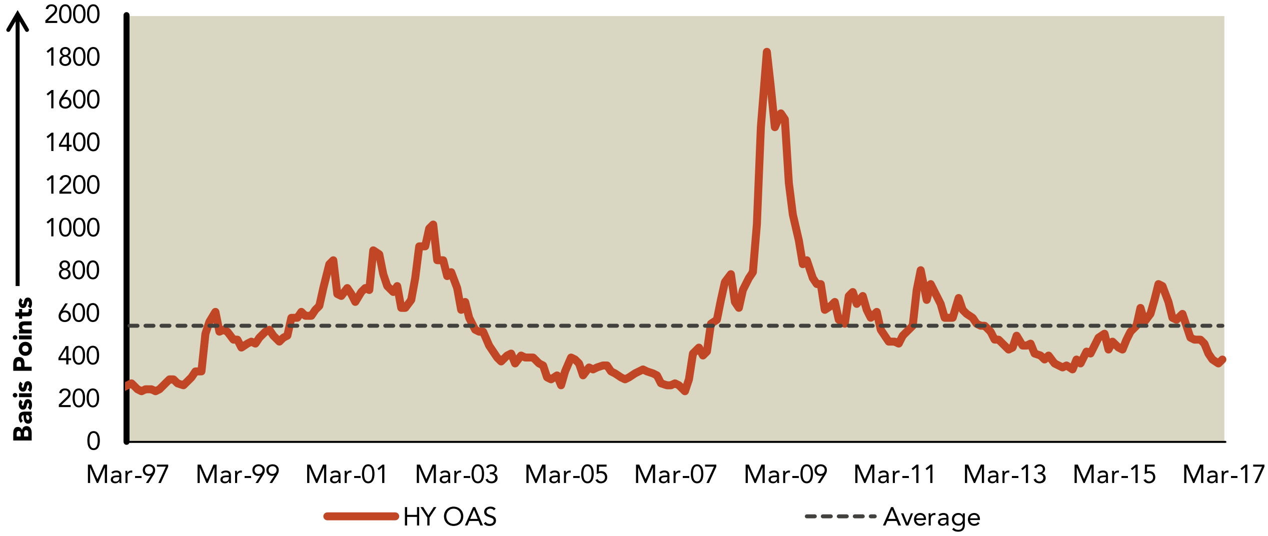


Source: Barclays

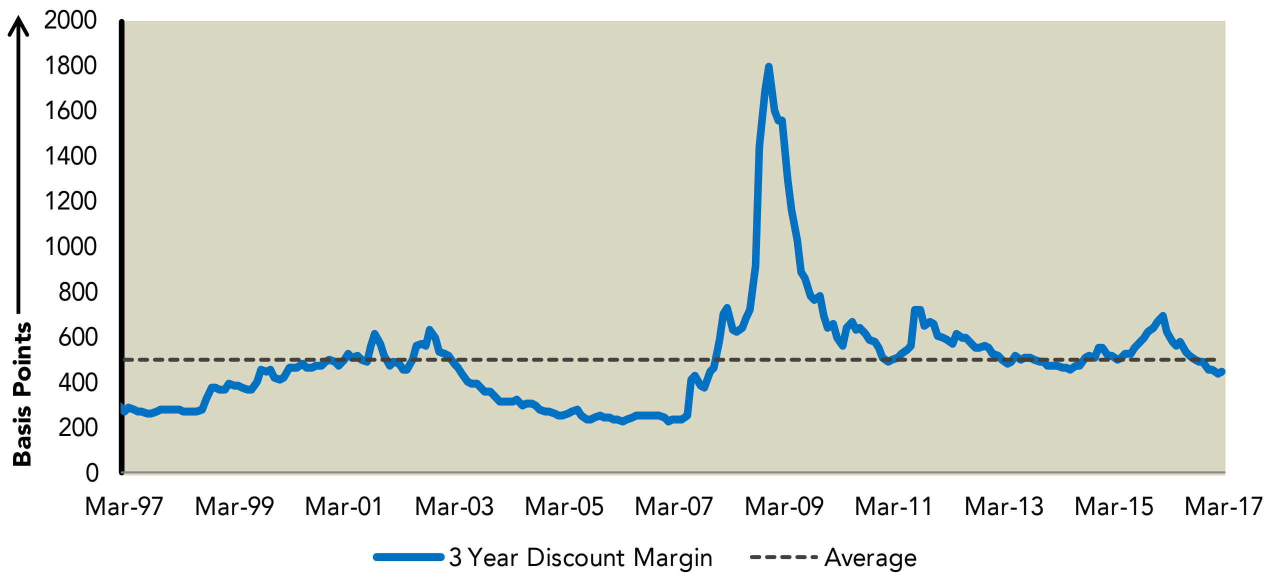
Below Investment Grade

Spreads for both high yield bonds and bank loans continued to compress during the month--well below long-term averages for high yield--as a result of the continued risk-on sentiment from the "Trump trade." Following the healthcare bill's failure to pass, high yield spreads widened while bank loan spreads stayed relatively neutral. For the quarter, the Barclays high yield OAS tightened from 409bp to 383bp, well below its 546bp 20-year average. The Credit Suisse bank loan three-year discount margin tightened from 461bp to 444bp, below its 497bp 20-year average.

OAS: High Yield OAS and Long-Term Median



Three-Year Discount Margin: Credit Suisse Leveraged Loan Index and Long-Term Median



Sources: Barclays, Credit Suisse

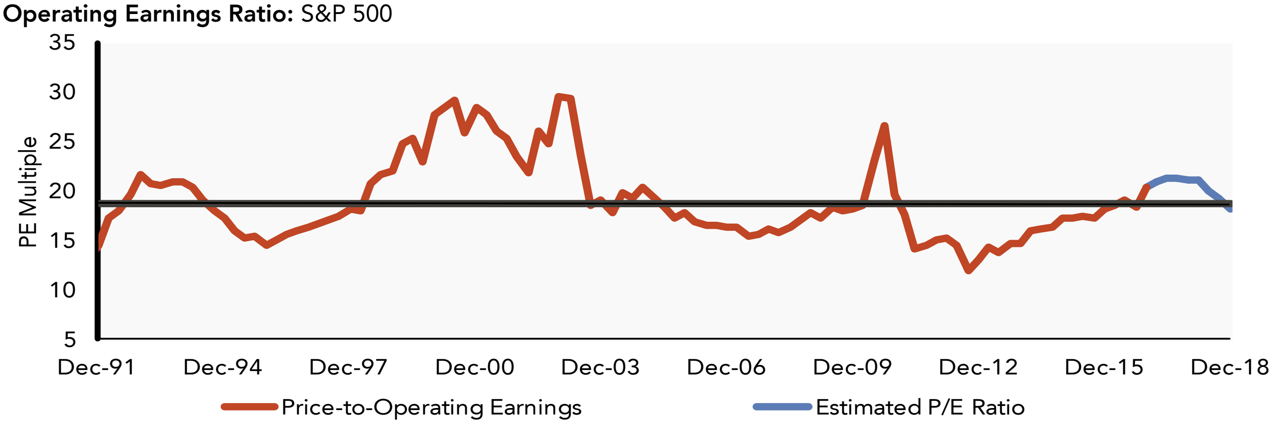
U.S. Equity

U.S. equity returns were subdued in March following the strong post-election rally as investors began to question the Trump administration's ability to enact pro-growth policies. The S&P 500 reached the 2,400 level for the first time intra-day on March 1st, but finished the day lower. The DJIA closed above the 21,000 level on March 1st, but was unable to maintain this level for the remainder of the month. The VIX remained low during March, decreasing 4.4% to close the month at 12.4. On March 21st, both the S&P 500 and DJIA recorded their first -1% decline in 110 consecutive trading days. This was the 9th longest streak without a -1% decline for the S&P 500 since May 1995 and the 6th longest streak for the DJIA since September 1993. The Russell 1000 Growth is the best performing sector for the year with a return of +8.9%. Through March and year-to-date, growth continues to outperform value and large cap continues to outperform small cap.

Equity Returns: Select Index Performance

	Month	Qtr.	YTD	1 Year	3 Year	5 Year	10 Year
Broad Market Indices							
Dow Jones (20,663.22)	-0.6%	5.2%	5.2%	19.9%	10.6%	12.2%	8.1%
Wilshire 5000	0.1%	5.6%	5.6%	18.4%	10.0%	13.2%	7.6%
Russell 3000	0.1%	5.7%	5.7%	18.1%	9.8%	13.2%	7.5%
Large-Cap Market Indices							
S&P 500 (2,362.72)	0.1%	6.1%	6.1%	17.2%	10.4%	13.3%	7.5%
Russell 1000	0.1%	6.0%	6.0%	17.4%	10.0%	13.3%	7.6%
Russell 1000 Value	-1.0%	3.3%	3.3%	19.2%	8.7%	13.1%	5.9%
Russell 1000 Growth	1.2%	8.9%	8.9%	15.8%	11.3%	13.3%	9.1%
Mid-Cap Market Indices							
Russell MidCap	-0.2%	5.2%	5.2%	17.0%	8.5%	13.1%	7.9%
Russell MidCap Value	-0.7%	3.8%	3.8%	19.8%	8.9%	14.1%	7.5%
Russell MidCap Growth	0.6%	6.9%	6.9%	14.1%	7.9%	12.0%	8.1%
Small-Cap Market Indices							
Russell 2000	0.1%	2.5%	2.5%	26.2%	7.2%	12.4%	7.1%
Russell 2000 Value	-0.9%	-0.1%	-0.1%	29.4%	7.6%	12.5%	6.1%
Russell 2000 Growth	1.2%	5.4%	5.4%	23.0%	6.7%	12.1%	8.1%

Operating Earnings Ratio: S&P 500



Sources: Bloomberg, Standard & Poors

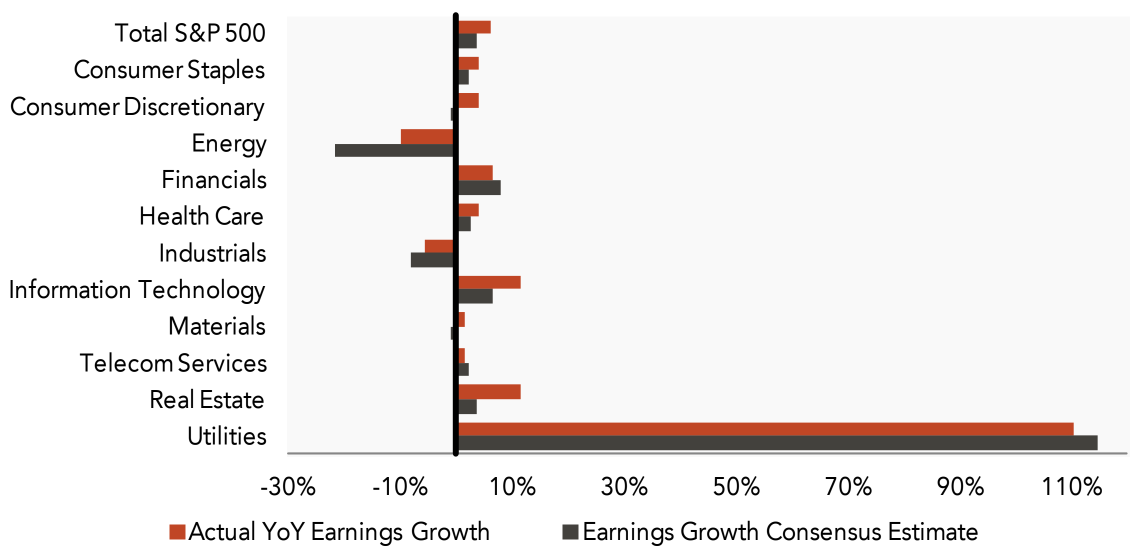
U.S. Equity

Three out of eleven S&P 500 sectors produced positive returns in March. Information Technology (+2.6%) and Consumer Discretionary (+2.1%) posted the strongest returns, while Financials (-2.8%) lagged. Interest rate sensitive sectors declined during the month as the Fed raised interest rates by 0.25% at its March meeting. Energy (-6.7%) is the worst performing sector year-to-date following strong performance in 2016 and weaker crude oil prices in 2017. S&P 500 EPS growth estimates for the first quarter are expected to advance by 9.9% year-over-year with the largest contributions coming from energy, information technology, financials, and materials. For calendar year 2017, analysts are expecting EPS growth of +10.3% for the S&P 500 with the rebound in energy being a significant contributor to EPS growth.

S&P 500 Sector Performance: Historic Returns

	Month	Qtr.	YTD	1 Year	3 Year	5 Year	10 Year
Consumer Staples	-0.3%	6.4%	6.4%	6.2%	11.3%	12.9%	10.6%
Consumer Discretionary	2.1%	8.5%	8.5%	13.2%	12.6%	16.3%	10.6%
Energy	-1.0%	-6.7%	-6.7%	14.3%	-5.0%	1.7%	3.4%
Financials	-2.8%	2.5%	2.5%	32.6%	11.7%	15.4%	0.2%
Health Care	-0.4%	8.4%	8.4%	11.6%	10.1%	16.7%	10.4%
Industrials	-0.7%	4.6%	4.6%	18.4%	9.9%	14.2%	8.2%
Information Technology	2.6%	12.6%	12.6%	24.9%	16.8%	14.6%	11.4%
Materials	0.5%	5.9%	5.9%	19.2%	5.6%	9.5%	5.8%
Telecommunications	-1.2%	-4.0%	-4.0%	1.7%	7.9%	10.3%	5.2%
Real Estate	-1.0%	3.5%	3.5%	2.5%	10.6%	10.1%	4.4%
Utilities	-0.2%	6.4%	6.4%	7.1%	11.3%	12.1%	6.7%

Quarterly Earnings: Analyst Expectations vs. Actual, Breakdown by Sector



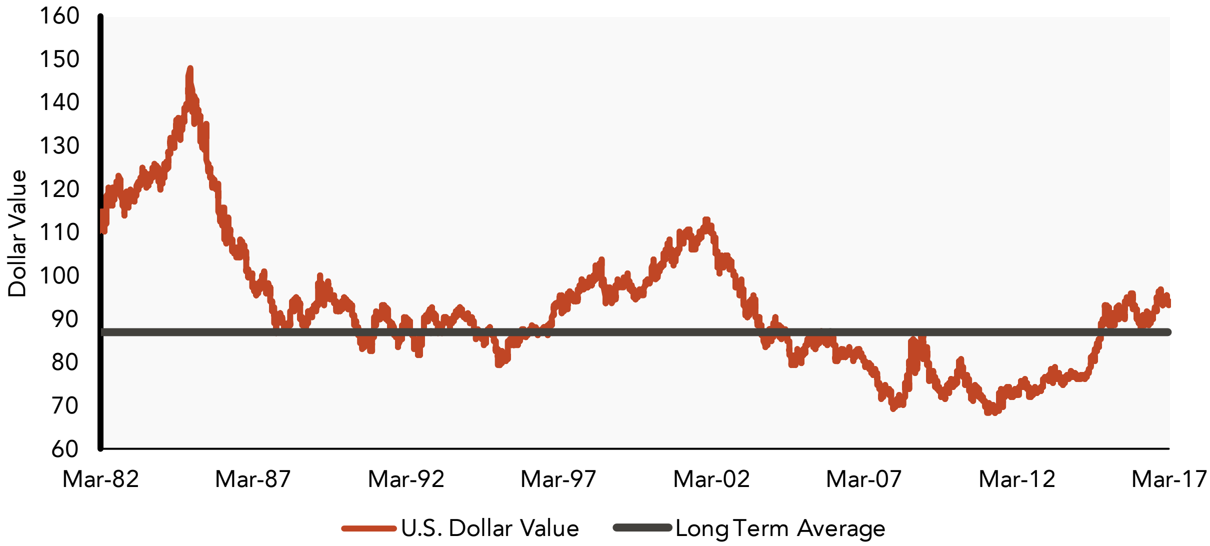
Sources: Bloomberg, Standard & Poors

MarquetteAssociates

Global Economy

The Federal Reserve tracks a trade-weighted exchange index between the U.S. dollar and other major widely circulated currencies. The index fell .3% in March and 4.6% in the last twelve months. The index is currently 8.2% above its long-term average. The International Monetary Fund (IMF) in its most recent World Economic Outlook is projecting global growth of 3.4% in 2017 and 3.6% in 2018. Advanced economies are projected to expand 1.9% in 2017 and 2.0% in 2018 while emerging market and developing economies are expected to grow 4.5% and 4.8% in 2017 and 2018, respectively.

Currency: Weighted U.S. Dollar vs. Major Currencies



Economic Indicators: For Select Countries

Consumer Prices (Inflation)		*as of*	GDP		*as of*	Unemployment Rate		*as of*
Britain	2.3%	Feb-17	Britain	2.7%	4Q	Britain	4.7%	Dec-16
Canada	2.0%	Feb-17	Canada	2.6%	4Q	Canada	6.6%	Feb-17
China	0.8%	Feb-17	China	7.0%	4Q	China	4.0%	4Q
France	1.1%	Mar-17	France	1.7%	4Q	France	10.0%	Feb-17
Germany	1.6%	Mar-17	Germany	1.7%	4Q	Germany	3.9%	Feb-17
India	3.7%	Feb-17	India	5.1%	4Q	Italy	11.5%	Feb-17
Italy	1.4%	Mar-17	Italy	0.7%	4Q	Japan	2.8%	Feb-17
Japan	0.2%	Feb-17	Japan	1.2%	4Q	United States	4.5%	Mar-17
United States	2.7%	Feb-17	United States	2.1%	4Q			

Sources: St. Louis Federal Reserve, Economist, Bloomberg

Non-U.S. Equity

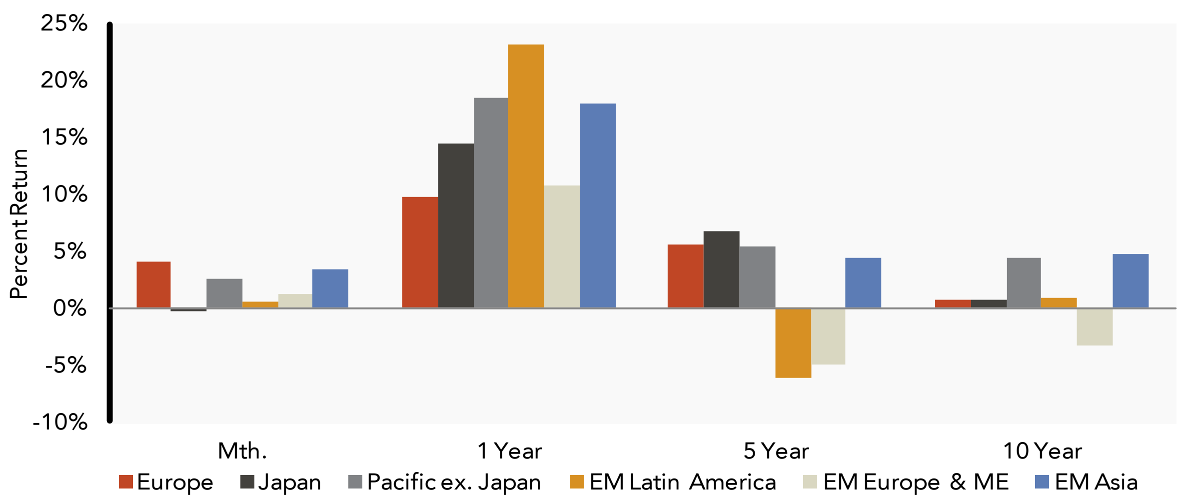
In the first quarter, non-U.S. equities produced strong returns across the board as the global economic outlook continues to improve. Emerging market equities continued their strong performance, generating 11.5% for the quarter and 17.2% for trailing year. This asset class has capitalized on a rebound in commodity prices, stabilized currencies, positive growth momentum, and improving fundamentals. Over the last six months analysts have revised earnings-per-share forecast upwards, increasing investor sentiment. As a result, flows into EM equity funds and ETFs in 2017 have been positive. 2012 was the last calendar year to see positive inflows.

Developed markets, both large (7.3%) and small (8.0%) also performed well to start 2017. In the Eurozone, business and consumer confidence surveys point towards continued economic recovery. In addition, broad based earnings growth appears to be occurring in European companies. In March, the first political landmine was sidestepped with the results of the Netherlands elections. In the second quarter, France will take center stage with its presidential election. The first and second rounds are scheduled for April 23rd and May 7th, respectively. Odds-makers predict Emmanuel Macron to defeat the euro-skeptic Le Pen in the second round.

Non U.S. Equity Performance: Select Indices

	Month	Qtr.	YTD	1 Year	3 Year	5 Year	10 Year
MSCI ACWI ex U.S. IMI	2.5%	8.0%	8.0%	13.0%	0.8%	4.7%	1.6%
MSCI ACWI ex U.S.	2.5%	7.9%	7.9%	13.1%	0.6%	4.4%	1.4%
MSCI EAFE (U.S. dollar)	2.8%	7.3%	7.3%	11.7%	0.5%	5.8%	1.1%
MSCI EAFE (Local)	0.0%	4.7%	4.7%	18.0%	7.3%	10.7%	2.3%
MSCI EAFE Value	2.8%	6.1%	6.1%	16.0%	-0.6%	5.6%	0.1%
MSCI EAFE Growth	2.7%	8.5%	8.5%	7.5%	1.5%	6.0%	2.0%
MSCI EAFE Small Cap	2.0%	8.0%	8.0%	11.0%	3.6%	9.2%	3.0%
MSCI Emerging Markets	2.5%	11.5%	11.5%	17.2%	1.2%	0.8%	2.7%
MSCI Emerging Markets Small Cap	2.6%	13.0%	13.0%	14.5%	1.7%	2.9%	3.9%
MSCI Frontier Markets	2.5%	8.9%	8.9%	12.9%	-1.7%	5.8%	-0.6%

Regional Performance: Equity Market Performance by Region



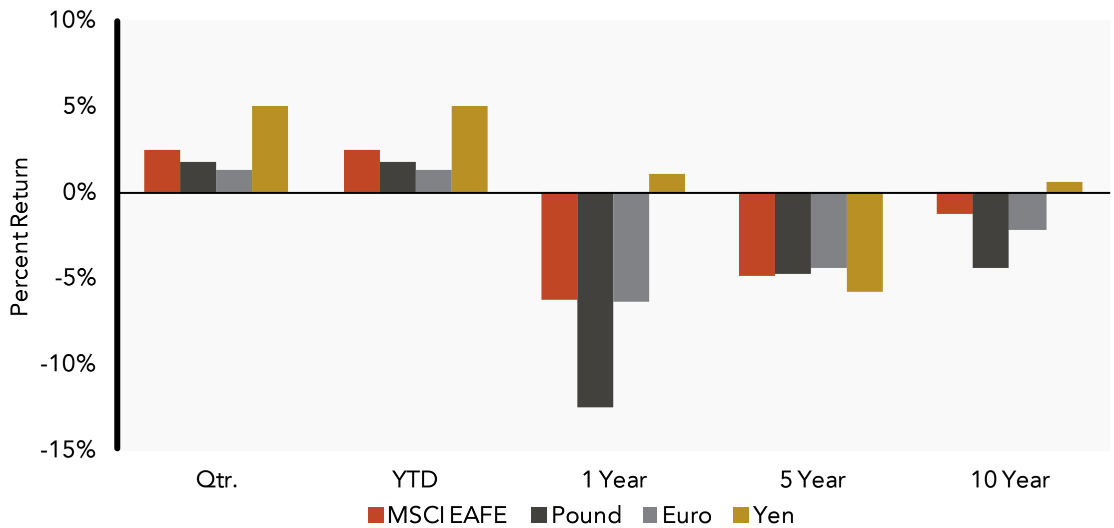
Source: Evestment

MarquetteAssociates

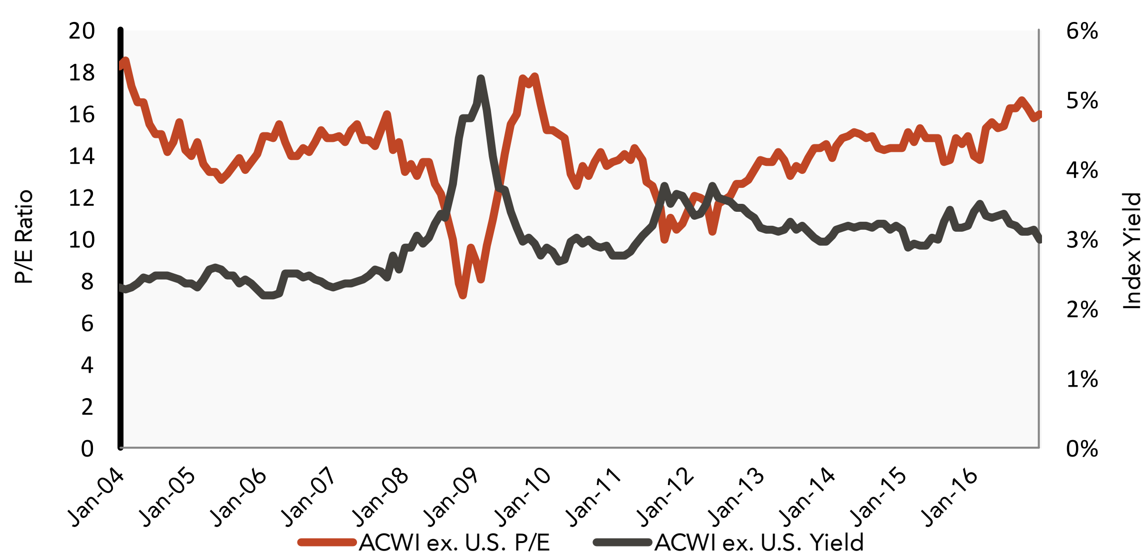
Non-U.S. Equity

During the fourth quarter, equity dividend yields decreased while P/E ratios increased. As of March 31, the MSCI ACWI ex. U.S. had a dividend yield and P/E ratio of 2.9% and 17.0, respectively. The MSCI EAFE currency index gained 2.5% in the first quarter as the U.S. dollar weakened. The yen (5.0%), euro (1.3%), and pound (1.7%) appreciated versus the dollar. EM currencies also strengthened with the MSCI EM Currency index up 2.5% in the first quarter. After a fourth quarter sell-off (-6.5%) on Trump trade policy concerns, the Mexican peso gained 10.7% and was a standout currency.

Currency Returns: Select Major Currencies



Valuation: Trailing PE and Dividend Yield



Source: Evestment, Bloomberg

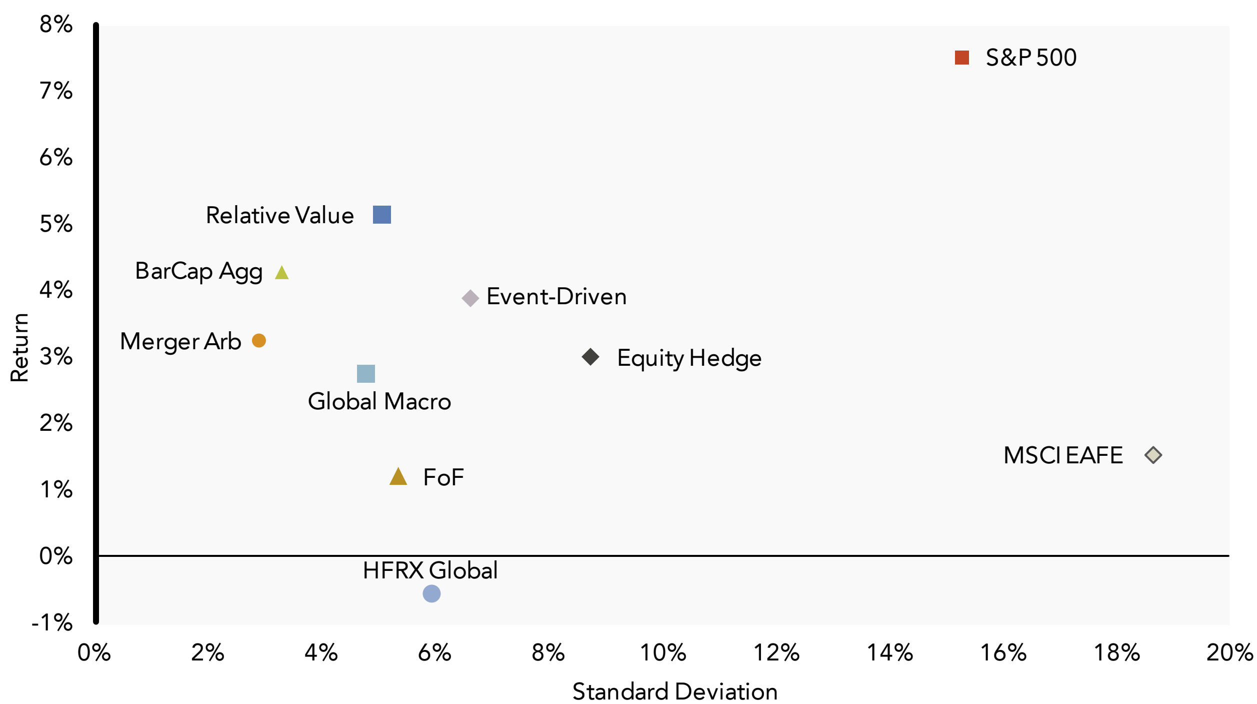
Hedge Fund

Hedge funds produced gains during the first quarter, with the exception of macro strategies. Equity hedge led all performance for the third consecutive month, as strategies focused on technology and healthcare had strong contributions. Relative value strategies also produced a gain for the third consecutive month, despite the Federal Reserve raising U.S. interest rates. Performance was led by volatility and credit multi-strategy managers. Event driven funds were flat for the month, though merger arbitrage and special situations strategies were positive during the first quarter. Macro was the worst performing strategy for the month and the quarter, as currency related positioning dragged down performance for the year.

Hedge Fund Performance: HFR Strategy Index Returns

	Month	3-Month	YTD	1 Year	3 Year	5 Year	10 Year
HFRX Global	0.0%	1.7%	1.7%	6.2%	-0.4%	1.3%	-0.6%
HFRX Hedged Equity	0.7%	2.7%	2.7%	5.9%	0.2%	2.7%	-1.1%
HFRI Composite	0.2%	2.3%	2.3%	8.6%	2.8%	4.0%	3.3%
HFRI Fund of Funds	0.1%	2.0%	2.0%	5.9%	1.7%	3.2%	1.2%
HFRI Convertible Arbitrage	0.1%	1.9%	1.9%	10.6%	3.7%	4.7%	4.6%
HFRI Equity Hedge	0.6%	3.6%	3.6%	11.3%	2.9%	4.8%	3.0%
HFRI Event-Driven	0.0%	2.2%	2.2%	13.8%	2.6%	5.2%	3.9%
HFRI Macro	-0.5%	-0.1%	-0.1%	-0.7%	1.8%	0.8%	2.7%
HFRI Merger Arbitrage	0.4%	1.1%	1.1%	4.0%	3.0%	3.1%	3.2%
HFRI Relative Value	0.5%	2.5%	2.5%	10.7%	3.8%	5.4%	5.1%

Ten Year Risk Return: Hedge Fund Returns vs. Public Markets



Source: HFR, Bloomberg

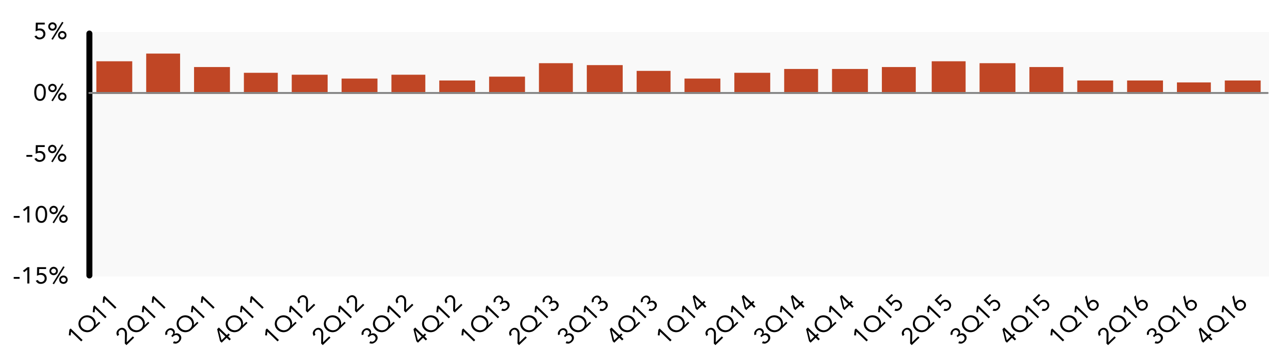
Commercial Real Estate

The NPI achieved a total return of 1.7% in the fourth quarter of 2016. Income contributed 1.1% to total return, however, appreciation slowed in the fourth quarter as cap rates stabilized and only contributed 0.6%. In 2016 the NPI posted a gain of 8.0%, comprised of approximately 4.7% income and 3.1% appreciation. The NFI-ODCE gained 2.1% in the fourth quarter of 2016, comprised of 1.1% income and 1.0% appreciation. In 2016 the NFI-ODCE was up 8.8%, the lowest calendar year return since 2009, comprised of 4.5% income and 4.1% appreciation. Despite the slowdown, a total return of 8.8% was well above the NFI's 10-year average (5.8%). NFI leverage ranges between 15% - 34% among the ODCE funds and at the end of the fourth quarter, NFI-ODCE leverage was 21.7%. From a sector standpoint, Industrial continued to lead in the fourth quarter and year to date with returns of 3.0% and 12.3%, respectively, largely driven by strong NOI growth (7.4%). Properties in the Western regions of the country continued to lead in the fourth quarter and in 2016 with gains of 2.2% and 10%, respectively, while the Eastern (1.4%) and Midwest (1.3%) regions underperformed. NFI-ODCE funds attracted $884 million in net capital flows in 2016, the lowest since 2009. Going forward, we anticipate a continuation of normalized returns in the mid to high single digit range for core real estate. From a fundamentals perspective, demand is exceeding new supply in most sectors with the exception of multifamily, occupancy rates are strong, and cap rate spreads to Treasuries remain relatively attractive.

Real Estate Performance: Select Indices

Indices	4Q16	YTD	1 Year	3 Year	5 Year	10 Year	10 Yr Risk
NPI	**1.7%**	**8.0%**	**8.0%**	**11.0%**	**10.9%**	**6.9%**	**5.9%**
Income	1.1%	4.7%	4.7%	5.0%	5.2%	5.6%	0.3%
Appreciation	0.6%	3.1%	3.1%	5.8%	5.5%	1.3%	5.9%
NFI-ODCE	**2.1%**	**8.8%**	**8.8%**	**12.1%**	**12.2%**	**5.8%**	**8.7%**
Income	1.1%	4.5%	4.5%	4.8%	5.0%	5.3%	0.3%
Appreciation	1.0%	4.1%	4.1%	7.0%	6.9%	0.5%	8.7%
FTSE NAREIT All Eq. REITs	**-3.3%**	**8.6%**	**8.6%**	**12.7%**	**12.0%**	**5.1%**	**25.5%**
NPI Apartment	1.7%	7.3%	7.3%	9.9%	10.2%	6.6%	6.3%
NPI Office	1.4%	6.2%	6.2%	10.0%	9.9%	6.3%	6.5%
NPI Industrial	3.0%	12.3%	12.3%	13.5%	12.7%	7.3%	6.0%
NPI Retail	1.7%	9.0%	9.0%	12.5%	12.4%	8.3%	4.8%
NPI Hotel	0.7%	4.7%	4.7%	9.6%	8.9%	4.8%	6.8%
NPI East	1.4%	6.4%	6.4%	9.0%	9.1%	6.0%	6.3%
NPI Midwest	1.3%	7.0%	7.0%	10.2%	10.2%	6.5%	4.9%
NPI South	1.6%	7.4%	7.4%	11.5%	11.6%	7.4%	5.2%
NPI West	2.2%	10.0%	10.0%	12.9%	12.5%	7.7%	6.4%

Commercial Real Estate Market: NFI-ODCE Property Appreciation

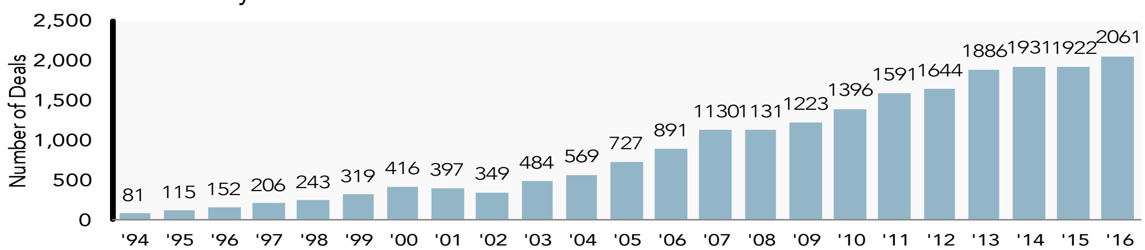


Sources: NCREIF

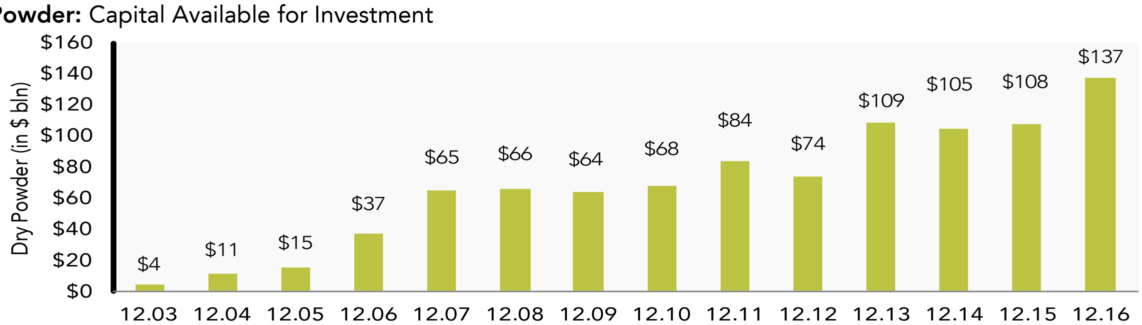
Infrastructure

Demand for infrastructure investments remains strong going into 2017 as shown by the nearly $137 billion in dry powder at 2016 year-end. The historically high levels of dry powder signify the ever present difficulty investment managers are experiencing investing capital in this current market environment which is creating a competitive landscape. In the U.S., infrastructure investments are expected to surge against the backdrop of President-elect Donald Trump's infrastructure proposals. Although his initial proposal lacked specific details, Trump backed the notion of spending roughly $1 trillion over 10 years and attracting new private infrastructure investments through a deficit-neutral system of tax credits. While Trump's proposals sound encouraging, they must be assessed against the current market environment of dry powder and peak pricing. 2016 saw a total of 2,061 infrastructure deals completed, representing only a 7% increase from the 1,922 deals completed in 2015. However, the aggregate deal value soared 14%, from $362 billion in 2015 to $413 billion in 2016. Given a market for which the number of deals has tempered and pricing - based on aggregate deal value - continues to climb, a potential injection of $1 trillion may further bid up prices yet not translate into promising returns for investors.

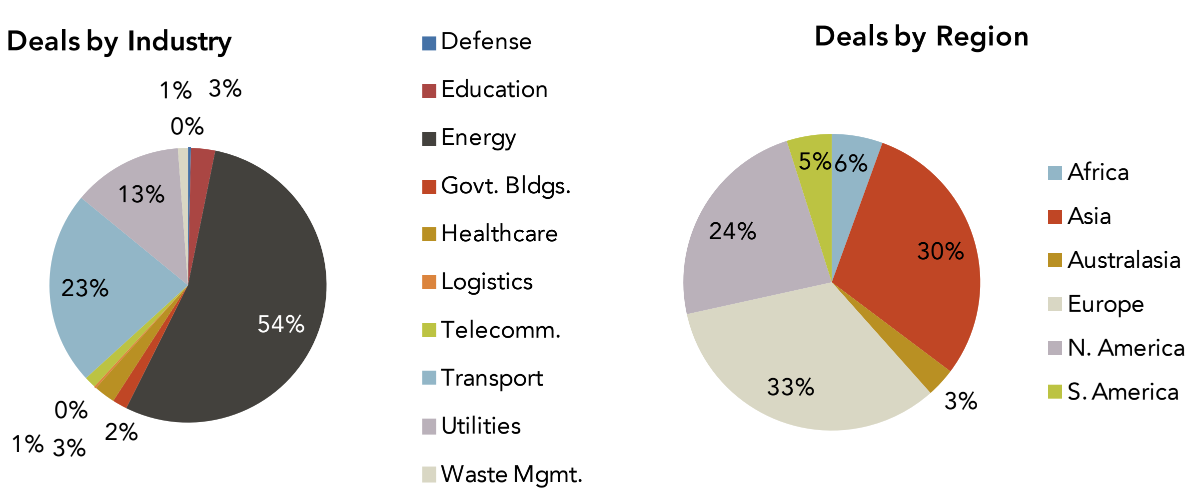
Number of Deals: Deals by Year



Dry Powder: Capital Available for Investment



Deal Breakdown: By Industry (left) and by Region (right)



Source: Preqin Infrastructure as of 12/31/2016
Note: Information for prior time periods may change due to daily updates by Prequin

Private Equity

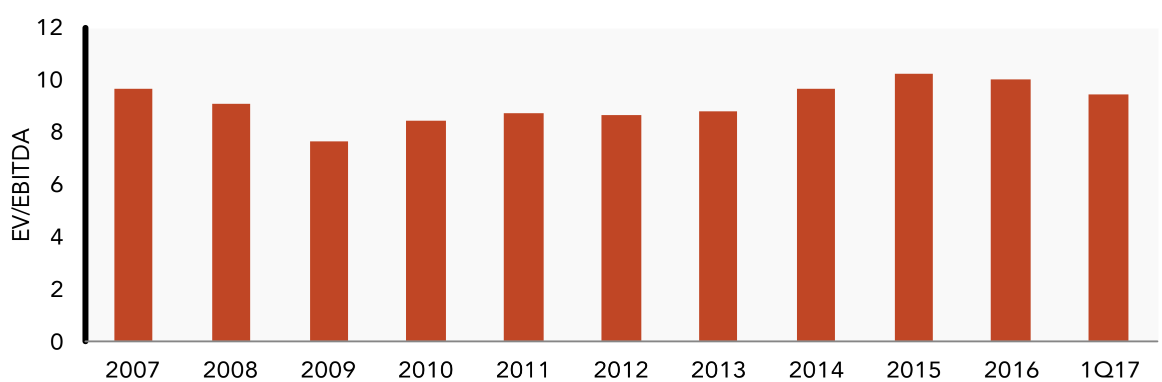
It was a surprisingly slow start to the year for the private equity industry given that public equity markets rallied strongly during the first quarter. Deal activity came in at $53 billion, which was an increase of just 5% from a year ago when global equity markets were in the midst of a 10% correction. Exits were also slow, down 12.8% from a year ago at just $47.9 billion, the slowest quarter for exits since the fourth quarter of 2011. The slowdown in activity did lead to a modest drop in purchase price multiples, which declined to 9.5x EV/EBITDA in the first quarter, compared to over 10x for all of 2015 and 2016. Venture activity also slowed with new deal value down 21.7% from a year ago to $31 billion. Venture exit activity dropped 8.5% to $17.3 billion, despite the high profile IPO of Snap, Inc. (the parent company of the popular messaging app Snapchat) which raised $3.5 billion in March. Lastly, fundraising remained robust. Total fundraising was flat YoY at $89 billion, but on a trailing twelve months basis was $371 billion, up 5.9% from a year ago and near all-time highs.

Fundraising: Buyout and Venture

Annualized Performance: Select Benchmarks as of September 30, 2016

	Qtr	YTD	1 Year	3 Year	5 Year	10 Year	15 Year
Cambridge Private Equity Index	3.8%	6.9%	8.6%	11.1%	12.3%	10.3%	11.1%
Dow Jones Total Stock Market	4.4%	8.1%	15.5%	10.4%	16.3%	7.5%	7.9%
Russell 2000 Index	9.0%	11.5%	15.5%	6.7%	15.8%	7.1%	9.3%

Purchase Price Multiples: EV/EBITDA



Sources: Venture Economics, Preqin Ltd., Standard & Poors, Bloomberg

PREPARED BY MARQUETTE ASSOCIATES
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CHICAGO I BALTIMORE I ST. LOUIS

PHONE 312-527-5500
WEB marquetteassociates.com

About Marquette Associates

Marquette Associates is an independent investment consulting firm that guides institutional investment programs with a focused three-point approach and careful research. Marquette has served a single mission since 1986 - enable institutions to become more effective investment stewards. Marquette is a completely independent and 100% employee-owned consultancy founded with the sole purpose of advising institutions. For more information, please visit www.marquetteassociates.com.

Police Pension Fund
535 Duane Street
Glen Ellyn, IL 60137

Meeting: 04/19/17 07:30 PM
Department: Police Pension Fund
Department Head: Christina Coyle
Category: Contract
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 2679) DOC ID: 2679

Motion to select a provider to provide custody services for the Glen Ellyn Police Pension Fund.

Marquette Associates will be bringing information to the meeting for custodial services for the pension fund. The fund currently uses MB Finanical as our custodian. Marquette has solicited proposals and believes that the fund could reduce expenses by changing providers. Information will be provided at the meeting for the pension board to make a decision on whether to make a change.

Police Pension Fund
535 Duane Street
Glen Ellyn, IL 60137

Meeting: 04/19/17 07:30 PM
Department: Police Pension Fund
Department Head: Christina Coyle
Category: Vouchers
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 2673) DOC ID: 2673

Approve the Expense Vouchers in the amount of $15,388.29 and Pension Expenses in the amount of $518,242.47 for a total of $533,630.76

Please find the vouchers attached.

ATTACHMENTS:

- 2017 April Vouchers (PDF)

POLICE PENSION FUND
APPROVAL OF VOUCHERS
For the meeting in April 2017

Expenses	Check Date:	Paid amount	
Jay Company (Investment Manager)	3/7/2017	$ 10,194.00	
MB Financial (Custodial Account Fees)	1/12/2017	$ 4,557.29	
IPPFA (Registration Fee)	2/17/2017	$ 335.00	
Reimer & Karlson LLC (Legal Services)	1/27/2017	$ 302.00	
		$ 15,388.29	
			$ 15,388.29

Pension Expenses	**January**	**February**	**March**	
Service Pensions	$ 149,499.73	$ 149,499.73	$ 149,499.73	
Duty Disability Pensions	$ 11,216.25	$ 11,216.25	$ 11,216.25	
Non-Duty Disability Pensions	$ -	$ -	$ -	
Surviving Spouse Pension	$ 12,031.51	$ 12,031.51	$ 12,031.51	
Total Payroll:	**$ 172,747.49**	**$ 172,747.49**	**$ 172,747.49**	
				$ 518,242.47
			Grand Total	**$ 533,630.76**

Glen Ellyn Police Pension Fund

Invoice Date	Invoice Number	Invoice Description	Net Invoice Amount
02/14/17	21417	IPPFA CONFERENCE-MONSON	335.00

Vendor No.	Vendor Name	Check No.	Check Date	Check Amount
450	IPPFA	006915	02/17/2017	$335.00

Glen Ellyn
POLICE PENSION FUND
535 Duane St.
Glen Ellyn, Illinois 60137

The ILLINOIS Funds
Money Market Fund
Payable Through
First National Bank of Central Illinois Affiliate
Farmers & Merchants bank, Carlinville, IL

2-173/710

Check Number 006915

Check Date	Check Amount
02/17/2017	335.00

VOID AFTER 180 DAYS

Pay To The Order Of

IPPFA
2587 MILLENNIUM DR
UNIT C
ELGIN IL 60124

FILE COPY
NON - NEGOTIABLE

APPPF

Glen Ellyn
POLICE PENSION FUND
535 Duane St.
Glen Ellyn, Illinois 60137

FORWARDING SERVICE REQUESTED

006915

IPPFA
2587 MILLENNIUM DR
UNIT C
ELGIN IL 60124

Christina Coyle

From: Ken Sarni <ken@ippfa.org>
Sent: Friday, February 10, 2017 1:40 PM
To: Christina Coyle
Subject: Registration Confirmed - 2017 IPPFA Illinois Pension Conference

PP0217-1

450-2

Dear Jim:

Your registration has been confirmed. Please save this email for future reference.

Event: 2017 IPPFA Illinois Pension Conference
Attending: Jim Monson
Number in Party: 1
Time: 8:00 AM
Date: Tuesday, May 2, 2017
Confirmation Number: DKNK5YKXKDZ
Current Registration:

Please mail check to:
IPPFA
2587 Millenium Dr., Unit C
Elgin, IL 60124

Registration Information:

Registration Items

Jim Monson — IPPFA Member

Are you a delegate for your department?

Yes

Sessions

Jim Monson	Delegates Meeting	03-May-2017 8:00 AM
Jim Monson	Delegates Meeting/Board of Directors Speeches	03-May-2017 5:15 PM

Additional Information

Jim Monson — Will you be attending the Trustee Workshop on Tuesday, May 2nd?

Yes

Will you be attending the Welcome Reception on Tuesday, May 2nd at 8:00PM?

Yes

Are you a first time attendee?

No

POLICE PENSION

CODE	AMOUNT	APPROVAL	DATE
90000 -	$335.00	@	2/10/17
520600			

Click here to view the event summary

We look forward to seeing you there.

Sincerely,
Ken Sarni
IPPFA
ken@ippfa.org

900 110155

Christina Coyle

From: Ken Sarni <ken@ippfa.org>
Sent: Friday, February 10, 2017 1:50 PM
To: Christina Coyle
Subject: Registration Confirmed - 2017 IPPFA Illinois Pension Conference

Dear Christina:

Please save this email for future reference.

Event: 2017 IPPFA Illinois Pension Conference
Number in Party: 1
Time: 8:00 AM
Date: Tuesday, May 2, 2017
Location: Eaglewood Resort & Spa
Address: 1401 Nordic Rd., Itasca, Illinois 60143, USA
Dress:

Group Confirmation Number: LBNS2FB58H3
Primary Registrant (Jim Monson)
Confirmation Number: DKNK5YKXKDZ

Jim Monson

Order Date	Invoice	Order Type	Item	Item Type	Amt Ordered	Amt Paid	Amt Due
10-Feb-2017 1:40 PM CT	2017IL-201702-0235-0241	Offline Charge	IPPFA Member	Admission Item	$335.00	$0.00	$335.00

	Amt Ordered	Amt Paid	Amt Due
Total	$335.00	$0.00	$335.00

To view or modify the online registration for anyone in your group, Click here. You will be asked to enter your name and the group confirmation number shown above.

If you no longer want to receive emails from Ken Sarni,
Opt-Out

Glen Ellyn Police Pension Fund

Invoice Date	Invoice Number	Invoice Description	Net Invoice Amount
01/16/17	21953	LEGAL SERVICES	302.00

Vendor No.	Vendor Name	Check No.	Check Date	Check Amount
3158	REIMER DOBROVOLNY & KARLSON LLC	006913	01/27/2017	$302.00

Glen Ellyn
POLICE PENSION FUND
535 Duane St.
Glen Ellyn, Illinois 60137

The ILLINOIS Funds
Money Market Fund
Payable Through
First National Bank of Central Illinois Affiliate
Farmers & Merchants bank, Carlinville, IL
2-173/710

Check Number 006913

Check Date	Check Amount
01/27/2017	302.00

VOID AFTER 180 DAYS

Pay To The Order Of **REIMER DOBROVOLNY & KARLSON LLC**
15 SPINNING WHEEL RD
SUITE 310
HINSDALE IL 60521

FILE COPY
NON - NEGOTIABLE

APPPF

Glen Ellyn
POLICE PENSION FUND
535 Duane St.
Glen Ellyn, Illinois 60137

FORWARDING SERVICE REQUESTED

006913

REIMER DOBROVOLNY & KARLSON LLC
15 SPINNING WHEEL RD
SUITE 310
HINSDALE IL 60521

REIMER DOBROVOLNY & KARLSON LLC

A Public Safety Law Firm
15 Spinning Wheel Road, Suite 310
Hinsdale, IL 60521
(630) 654-9547

3158

Jan 16,2017

Det. Jim Munson, Secretary
Glen Ellyn Police Pension Board
535 Duane Street
Glen Ellyn, Illinois 60137

PLEASE INDICATE CLIENT # 2112

21953

Payments Received: $213.03

RE: LEGAL SERVICES RENDERED

DUE UPON RECEIPT

DATE	ATY	DESCRIPTION	HOURS	RATE	AMOUNT
MATTER:		***2112-001***			
RE:		***General Matters***			
11/22/16	RJR	Review Marquette draft consulting agreement. Email regarding recommended changes	0.75	$200.00	$150.00
		MATTER TOTALS:	**0.75**		**$150.00**
MATTER:		***2112-003***			
RE:		***Annual Evaluation of Raymond Munch***			
11/29/16	RJR	Review Dr. Samo's annual report. Correspondence to Board President regarding Dr. Samo's report	0.75	$200.00	$150.00
		MATTER TOTALS:	**0.75**		**$150.00**

DISBURSEMENTS			AMOUNT
MATTER:	***2112-003***		
RE:	***Annual Evaluation of Raymond Munch***		
	Photocopy	900 110155 cash	2.00
	MATTER TOTALS:		**$2.00**

CODE	AMOUNT	APPROVAL	DATE
90000 - 520700	$302.00	@	1/24/17

Attachment: 2017 April Vouchers (2673 : Police Pension Vouchers April 2017)

TOTAL FEES	$300.00
TOTAL DISBURSEMENTS	$2.00
AMOUNT DUE THIS BILL	$302.00
PREVIOUS BALANCE	$0.00
RETAINER AMOUNT APPLIED	$0.00
TOTAL AMOUNT DUE	**$302.00**

RETAINER BALANCE $0.00

Glen Ellyn Police Pension Fund

Invoice Date	Invoice Number	Invoice Description	Net Invoice Amount
03/07/17	30717	INVESTMENT MGR Q/E 1/31/1	10,194.00

Vendor No.	Vendor Name	Check No.	Check Date	Check Amount
474	MERRILL F. RAJECK	006916	03/10/2017	$10,194.00

Glen Ellyn
POLICE PENSION FUND
535 Duane St.
Glen Ellyn, Illinois 60137

The ILLINOIS Funds
Money Market Fund
Payable Through
First National Bank of Central Illinois Affiliate
Farmers & Merchants bank, Carlinville, IL
2-173/710

Check Number 006916

Check Date	Check Amount
03/10/2017	10,194.00

VOID AFTER 180 DAYS

Pay To The Order Of

MERRILL F. RAJECK
DBA JAY COMPANY
337 MERTON AV
GLEN ELLYN IL 60137-5203

FILE COPY
NON - NEGOTIABLE

APPPF

Glen Ellyn
POLICE PENSION FUND
535 Duane St.
Glen Ellyn, Illinois 60137

FORWARDING SERVICE REQUESTED

006916

MERRILL F. RAJECK
DBA JAY COMPANY
337 MERTON AV
GLEN ELLYN IL 60137-5203

Attachment: 2017 April Vouchers (2673 : Police Pension Vouchers April 2017)

Jay Company
337 Merton Avenue
Glen Ellyn, Illinois 60137-5203

Investment Management

Merrill F. Rajeck, CF
(630) 469-67
rajeck@att.n

INVOICE

474

Jay Company's investment management fee for the period 10/31/16 to 1/31/17 is calculated as follows:

GLEN ELLYN POLICE PENSION FUND - INVESTMENT PORTFOLIO

Asset Value on October 31, 2016	$	27,182,67
Annual Fee Rate of 15/100 of 1%		0.001
Annual Fee Basis	$	40,77
Quarterly Proration		0.2
Fee due on February 1, 2017	**$**	**10,19**

CODE	AMOUNT	APPROVAL	DATE
90000-520800	$10,194.00	@	3/1/17

PP0317

Cash 900 110155

Asset Valuation:

Asset valuation used by Jay Company was determined by MB Financial Bank and WB&T for the date above.

S.E.C. Form ADV 2A:

Jay Company will provide a copy of S.E.C. Form ADV 2A on request.

Privacy Policy:

Jay Company respects the privacy of information about its clients and their account(s). As stated in our Investment Advisory Agreement: "All information and advice furnished by either party to the other hereunder, including their respective agents and employees, including their respective agents and employees, will be treated as confidential and will not be disclosed to third parties except as required by law."

Account Name : Glen Ellyn Police

Account No : 66376580

Account Transactions

Date	Description				Income	Principal
01/30/2017	Maturity					
	TCF National Bank CD .700% 01/30/17					250,000.00
	250000 PV @ $ 100.00					
	Cost Basis Removed $250,000.00					
				Sub Total	0.00	500,000.00
	Payments					
01/12/2017	Market Fee					-4,557.29
	Market Value: 27,368,285.58					
	Fee Date: 12/31/2016					
	Frequency: Quarterly					
	Schedule : CUSTODY FEE B					
	0.1000 %	On The First	5,000,000.00	5,000.00		
	0.0750 %	On The Next	5,000,000.00	3,750.00		
	0.0500 %	On The Next	17,368,285.58	8,684.14		
		Total Fee		17,434.14		
	TOTAL FEE - Adjusted (Quarterly)			4,358.54		
	Base Fee - Adjusted (Quarterly)			198.75		
	Minimum Fee			250.00		
	TOTAL DUE - Adjusted (Quarterly)			4,557.29		
	100.00000000 % From Principal, 0.00000000 % From Income					
01/13/2017	Scheduled Cash Disbursement					-145,000.00
	Ach Transfer					
	Paid To : Glen Ellyn Police Pension Fund					
	Monthly Pension Payroll - Illinois Funds					
				Sub Total	0.00	-149,557.29
	Miscellaneous					
01/03/2017	Accretion - Adjust Cost on Taxlots					
	Freddie Mac Cpn Strip 09/15/2017					
	Adjust Cost Of $18,053.51					
	[Bond Disc Acrt]					
01/03/2017	Accretion - Adjust Cost on Taxlots					
	Tenn Valley Auth Prin Strip 12/15/17					
	Adjust Cost Of $37,880.71					
	[Bond Disc Acrt]					

Police Pension Fund
535 Duane Street
Glen Ellyn, IL 60137

Meeting: 04/19/17 07:30 PM
Department: Police Pension Fund
Department Head: Christina Coyle
Category: Personnel
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 2677) DOC ID: 2677

1. Approve the admission into the Glen Ellyn Police Pension Fund of three new hires, Zachary Bava (hired 3/29/17), Jacob Zakaitis (hired 3/29/17), and Matthew Saitta (hired 3/29/17). 2. Approve a contribution refund to Mallory Riggle in the amount of $61,715.72 which will be paid to National Financial Services LLC and is made to a qualifying IRA account. 3. Approve a contribution refund to Mark Bonislawski in the amount of $3,211.61.

Membership Changes

Three officers resigned in the first quarter. Two of those officers are requesting contribution refunds as noted below. The officers that resigned are:

- Jaroslaw Hampel - resigned 1/13/2017
- Mallory Riggle - resigned 3/24/2017
- Mark Bonislawski - resigned 1/12/2017

Three new officers were hired in the quarter and will need to be admitted to the Police Pension Fund. Those officers are:

- Zachary Bava - hired 3/29/2017
- Jacob Jakaitis - hired 3/29/2017
- Matthew Saitta - hired 3/29/17

Contribution Refunds

Two of the officers that resigned are requesting contribution refunds.

- Mallory Riggle is requesting a contribution refund in the amount of $61,715.72 which will be rolled into a qualified plan.
- Mark Bonislawski is requesting a contribution refund in the amount of $3,211.61. He is requesting the funds are distributed to him, in which case they will be subject to tax.

Transfers

None.

Action Requested

1. Motion to approve the admission into the Glen Ellyn Police Pension Fund of Zachary Brava, Jacob Jakaitis, and Mathew Saitta.
2. Motion to approve the contribution refund into another qualified plan for Mallory Riggle in the amount of $61,715.72 which will be paid to National Financial Services LLC.
3. Motion to approve the contribution refund to Mark Bonislawski in the amount of $3,211.61.

Police Pension Fund
535 Duane Street
Glen Ellyn, IL 60137

Meeting: 04/19/17 07:30 PM
Department: Police Pension Fund
Department Head: Christina Coyle
Category: Purchase
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 2678) DOC ID: 2678

Motion to approve renewal of Fiduciary Insurance Policy with Rockwood Company/Travelers Insurance in the amount of $4,526.00.

Background

The Police Pension Board is required to have a fiduciary insurance policy. This policy must be renewed each year.

Issues

I obtained a quote from our current insurance company, Travelers Insurance, to continue coverage for another year. The quote received was $4,526.00, an increase of $75.00 or 1.7% from the prior year. Attached is the information.

Action Requested

Motion to approve renewal of fiduciary liability insurance policy with Rockwood Company (Travelers Insurance) in the amount of $4,526.00.

ATTACHMENTS:

- Renewal Quote 2017 (PDF)

TRAVELERS

Travelers Management Liability - Global Risk Update

What's the issue?

The international regulatory landscape is growing in complexity with an increased focus on **foreignnon-admitted insurance** laws. Regulators have become more active in monitoring compliance with these laws, having an impact on insurers, insureds, and brokers. As the businessoperations and associated insurance risks of Travelers' insureds continue to expand outside of the United States, attention to these laws, which vary from country to country, is increasingly important.

In an effort to clearly address these legal challenges, Travelers will be adding the Global Coverage Compliance Endorsement to primary Management Liability policies that extend coverage beyond the United States.

Foreignnon-admitted insurance refers to insurance that provides coverage for persons, companies, and property located in a foreign jurisdiction in which the issuing insurer is not licensed or otherwise authorized by the local regulatory authority to provide insurance.

What are the key endorsement features?

This endorsement will:
1. Clarify that Travelers cannot legally pay claims in foreign jurisdictions when foreign non-admitted insurance laws prohibit such payments;
2. Clarify Travelers' inability to provide insurance in the event that doing so would violate an applicable trade and economic sanctions law; and
3. Add **"Financial Interest"** coverage, which provides asolution in those foreign jurisdictions where Travelers is not legally permitted to provide coverage to a foreign insured organization, but isable to make payment in the U.S. based on the U.S. named insured's interest in the foreign insured organization.

Under the "**Financial Interest"** coverage, payment is made to the first named insured in the U.S. for the covered losssustained by the foreign entity. Financial Interest coverage recognizes that a losssustained by a foreign insured organization impacts the balance sheet of the U.S. named insured, and the payment made in the U.S. to the first named insured is the full amount of the otherwise covered loss.

In situations where a foreign country's non-admitted insurance restrictions would not permit "Financial Interest" coverage, such as for losses sustained by foreign individuals that are not indemnified by an insured organization, including Side-A losses under a Directors & Officers (D&O) policy, Travelers can help procure a local policy. Travelers has the ability to place locally admitted D&O policies in over 100 countries.

How is this helpful to you and your customers?

The goal in attaching this new endorsement is to be transparent about Travelers' intent to remain compliant with foreign non-admitted insurance and trade and economic sanctions laws. With the "Financial Interest" coverage provided in this endorsement, Travelers has an expresscontractual obligation to pay the first named insured in the U.S. when the lossis sustained by a foreign insured organization in acountry that prohibits non-admitted insurance.

Who should I contact for more information?

To learn more, please contact your local Travelers underwriter.

travelers.com

The TravelersCasualty and Surety Company of America and its property casualty affiliates. One TowerSquare, Hartford, CT 06183

CP-8802New 5-15

TRAVELERS

Wrap+®
for Governmental Plans

Grace Villarreal
215 Shuman Blvd.
NAPERVILLE, IL 60563-8458
Fax: (630) 961-7020
Email: GVILLARR@travelers.com

March 22, 2017

Kathy Rzepa
ROCKWOOD COMPANY
20 N WACKER DR STE 960

RE:	**Benefit Plan:**	VILLAGE OF GLEN ELLYN POLICE PENSION FUND 535 DUANE STREET GLEN ELLYN, IL 60137
	Insurance Representative:	CHRISTINA COYLE 535 DUANE STREET GLEN ELLYN, IL 60137
	Expiring Policy Number:	106082905
	Policy Period:	May 1, 2017 to May 1, 2018

Dear Kathy Rzepa:

On behalf of **Travelers Casualty and Surety Company of America** we are pleased to provide the attached proposal of insurance for your review.

The quotes contained in this document are valid until the expiration of your current policy, and are subject to the provision of, and Travelers' review and acceptance of, the required underwriting information noted in the Contingencies section. Travelers reserves the right to change the quotes in this document, or to refuse to bind coverage entirely, based on review of the required underwriting information or based on adverse change in the risk(s) to be insured prior to the quote expiration date noted in this document.

Please note that we require a response to this document prior to expiration of the Insured's current policy in order to facilitate policy renewal. The insured's current policy will expire and not be renewed in the absence of a request, and Travelers' agreement, to bind coverage.

Travelers is pleased to offer Risk Management PLUS+ Online®, the industry's most comprehensive program for mitigating your management liability exposures, which is available to you at no additional cost. Please visit **www.rmplusonline.com** to view the services that are available. If you have additional questions about the site please contact your Underwriter.

Travelers Casualty and Surety Company of America, a subsidiary of The Travelers Companies, Inc., has consistently earned high ratings for financial strength and claims-paying ability from independent rating services, including a current A.M. Best rating of A++*. Founded in 1853, The Travelers Companies, Inc. is a Fortune 500 company, a component of the Dow Jones Industrial Average, and a leading provider of property casualty insurance for businesses.

Thank you for considering Travelers for your client's insurance coverages. We look forward to discussing this opportunity with you.

Sincerely,

Grace Villarreal
Travelers Bond & Specialty Insurance

*A.M. Best's rating of A++ applies to Travelers Casualty and Surety Company of America as well as to certain insurance subsidiaries of Travelers that are members of the Travelers Insurance Companies pool; other subsidiaries are included in another rating pool or are separately rated. For a listing of companies rated by A.M. Best and other rating services visit www.travelers.com. Ratings listed herein are as of May 2014, are used with permission, and are subject to changes by the rating services. For the latest rating, access www.ambest.com.

Travelers Casualty and Surety Company of America
QUOTE OPTION #1

LIABILITY COVERAGES:

Coverage	Limit	Additional Defense Limit	Retention	Continuity Date	Prior & Pending Proceeding Date
Designated Benefit Plan Fiduciary Liability	$1,000,000 for all Claims	N/A	$10,000(A) for each **Claim** under Insuring Agreement A	05/01/2002	05/01/2002

TOTAL ANNUAL PREMIUM - $4,526.00
(Other term options listed below, if available)

COVERAGE DETAILS:

Settlement Program Limit of Liability: $100,000 for each **Settlement Program Notice**, which amount is included within, and not in addition to, any applicable Designated Benefit Plan Fiduciary limit of liability

HIPAA Limit of Liability: $25,000 which amount is included within, and not in addition to, any applicable Designated Benefit Plan Fiduciary limit of liability

502(c) Penalties Limit of Liability: N/A which amount is included within, and not in addition to, any applicable Designated Benefit Plan Fiduciary limit of liability

EXTENDED REPORTING PERIOD AND RUN-OFF:

Extended Reporting Period for Liability Coverages:

Additional Premium Percentage: 75%
Additional Months: 12

Run-Off Extended Reporting Period for Liability Coverages:

Additional Premium Percentage: N/A
Additional Months: N/A

CLAIM DEFENSE FOR ASSOCIATION MANAGEMENT LIABILITY COVERAGE, LIABILITY COVERAGES AND/OR CYBER COVERAGE:

Duty to Defend

ANNUAL REINSTATEMENT:

Liability Coverage Limit of Liability: N/A

PREMIUM DETAIL:

Term	Payment Type	Premium	Taxes	Surcharges	Total Premium	Total Term Premium
1 Year	Prepaid	$4,526.00	$0.00	$0.00	$4,526.00	$4,526.00

POLICY FORMS APPLICABLE TO QUOTE OPTION # 1:

DBP-15001-1112 Designated Benefit Plan Fiduciary Liability Coverage Declarations
DBP-16001-1112 Designated Benefit Plan Fiduciary Liability Coverage

ENDORSEMENTS APPLICABLE TO QUOTE OPTION # 1:

AFE-19004-0115 Cap on Losses From Certified Acts of Terrorism Endorsement
AFE-19008-0115 Federal Terrorism Risk Insurance Act Disclosure
DBP-17014-1112 Illinois Changes Endorsement

DBP-19001-1112	Designation of Insurance Representative Endorsement
DBP-19003-1112	Governmental Plan Endorsement
DBP-19083-0315	Global Coverage Compliance Endorsement

CONTINGENCIES APPLICABLE TO QUOTE OPTION # 1:

This quote is contingent on the acceptable underwriting review of the following information prior to the quote expiration date.

1 Page 1 correct name of applicant Village of Glen Ellyn Police Pension Fund

QUOTE NOTES:

NOTICES:

It is the agent's or broker's responsibility to comply with any applicable laws regarding disclosure to the policyholder of commission or other compensation we pay, if any, in connection with this policy or program.

Important Notice Regarding Compensation Disclosure
For information about how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website: http://www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html

If you prefer, you can call the following toll-free number: 1-866-904-8348. Or you can write to us at Travelers, Agency Compensation, One Tower Square, Hartford, CT 06183.

FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE

The federal Terrorism Risk Insurance Act of 2002 as amended ("TRIA"), establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in TRIA) caused by "Acts Of Terrorism" (as defined in TRIA). Act Of Terrorism is defined in Section 102(1) of TRIA to mean any act that is certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
The Federal Government's share of compensation for such Insured Losses is established by TRIA and is a percentage of the amount of such Insured Losses in excess of each Insurer's "Insurer Deductible" (as defined in TRIA), subject to the "Program Trigger" (as defined in TRIA). Through 2020, that percentage is established by TRIA as follows:

- 85% with respect to such Insured Losses occurring in calendar year 2015.
- 84% with respect to such Insured Losses occurring in calendar year 2016.
- 83% with respect to such Insured Losses occurring in calendar year 2017.
- 82% with respect to such Insured Losses occurring in calendar year 2018.
- 81% with respect to such Insured Losses occurring in calendar year 2019.
- 80% with respect to such Insured Losses occurring in calendar year 2020.

In no event, however, will the Federal Government be required to pay any portion of the amount of such Insured Losses occurring in a calendar year that in the aggregate exceeds $100 billion, nor will any Insurer be required to pay any portion of such amount provided that such Insurer has met its Insurer Deductible. Therefore, if such Insured Losses occurring in a calendar year exceed $100 billion in the aggregate, the amount of any payments by the Federal Government and any coverage provided by this policy for losses caused by Acts Of Terrorism may be reduced.
For each coverage provided by this policy that applies to such Insured Losses, the charge for such Insured Losses is no more than one percent of your premium, and does not include any charge for the portion of such Insured Losses covered by the Federal Government under TRIA. Please note that no separate additional premium charge has been made for the terrorism coverage required by TRIA. The premium charge that is allocable to such coverage is inseparable from and imbedded in your overall premium.

Coverage Disclaimer:

THIS QUOTE DOES NOT AMEND, OR OTHERWISE AFFECT, THE PROVISIONS OR COVERAGE OF ANY RESULTING INSURANCE POLICY ISSUED BY TRAVELERS. IT IS NOT A REPRESENTATION THAT COVERAGE DOES OR DOES NOT EXIST FOR ANY PARTICULAR CLAIM OR LOSS UNDER ANY SUCH POLICY. COVERAGE DEPENDS ON THE APPLICABLE PROVISIONS OF THE ACTUAL POLICY ISSUED, THE FACTS AND CIRCUMSTANCES INVOLVED IN THE CLAIM OR LOSS AND ANY APPLICABLE LAW.

THE PRECEDING OUTLINES THE COVERAGE FORMS, LIMITS OF INSURANCE, POLICY ENDORSEMENTS AND OTHER TERMS AND CONDITIONS PROVIDED IN THIS QUOTE. ANY POLICY COVERAGES, LIMITS OF INSURANCE, POLICY ENDORSEMENTS, COVERAGE SPECIFICATIONS, OR OTHER TERMS AND CONDITIONS THAT YOU HAVE REQUESTED THAT ARE NOT INCLUDED IN THIS QUOTE HAVE NOT BEEN AGREED TO BY TRAVELERS. PLEASE REVIEW THIS QUOTE CAREFULLY AND IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT YOUR TRAVELERS REPRESENTATIVE.