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LINCOLNSHIRE POLICE PENSION FUND MEETING

February 10, 2015

- Called to order:** 6:00 p.m.
- Trustees present:** Adam Hyde, Mickey Herst, Jamie Watson, Patrick Quillinan
- Guests present:** Laura Goodloe (Fund Legal Counsel), Doug Krapf via telephone (Legacy), Michael Peterson (Finance Director), Brad Burke (Village Manager)
- Absent:** Steven Lee (non-voting, but attended via telephone)

Reading and approval of minutes of last meeting:
Minutes of the Board meeting on November 4, 2014

Motion to accept as presented by Mr. Hyde
Seconded by Mr. Quillinan
Passed unanimously

Reading of report of the treasurer:
Please reference the report as prepared by the Fund accounting firm, Lauterbach & Amen, LLP.

Review and act on Investment activity:
Mr. Krapf began by reviewing the performance of the Fund. During the final quarter of 2014, the Fund had a 0.91% return, with a Fiscal Year return of 2.55%. An Asset Allocations summary as of February 6, 2015 showed the fund with assets totaling \$19,530,850. No recommendation to rebalance allocations was made.

Currently there are three managers on "Watch," Eagle Asset Management, Advisory Research, PIMCO All Asset Authority. Mr. Krapf recommended maintaining the watch for Eagle and PIMCO for at least the next one to two quarters.

Mr. Krapf recommended replacing Advisory Research due to performance. Three potential managers were examined, American Beacon, JP Morgan and Victory Integrity. After review, Mr. Krapf recommended hiring Victory Integrity Small Cap Value Fund to

replace Advisory Research.

A motion was made by Mr. Hyde to liquidate assets at Advisory Research.
Seconded by Mr. Herst

A roll call vote was held and Mr. Hyde, Herst, Watson and Quillinan voted to liquidate assets with Advisory Research.

A motion was then made by Mr. Hyde to hire and move those assets to Victory Integrity.
Seconded by Mr. Watson

A roll call vote was held and Mr. Hyde, Herst, Watson and Quillinan voted to move liquidated assets to Victory Integrity.

Presentation of bills and or disbursements:

The bills for payment were presented by Mr. Hyde

1. Puchalski, Goodloe, Marzullo, LLP, Legal, \$699.18
2. Village of Lincolnshire – New Member Physical 50/50 Split, Pending-Not to Exceed \$750.00

A motion was made by Mr. Hyde to pay the bills.
Seconded by Mr. Herst.

A roll call vote was held and Mr. Hyde, Herst, Watson and Quillinan voted to pay the bills.

Old business:

Mr. Hyde reviewed the Pomeranze Law Security Reports and no activity was reported.

In 2014 the Village year end contribution to the Fund was \$589,302.85.

The 2015 budgeted contributions to the fund are \$623,300.00.

The IPPFA Annual Conference was reviewed.

The Legacy Strategic Asset Management consulting contract was executed on February 9, 2015.

New business:

Mr. Hyde has received 2014 creditable service forms from Chief Kinsey. Year-end salary data was also received.

In April 2015, Mr. Hyde, Mr. Watson and Mr. Quillinan's terms will expire. Pursuant to the Rules and Regulations, Mr. Hyde proposed conducting an active and beneficiary election with Mr. Lee supervising ballot counting.

Mr. Hyde made a motion to begin the process.
Seconded by Mr. Watson

Passed unanimously.

A new mayor is to be elected in the spring. Therefore Mr. Lee's reappointment will be made by the new mayor, as his term also expires in April 2015.

Mr. Watson made a motion to reappoint Mr. Hyde as the Fund Open Meeting Act and Freedom of Information Act Officer.

Seconded by Mr. Herst
Passed unanimously

Mr. Hyde informed the Board that Met Life sent a \$3.50 check to the Fund. It will be deposited by Mr. Krapf.

Discussions took place regarding the concerns of Mr. Peterson. All were addressed and discussed with guidance from Ms. Goodloe.

Consider applications for membership:

Kevin Palermo was hired on December 29, 2014 and is currently at the police academy. He made application for membership on his date of hire.

Mr. Hyde made a motion to accept Mr. Palermo.
Seconded by Mr. Quillinan
Passed unanimously

Consider applications for benefits:

None.

Trustee Continuing Education:

The Board is following a calendar year for the required training during a 12 month period. Below is a synopsis of training received at this time.

Mr. Lee – 0 hours
Mr. Hyde – 0 hours
Mr. Quillinan – 0 hours
Mr. Herst – 0 hours
Mr. Watson – 0 hours

Executive Session:

No Executive Session took place at the meeting.

The Fund currently has no minutes being kept as Executive Session sealed minutes.

Public Comment:
No public comment.

Adjournment:

The meeting was adjourned at 8:30 p.m.

The next meeting date was scheduled for May 12, 2015 at 6 pm.

Motion to adjourn by Mr. Herst

Seconded by Mr. Watson

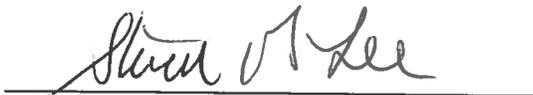
Passed unanimously

Respectfully Submitted,



Adam M. Hyde, Secretary

Accepted:



Mr. Steven Lee, President