One Olde Half Day Road
Lincolnshire, IL 60069-3035
847•883•8600
847•883•8608 (FAX)

Village of Lincolnshire

LINCOLNSHIRE POLICE PENSION FUND MEETING

August 11, 2015

Called to order:	6:05 p.m.
Trustees present:	Steven Lee, Adam Hyde, Mickey Herst, Jamie Watson (7:40 pm arrival), Patrick Quillinan (via teleconference due to scheduled out of state conflict and pursuant to an applicable provision of the Open Meetings Act)
Guests present:	Laura Goodloe (Fund Legal Counsel), Doug Krapf (Legacy-via teleconference), Michael Peterson (Finance Director), Brad Burke (Village Manager), Jason Franken (Foster and Foster), Trustee Patrick McAllister (Village Board Liaison to Pension Fund)
Absent:	None

Reading and approval of minutes of last meeting:
Minutes of the Board meeting on May 12, 2015 and May 26, 2015

Motion to accept as presented by Mr. Hyde
Seconded by Mr. Herst
Absent for vote, Mr. Watson
Passed unanimously

Reading of report of the treasurer:
Please reference the report as prepared by the Fund accounting firm, Lauterbach & Amen, LLP. All members acknowledged monthly reports are still being received from Lauterbach & Amen, LLP.

Mr. Earnhardt from Lauterbach and Amen provided yearly member statements and all were distributed to active members on August 10, 2015.

Mr. Peterson was appointed by the Village Board to assume Village Treasurer duties at the June 8, 2015 Village Board Meeting. Mr. Peterson was added as a signatory to the

Harris Bank and Wells Fargo accounts due to his new duties.

Review and act on Investment activity:
Mr. Krapf began by reviewing the current and historical market environment. Mr. Krapf discussed the managers currently on Watch Status, Eagle Asset Management, PIMCO All Asset Authority and PNC Capital Advisors. Eagle and PNC will remain on watch throughout the remainder of the year.

Due to continued underperformance and failure to add value to the portfolio, Mr. Krapf recommended liquidating all assets from the PIMCO All Asset Authority. In doing so, Mr. Krapf recommended splitting the proceeds between First Eagle Global and Blackrock Global.

Mr. Krapf informed the Board the second quarter returns were 0.05%, with a year to date return of 2.23%. He reviewed the June 30, 2015 asset allocation, as well as the updated August 7, 2015 allocation of funds. On June 30, 2015, the assets totaled $19,805,851, while on August 7, 2015 they totaled $19,648,094.

Finally, Mr. Krapf reviewed outstanding invoices from Great Lakes Advisors that were not paid in full in 2014. In summary, multiple invoices were not invoiced or paid correctly due to contact and payment method changes. The situation and payment of the fees have been rectified and confirmed paid by Great Lakes Advisors Operations Manager Maggie Bryla.

The Board entertained discussions about Mr. Krapf's proposals and a motion to accept Mr. Krapf's recommendations was made by Mr. Lee.
Seconded by Mr. Hyde.
A roll call vote was held and Mr. Lee, Mr. Hyde, Mr. Herst, Mr. Quillinan voted in favor of the changes, while Mr. Watson abstained due to his absence for part of the meeting.

Presentation of bills and or disbursements:
The bills for payment were presented by Mr. Hyde

1. Fidelity Management Trust, Benefit Refund for Justyna Lindahl, $17,311.44
2. IPPFA Annual Conference Fee, $1,475.00
3. Village of Lincolnshire, New Member Tazzioli, $302.00
4. Puchalski, Goodloe, Marzullo, LLP, Legal Services, $731.15
5. Mesirow Financial, Fiduciary Liability Insurance, $2,891.00
6. Foster and Foster, Actuary Services, $3,500.00

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

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

Old business:
The Pomeranze Law Security Reports continue to be reviewed upon receipt.

Mrs. Goodloe discussed amending the Administrative Rules and Regulations with the Board. Specifically, new language in Section 702.1, "Disability Pension Applications" was added. The new language restricts applications for non-duty disability applications for medical conditions that greater than 30 days in duration.

A motion to accept the change and publish the new document with the Department of Insurance was made by Mr. Hyde.
Seconded by Mr. Lee
Passed unanimously

New business:
A Met Life check was received for trust interest in the amount of $3.75.

Mr. Peterson disseminated information about Village audit. The audit firm advised of no issues for the Pension Fund.

Mr. Franken provided an in depth discussion about the 2015 Actuarial Valuation and reviewed the document. Tax levy discussions took place with the Board, as did discussion about the adopted mortality tables used to calculate funding requirements. The new mortality tables used were the RP-2000 Combined Healthy Mortality Tables with a blue collar adjustment projected with a scale BB.

The actuary work by Foster and Foster follows the adopted Village investment policy, with the exception of the mortality table changes, which will be discussed with the Village Board during the upcoming weeks. Discussions about GASB reporting also took place.

Mr. Franken advised the funded ratio of the Pension Fund is 80.05%. Following a descending 15 year amortization schedule, currently at 26 years, the recommended Village contributions to the fund for 2016 are $783,607.

A motion to accept the Foster and Foster valuation, including amortization adjustments and mortality tables was made by Mr. Herst.
Seconded by Mr. Lee
Passed unanimously.

Mr. Lee discussed the Municipal Compliance Report and data contained within. The Department of Insurance Actuarial Valuation Report was also discussed, and Mr. Franken added information to the discussion. The minimum statutory contributions from the Village totaled $414,716.

Mr. Hyde made a motion to accept the Municipal Compliance Report.
Seconded by Mr. Watson
Passed unanimously.

A copy of the contribution request letter, Investment Policy and the Municipal Compliance Report was hand delivered to Village Manager Burke at the meeting.

Mr. Hyde reviewed the new Fiduciary Liability Insurance binder. He made a motion to accept the insurance for the next year.
Seconded by Mr. Lee.
Passed unanimously.

Internal Board elections took place at the meeting. All trustees wished to continue serving in their current positions, as outlined below.

President, Steven Lee
Vice President, Patrick Quillinan
Secretary, Adam Hyde
Assistant Secretary, Jamie Watson
Trustee, Mickey Herst

A motion to accept the offices was made by Mr. Hyde.
Seconded by Mr. Herst.
Passed unanimously.

Consider applications for membership:
New Officer Brittany Tazzioli made application for membership. Ms. Tazzioli started her employment as a police officer on June 22, 2015 and is a Tier II member.

A motion to accept the application was made by Mr. Hyde.
Seconded by Mr. Lee.
Passed unanimously.

Consider applications for benefits:
Former Officer Justyna Lindahl made requested a contribution withdrawal. She was employed from July 6, 2012 to March 28, 2015 and contributed $17,311.44 to the Fund. She was provided with appropriate tax information and withdrawal documents from Lauterbach and Amen and asked for all funds to be sent to Fidelity Management Trust.

A motion to accept the withdrawal was made by Mr. Hyde.
Seconded by Mr. Lee.
Passed unanimously.

A review of the pending Jennifer Carstensen temporary disability application took place. No further information has been learned. Mrs. Goodloe will send Mrs. Carstensen a letter regarding the application status.

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 8:45 p.m.
The next meeting date is November 10, 2015 at 6 pm.

Motion to adjourn by Mr. Lee
Seconded by Mr. Herst
Passed unanimously

Respectfully Submitted,

Adam M. Hyde, Secretary

Accepted: Steven M Lee

Mr. Steven Lee, President