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LINCOLNSHIRE POLICE PENSION FUND MEETING

May 12, 2016

Called to order: 6:05 p.m.

Trustees present: Adam Hyde, Mickey Herst, Jamie Watson (6:30 pm arrival until departure at 7:10 pm), Patrick Quillinan (6:10 pm arrival)

Telephonic Trustee: None.

Guests present: Laura Goodloe (Fund Legal Counsel), Michael Peterson (Village Treasurer) and Village Trustee Gerard Lieder (liaison to the Fund), Jason Franken (Foster and Foster) and Steve Earnhardt (Lauterbach and Amen)

Absent: None

Reading and approval of minutes of last meeting:

Minutes of the Board meeting on February 9, 2016

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

Reading of report of the treasurer:

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

Mr. Peterson discussed the treasurer report and the annual treasurer's report. He also reported the tri-annual reporting of the PSEBA report.

Review and act on Investment activity:

Mr. Krapf began the discussion by reviewing the current market climate. He reviewed the current "Watch Status" of Eagle Asset Management, PNC Capital Advisors and Great Lakes Advisors. Mr. Krapf discussed the first quarter performance of the Fund, which included a return of 1.07%. The total assets of as of March 31, 2016 were \$19,032,801, with the current assets as of May 11, 2016 being \$19,021,113.

Mr. Krapf reported Eagle Asset Management continued to underperform. A discussion took place and Mr. Krapf will begin a replacement search and present the results to the Board at the next meeting. Mr. Krapf also recommended continuing to watch PNC and Great Lakes and evaluate them at the next meeting.

Mr. Krapf recommended rebalancing the Fund assets. A recommendation to liquidate \$145,000 from Oppenheimer International and \$140,000 from Templeton Global and invest the full amount with PNC was made.

A motion to follow Mr. Krapf's recommendations was made by Mr. Herst.

Seconded by Mr. Lee

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

No mid-quarter rebalancing was done this quarter.

Mr. Hyde made a motion to allow mid-quarter rebalancing of the portfolio if necessary. The rebalance would amount to no more than 5% of the assets as of the close of the previous market day.

Seconded by Mr. Herst.

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

Mr. Krapf reviewed the provided fee analysis. The Legacy fee is .16%, the investment management fee is .50%, and the total fee, based on March 31, 2016, is .66%.

Finally, Mr. Krapf discussed the Investment Policy Statement dated May 2015. A review will take place with any changes to be presented at the next meeting.

Presentation of bills and or disbursements:

The bills for payment were presented by Mr. Hyde

1. Puchalski, Goodloe, Marzullo, LLP, Legal Expenses, \$600.00
2. Lake Cook Orthopedics, Scott Alm Physical, \$800.00
3. DOI Compliance Fee, \$3,892.67
4. Foster and Foster, Actuarial Fee, \$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 Pomerantz Law Security Reports continue to be reviewed upon receipt. All class action documents are being received by Pomerantz and will be processed accordingly.

Mr. Hyde reported the creditable service forms from the Chief of Police have been received and filed. He also has filed appropriate year end salary data.

A Met Life check was received for trust interest in the amount of \$3.75. It was sent to Mr. Krapf for deposit.

New business:

Mr. Hyde confirmed former members Andrew Markoya and Michael Nudi have assets with the Fund. He will work with Lauterbach and Amen to send a notice to both about their assets.

Mr. Herst expressed interest in remaining on the Board for two more years. Mr. Hyde will follow up with Village Manager Brad Burke about the reappointment.

Mr. Herst made a motion to reappoint Mr. Hyde as the Open Meetings Act and Freedom of Information Act Officer.

Seconded by Mr. Watson

Passed unanimously.

A motion was made by Mr. Hyde to schedule beneficiary member Scott Alm for his yearly physical. A total payment for the exam was proposed to not exceed \$2,000.00.

Seconded by Mr. Quillinan

Passed unanimously.

The Board welcomed Trustee Leider and will work with him to coordinate efforts with the Village as needed.

Mr. Franken from Foster and Foster presented the January 1, 2016 Actuarial Valuation to the Board. The Board will discuss it further pursuant to a levy request at the next meeting.

Consider applications for membership:

None.

Consider applications for benefits:

None.

Trustee Continuing Education:

The Board is following a calendar year for the required training during a 12 month period. All trustees completed the required 16 hours in 2015.

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 7:20 p.m.

The next meeting date is August 23, 2016 at 6 pm.

Motion to adjourn by Mr. Hyde

Seconded by Mr. Watson

Passed unanimously

Respectfully Submitted,

Adam M. Hyde, Secretary

Accepted:



Mr. Steven Lee, President