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Village of Lincolnshire

LINCOLNSHIRE POLICE PENSION FUND MEETING

August 23, 2016

Called to order:	6:00 p.m.
Trustees present:	Steven Lee, Adam Hyde, Mickey Herst, Jamie Watson, Patrick Quillinan
Telephonic Trustee:	None.
Guests present:	Laura Goodloe (Fund Legal Counsel), Michael Peterson (Village Treasurer), Brad Burke (Village Manager), Village Trustee Gerard Lieder (liaison to the Fund) and Doug Krapf (Legacy)
Absent:	None

The meeting commenced with a moment of silence in remembrance of Mr. Richard J. Puchalski. Mr. Puchalski was the long time legal counsel for the Lincolnshire Police Pension Fund and a long time Village of Lincolnshire resident. During his many decades of representation of the Lincolnshire Police Pension Fund, Mr. Puchalski often volunteered his legal services and guided the Board with his knowledge and expertise.

Reading and approval of minutes of last meeting:
Minutes of the Board meeting on May 12, 2016

Motion to accept as presented by Mr. Hyde
Seconded by Mr. Lee
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 publication of the Village Annual Treasurers Report, which was published in the Daily Herald on June 25, 2016. He also reviewed and discussed the filing of the Comprehensive Annual Financial Report (CAFR), and the submission of the CAFR to the Illinois Department of Insurance on June 30, 2016.

Mr. Peterson informed the Board that the Village audit team reviewed pension items and found no concerns with the Fund.

Review and act on Investment activity:
Mr. Krapf began the discussion by reviewing the current market climate. He reviewed the performance of all managers and focused on the "Watch Status" of Eagle Asset Management and Great Lakes Advisors. Due to underperformance for the past 18 months, Mr. Krapf also would like to add Templeton Global to the Watch Status list. Mr. Krapf recommended removing Eagle Asset Management from Watch Status at this time.

Mr. Krapf discussed the second quarter performance of the Fund, which included a return of 1.11%, with a year to date return of 2.19%. The total assets of as of June 30, 2016 were $19,465,262, with the current assets as of August 19, 2016 of $20,186,219.

Mr. Krapf recommended a short term investment strategy for the cash on hand, in an effort to keep the assets available as needed. Mr. Krapf recommended moving $500,000 into a Certificate of Deposit (CD) ladder, invested for the next nine months.

Mr. Krapf advised no mid-quarter rebalancing was needed during the second quarter.

Mr. Krapf reviewed the Investment Policy (dated May 2015). No changes to the policy were recommended by Mr. Krapf or the Board. Mr. Krapf will send a copy to the Illinois Department of Insurance.

A motion to follow Mr. Krapf's recommendations was made by Mr. Hyde.
Seconded by Mr. Lee
A roll call vote was held. Mr. Lee, Mr. Hyde, Mr. Herst, Mr. Quillinan and Mr. Watson voted to approve the action.

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. Mr. Lee, Mr. Hyde, Mr. Herst, Mr. Quillinan and Mr. Watson voted to approve the action.

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

1. IPPFA Annual Conference Fee, $1,675.00
2. Puchalski, Goodloe, Marzullo, LLP, Legal Expenses, $641.25
3. Mesirow Financial, Fiduciary Liability Insurance, $2,903.00
4. Foster and Foster (previously approved expense), Actuarial Fee, $3,500.00

A motion was made by Mr. Hyde to pay the bills.
Seconded by Mr. Watson.
A roll call vote was held. Mr. Lee, Mr. Hyde, Mr. Herst, Mr. Quillinan and Mr. Watson voted to approve the action.

Old business:
Mr. Hyde confirmed the Illinois Department of Insurance Annual Report was filed on May 12, 2016.

A Met Life check was received and delivered to Mr. Krapf for deposit. The trust interest check was in the amount of $4.00.

Mr. Hyde reviewed the findings of Dr. Cummins for the annual disability examination of Scott Alm. Dr. Cummins reported on June 21, 2016, that Mr. Alm remained disabled.

Pomeranze Law Security Reports continue to be sent to all members of the Board.

New business:
Mr. Lee provided the Board with the Municipal Compliance Report and he discussed his upcoming presentation to the Village Board on September 12, 2016. The Board discussed the tax levy and actuarial report from Foster and Foster.

Mr. Hyde made a request to accept the Municipal Compliance Report, and request a tax levy from the Village in the amount of the outline $803,666.
Seconded by Mr. Quillinan.
Passed unanimously

Mr. Hyde will deliver a contribution request letter, the Municipal Compliance Report, the Investment Policy and Actuarial Report to Mr. Burke during the upcoming week.

Mr. Hyde presented the Fiduciary Liability Insurance policy and fee from Mesirow. The annual premium increased $12.00.

Mr. Hyde made a motion to continue the insurance and pay the premium.
Seconded by Mr. Lee
Passed unanimously

Mr. Hyde reported during the March 14, 2016 regular Village Board Meeting Mayor Brandt appointed Mr. Herst to the Police Pension Board for an additional two-year term. A letter advising such was received on March 16, 2016. Mr. Herst will continue his service through April 2018.

Ms. Goodloe spoke with the Board about Board elections. All members showed interest in retaining their current positions, as outlined below.

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

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

Mr. Hyde provided information about a FOIA Request received from Brightscope. The request was filled by Mr. Peterson due to Mr. Hyde being out of the office.

Ms. Goodloe discussed Public Act 99-0604, Travel Expense Control Act, with the Board. She produced a legal summary and it was distributed to everyone. At this time there is no action to take, as the act does not apply to our Fund.

Consider applications for membership:
Newly appointed Chief of Police Joseph Leonas began his employment with the Village on August 22, 2016. Mr. Leonas retired from the Bartlett Police Department and has been provided with membership application documents by Mr. Hyde. As of the time of the meeting, Mr. Leonas has not made application to join.

Consider applications for benefits:
Retired Chief of Police Peter Kinsey made application to the Fund for benefits on May 11, 2016. Mr. Kinsey was appointed on June 6, 2011 and separated on June 17, 2016, a 5 year and 11 day employment. Mr. Kinsey had no creditable service breaks. His final salary was $139,817.00, and his pension will be based on 12.5%.

Mr. Hyde performed benefit calculations, as did Lauterbach and Amen. Mr. Peterson reviewed the benefit calculations and confirmed accuracy. Mr. Kinsey's benefits will begin on his 60th birthdate (12/31/16). His initial benefit of $46.98 will be paid for

December 31, 2016, with monthly benefits thereafter totaling $1,456.43.
A motion to accept the application and benefit payment schedule was made by Mr. Hyde.
Seconded by Mr. Watson.
A roll call vote was held. Mr. Lee, Mr. Hyde, Mr. Herst, Mr. Quillinan and Mr. Watson voted to approve the action.

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 8:00 p.m.
The next meeting date is November 1, 2016 at 6 pm.

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

Respectfully Submitted,

Adam M. Hyde, Secretary

Accepted: Steven Lee

Mr. Steven Lee, President