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LINCOLNSHIRE POLICE PENSION FUND MEETING

February 21, 2012

Called to order: 6:00 p.m.

Trustees present: Steven Lee, Adam Hyde, Mickey Herst, Patrick Quillinan, Jamie Watson

Guests present: Doug Krapf (Legacy), Steve Eitel (PNC Institutional Investments)

Absent: None

Reading and approval of minutes of last meeting:

Minutes of the Board meetings on November 15, 2011

Motion to accept as presented by Mr. Lee
Seconded by Mr. Herst
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 reported to the Board about the financial performance of the Fund during the 4th Quarter of 2011. The Fund had a 4th Quarter return of 4.52% and a year to date return of 0.49%. The Fund assets were reviewed and an Asset Allocation summary dated February 17, 2012 was presented to the Board. The fund had a balance of \$15,538,861 on that date.

Mr. Krapf discussed Neuberger Berman's watch status and recommended continued watch for one more quarter.

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Mr. Steve Eitel presented to the Board on investment strategy and investing in corporate bonds to follow State Statute.

A motion by Mr. Lee was made to allow PNC to invest into corporate bonds.
Seconded by Mr. Watson
Passed Unanimously

To more closely align with our model portfolio, Mr. Krapf recommended liquidating and moving various assets, summarized below.

Liquidate:

\$50,000 from Dodge and Cox International Fund
\$40,000 from Oppenheimer International Growth
\$150,000 from Advisory Research
\$150,000 from Eagle Asset Management

Invest:

\$240,000 to PNC Capital Advisors
\$60,000 to Asset Advisor
\$90,000 to cash

A motion to accept the recommendations was made by Mr. Hyde
Seconded by Mr. Quillinan.
Passed Unanimously (Roll call vote)

Presentation of bills and or disbursements:

The bills for payment were presented by Mr. Hyde

1. Lauterbach & Amen, \$7,935.00, Yearly Accounting
2. Jamie Watson, \$33.90, Minutes Binder
3. Patrick Quillinan, \$132.82, Training

A motion to pay the bills as presented was made by Mr. Hyde
Seconded by Mr. Lee
Passed Unanimously

Old business:

The 2011 deposits from the Village into the Fund totaled \$1,032,840.35.

2011 member service forms and salary data was obtained from the Village.

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The Administrative Rules as prepared by attorney Laura Goodloe were presented by Mr. Hyde. Mr. Hyde made a motion to accept the rules.

Seconded by Mr. Herst

Passed Unanimously

Mr. Hyde reviewed the Attorney General Training, including the Open Meetings Act. At this time Mr. Lee, Mr. Hyde and Mr. Watson have completed the training. Mr. Hyde also completed the Freedom of Information Act training. Mr. Herst and Mr. Quillinan will complete the training during the upcoming months.

New Business:

Disabled member Scott Alm will be sent for a physical coming this spring.

For the Fund to follow the Investment Policy regarding corporate bond investing, it was reviewed by Mr. Krapf. Appropriate language was changed under the Guidelines for the Fixed Income Fund section.

A motion was made by Mr. Lee to accept the update policy.

Seconded by Mr. Herst

Passed Unanimously

A MetLife Policy Trust Statement was received and a 2011 dividend of \$7.40 was received and deposited into the Fund.

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 – 2 Hours (Open meetings act)

Mr. Hyde – 4 Hours (Open meetings act and FOIA)

Mr. Quillinan – 0

Mr. Herst – 0

Mr. Watson – 2 Hours (Open meetings act)

Consider applications for membership:

No membership applications were received.

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Consider applications for benefits:

No applications were received.

Adjournment:

The next meeting is scheduled for May 8, 2012 at 6 pm.

Motion to adjourn the meeting by Mr. Watson at 7:30 p.m.

Seconded by Mr. Hyde

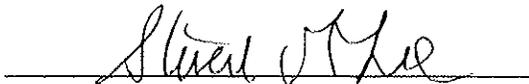
Passed unanimously

Respectfully Submitted,



Adam M. Hyde, Secretary

Accepted:



Mr. Steven Lee, President