

Police Department
One Olde Half Day Road
Lincolnshire, IL 60069-3035
847•883•9900
847•883•9909 (FAX)



LINCOLNSHIRE POLICE PENSION FUND MEETING

November 5, 2013

Called to order: 6:00 p.m.

Trustees present: Steven Lee, Adam Hyde, Mickey Herst, Jamie Watson, Patrick Quillinan (arrived after meeting began)

Guests present: Doug Krapf (via telephone), Michael Peterson (Finance Director)

Absent: None

Reading and approval of minutes of last meeting:

Minutes of the Board meetings on July 30, 2013

Motion to accept as presented by Mr. Watson

Seconded by Mr. Lee

Passed unanimously, Mr. Quillinan absent for this vote

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 about the financial performance of the Fund during the 3rd Quarter of 2013. The Fund had a 3rd Quarter return of 4.55% bringing the fiscal year to date return to 8.83%. The Fund assets were reviewed and an Asset Allocation summary dated October 31, 2013 was presented to the Board. The fund had a balance of \$18,840,715 on that date.

Mr. Krapf discussed the watch status of Diamond Hill, as their performance has improved versus the appropriate index. Due to continued positive returns, Mr. Krapf recommended removing Diamond Hill from "Watch Status."

Mr. Krapf also discussed the watch status of Advisory Research due to underperformance. Even though Advisory Research had a positive return this quarter

Page 2. Police Pension Fund Board meeting of November 5, 2013

versus their appropriate index, Mr. Krapf recommended keeping them on watch for one to two quarters more.

No recommendations to rebalance were made and it was recommended to maintain our current investments, as they are aligned with our Investment Policy.

Presentation of bills and or disbursements:

The bills for payment were presented by Mr. Hyde

1. Adam Hyde, \$1,874.10, IPPFA Annual Conference (Hotel Rooms, Meals)
2. Steven Lee, \$79.26, IPPFA Annual Conference (Travel, Meals)
3. Patrick Quillinan, \$49.72, IPPFA Annual Conference (Travel)
4. Mickey Herst, \$121.22, IPPFA Annual Conference (Travel)
5. IPPFA Annual Dues, \$775.00
6. Lauterbach & Amen, LLP, Yearly Accounting, \$8,250.00
7. PGM Attorneys, Legal Fees, \$400.00

A motion to pay the bills as presented was made by Mr. Hyde
Seconded by Mr. Herst, Mr. Quillinan absent for this vote
Passed unanimously

Old business:

Mr. Hyde discussed the 2013 IPPFA Annual Conference.

The routing of tax deposits from Lake County to Harris Bank and Wells Fargo has been resolved and all funds are being transferred properly.

New business:

Mr. Hyde presented the Board with the 2014 Annual Benefit Increases as prepared by Lauterbach & Amen. Mr. Hyde informed the Board an individual calculation was made by him and all increases matched. In September, beneficiary member Alan Boyes will receive his first increase due to age. The new monthly benefits will total \$68,463.40 in 2014. A copy of the increases will be sent to Village Treasurer Chris Curtis for review.

A motion to accept the benefits as presented was made by Mr. Hyde
Seconded by Mr. Lee
Passed unanimously

Mr. Lee discussed the actuarial valuation with the Board. Based upon prior discussions, Mr. Lee presented a request for funding in the amount of \$982,682 to the Village Mayor and Trustees on September 9, 2013. Per Finance Director Michael Peterson, his office no longer wants a pension budget, as had been prepared in all prior years. Instead, Mr. Peterson requested a letter of contribution request from the Village. Mr. Hyde will

Page 3. Police Pension Fund Board meeting of November 5, 2013

prepare a letter and deliver it to Village Manager Brad Burke prior to the tax levy, per Statute.

A motion to request the aforementioned contribution from the Village was made by Mr. Lee

Seconded by Mr. Hyde

Passed unanimously

Mr. Peterson raised issues about the actuarial valuation methodology used by Tepfer Consulting and Mr. Lee. Discussion took place regarding the methods used and the statutory minimum contribution (as prepared by the Department of Insurance) of \$415,378. Mr. Peterson informed the Board that a contribution in the amount of \$525,000 was used this year for Village budgeting purposes. Further discussions took place and Mr. Lee discussed the direction provided years ago by the Mayor and Trustees.

The Board was informed the lower funding amount was to reroute additional funding to IMRF, as that Village retirement fund is currently at 63% funding. Mr. Lee will follow up with the Mayor and Board of Trustees during the upcoming weeks regarding the reduction in contributions.

The first security report from Pomeranze Law Firm was reviewed.

Consider applications for membership:

Officer Brian Granneman separated from the Village. No direction from Mr. Granneman was made about withdrawing his contributions, but his total contributions totaled \$28,586. Mr. Hyde expects direction by the next meeting.

Consider applications for benefits:

No applications were received.

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 – 18 hours

Mr. Hyde – 18 hours

Mr. Quillinan – 18 hours

Mr. Herst – 16 hours

Mr. Watson – 18 hours

Page 4. Police Pension Fund Board meeting of November 5, 2013

Executive Session:

No Executive Session took place at the meeting.

Public Comment:

Mr. Peterson brought to the attention of the Board a pay variance from a suspension day served by an active member. The Village did not withhold contributions on 8-hours. Mr. Hyde will discuss the information further with Chief Kinsey and legal counsel during the upcoming months.

Adjournment:

The meeting was adjourned at 8:10 p.m.

The next meeting date was scheduled for February 11, 2014 at 6 pm.

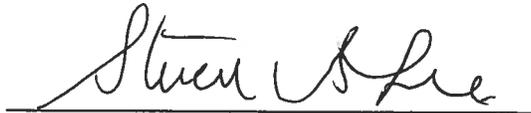
Motion to adjourn by Mr. Herst
Seconded by Mr. Lee
Passed unanimously

Respectfully Submitted,



Adam M. Hyde, Secretary

Accepted:



Mr. Steven Lee, President