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Village of Lincolnshire

LINCOLNSHIRE POLICE PENSION FUND MEETING

November 4, 2014

Called to order: 6:00 p.m.

Trustees present: Steven Lee, Adam Hyde, Mickey Herst, Jamie Watson, Patrick Quillinan via telephone (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 and James Barsella via telephone (Legacy), Michael Peterson (Finance Director), Tom Sawyer and John Falduto (Sawyer/Falduto RFP)

Absent: None

Reading and approval of minutes of last meeting:
Minutes of the Board meeting on August 5, 2014

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 & Amen, LLP.

Review and act on Investment activity:
Mr. Krapf began by reviewing the performance of the Fund. During the third quarter, the Fund had a -1.84% return, year to date return of 1.62% and balance of $19,448,099. An October 31st update showed a 0.8% return with an ending balance of $19,547,158.

Currently there are four managers on "Watch:" Eagle Asset Management, Advisory Research, PIMCO All Asset Authority and PIMCO Unconstrained. Mr. Krapf recommended keeping Eagle Asset Management and Advisory Research on watch through the next quarter. The watch status will be evaluated at the next meeting.

The assets as of August 4, 2014 were $19,444,713. Mr. Krapf also reviewed the Fund's Portfolio.

The entire portfolio was reviewed by Mr. Krapf. Due to concerns, Mr. Krapf recommended liquidating the PIMCO Unconstrained Bond Fund. He also recommended the following actions.

1. Purchase $250,000.00 of the First Eagle Global Fund
2. Purchase $156,000.00 of the Blackrock Global Allocation Fund
3. Added $400,000 to Great Lakes Advisors Fixed Income Portfolio
4. Liquidate $350,000.00 from the Eagle Asset Management
5. Liquidate $350,000.00 from the Advisory Research
6. Purchase $700,000.00 of the Vanguard Extended Market Index Fund

Discussions took place about the ongoing policy of holding approximately three months of cash in reserves. The Board felt it to be a continued good practice.

A motion to accept all recommendations and investments as proposed by Mr. Krapf was made by Mr. Lee.
Seconded by Mr. Hyde
Passed, Roll Call Vote (Lee, Hyde, Herst, Quillinan, Watson)

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

1. Puchalski, Goodloe, Marzullo, LLP, Legal, $500.00
2. IPPFA Annual Fee, $775.00
3. Steven Lee, IPPFA Conference Expenses, $70.30
4. Patrick Quillinan, Conference Expenses, $50.40
5. Adam Hyde, Conference Expenses (Rooms/2015 Room Deposit), $2925.24
6. Lauterbach & Amen, Yearly Accounting, $8405.00

A motion to pay the bills as presented was made by Mr. Hyde
Seconded by Mr. Lee
Passed, Roll Call Vote (Lee, Herst, Quillinan, Hyde, Watson)

Old business:
The Village received the contribution request and Village Manager Brad Burke advised on October 4, 2014 that the requested amount of contribution of $692,133 was included in the tentative Village budget. At the meeting, Mr. Peterson informed the Board the contribution amount next year would be $623,300, following a 27 year amortization formula.

Mr. Hyde reviewed the IPPFA Annual Conference.

Mrs. Goodloe provided electronic copies of the finalized Administrative Rules and Regulations. Copies were sent to the Department of Insurance on September 4, 2014.

Mr. Hyde reviewed the HELPS insurance deductions for beneficiary members.

New business:
Mr. Hyde presented the Board with the 2015 COLA benefit increases. Mr. Hyde verified the calculations and compared a sampling to originally approved benefit documents. The increases are outlined below.

Due to the increases Mr. Hyde recommended increasing the monthly distribution to $80,000 to cover all benefits.

Annual Benefit Increases
January 1, 2015 - Including Benefit Changes to September 30, 2014

Pensioner	Type of Pension	Notes	Prior Benefit	COLA Increase	Current Benefit	Annualized Benefit
Alm, Scott	Duty Disability	$	2,579.47	0.00	2,579.47	30,953.64
Andrews, Dennis R.	Service		3,939.22	118.18	4,057.40	48,688.80
Blaz, Annemarie	Service		5,556.06	166.68	5,722.74	68,672.88
Boyes, Alan D.	Service		4,578.35	137.35	4,715.70	56,588.40
Brucato, David M.	Service		5,566.69	167.00	5,733.69	68,804.28
Duffey, Gregory N.	Service		7,509.06	0.00	7,509.06	90,108.72
Farning, Howard G.	Non-Duty Disability		2,014.38	32.84	2,047.22	24,566.64
Giese, George A.	Service		3,725.92	111.78	3,837.70	46,052.40
Kleffner, John E.	Service		7,746.48	232.39	7,978.87	95,746.44
Larson, Glenn H.	Service		6,932.55	207.98	7,140.53	85,686.36
Melvin, Randall A.	Service		9,602.21	288.07	9,890.28	118,683.36
Quillinan, Patrick D.	Service		7,104.49	213.13	7,317.62	87,811.44
Richter, Gayle A.	Spouse - NT		1,469.00	0.00	1,469.00	17,628.00
Tavernier, Thomas L.	Non-Duty Disability		2,700.90	43.33	2,744.23	32,930.76
Weinstein, Morris H.	Service		5,544.86	166.35	5,711.21	68,534.52
Totals			76,569.64	1,885.08	78,454.72	941,456.64

Mr. Hyde made a motion to accept the COLA increases.
Seconded by Mr. Lee
Passed unanimously

Mr. Peterson presented the IRS Letter of Determination to the Board. The letter will cover October 2014 to October 2019.

The Board received and reviewed proposals pursuant to the RFP process. The search was narrowed to Legacy Strategic Asset Management and Saywer Falduto Asset Management. At today's meeting, Mr. Falduto and Mr. Saywer presented to the Board about their services and Mr. Krapf and Mr. Barsella answered questions about their services.

Mr. Lee made a motion to retain Legacy.
Seconded by Mr. Hyde
Passed unanimously

Mrs. Goodloe will review the pending Legacy contract and respond to Mr. Hyde during the upcoming weeks.

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. Below is a synopsis of training received at this time.

Mr. Lee – 16 hours
Mr. Hyde – 16 hours
Mr. Quillinan – 16 hours
Mr. Herst – 0 hours (to be completed by year end)
Mr. Watson – 16 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 9:15 p.m.
The next meeting date was scheduled for February 10, 2015 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