



Police Department
One Olde Half Day Road
Lincolnshire, IL 60069-3035
847-913-2350



LINCOLNSHIRE POLICE PENSION FUND MEETING

August 3, 2017

- Called to order:** 6:00 p.m.
- Trustees present:** Steven Lee, Adam Hyde, Mickey Herst and Patrick Quillinan
- Guests present:** Michael Peterson (Pension Treasurer), Doug Krapf (Manager), via telephone
- Absent:** Jamie Watson

Reading and approval of minutes of last meeting:
Minutes of the Board meeting on April 25, 2017.

Motion to accept as presented by Mr. Hyde.
Seconded by Mr. Quillinan.
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 reviewed the contribution plan to date, including a change in contributions in July and August due to a calculation error. The monthly scheduled contributions are set for the 15th of the month July through November in the amount of \$160,740.00. However, due to the error, July's deposit was in the amount of \$166,710.00, therefore the August deposit was reduced to \$154,770.00. The remaining deposits will be \$160,740.00.

The Annual Treasurer's Report was discussed and published in the newspaper, filing June 28, 2017. Discussion about the comprehensive annual finance report also took place.

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 the portfolio. Mr. Krapf discussed the current "Watch Status" of Templeton Global and recommended continuing the Watch for at least one additional quarter.

Mr. Krapf discussed the second quarter performance of the Fund, which included a return of 2.46%, with a year to date return of 7.41%. The total assets as of July 31, 2017 were \$21,877,228. Mr. Krapf confirmed no mid-quarter rebalancing took place during the first quarter.

Mr. Krapf informed the Board the portfolio was not in line with our Policy Statement, so a rebalancing was recommended. Mr. Krapf recommended the below rebalancing.

1. Sell \$20,000 of Diamond Hill Large Cap Fund
2. Sell \$280,000 of Dodge and Cox International Fund
3. Sell \$90,000 of Vanguard Growth Fund
4. Purchase \$80,000 of Vanguard Extended Market Index Fund
5. Purchase \$460,000 of Certificate of Deposits

Mr. Herst made a motion to accept the recommendations of Mr. Krapf.
Seconded by Mr. Lee.

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

Mr. Hyde then 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. Lee.

A roll call vote was held for the increased distribution and mid-quarter rebalancing as needed. Mr. Lee, Mr. Hyde, Mr. Herst and Mr. Quillinan voted to approve the action.

The Investment Policy Statement was reviewed and remained unchanged. A copy will be sent to the Department of Insurance by Mr. Krapf.

Mr. Hyde made a motion to reaffirm the Policy Statement.
Seconded by Mr. Quillinan.
Passed unanimously.

Presentation of bills and or disbursements:

The current bills for payment were presented by Mr. Hyde

1. Puchalski, Goodloe, Marzullo, LLP, Legal Expenses, \$1,184.52
1. Northwestern Lake Forest, Pesa Physical, \$420.00
2. DOI Annual Compliance Fee, \$3,805.97
3. Lauterbach & Amen, Member Presentation, \$1,900.00
4. Mesriow Liability Insurance, \$2,950.00
5. Officer Jennifer Carstensen Refund, \$77,896.43

6. IPPFA Annual Conference Fee, \$1,500.00
7. Officer Thomas Branick, Service Transfer to Gurnee
 - a. Approval for amount up to \$298,604.26

A motion was made by Mr. Hyde to pay the bills.
Seconded by Mr. Herst.

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

Old business:

Met Life checks were received and delivered to Mr. Krapf for deposit. The trust interest checks were in the amounts of \$4.00 and \$10.25.

Pomerantz Law Security Reports continue to be sent to all members of the Board. A class action suit resulted in a Fannie Mae settlement of \$53.37. The check was sent to Mr. Krapf for deposit.

Mr. Hyde discussed the full member meeting which was held on May 23, 2017 and the positive feedback from all members.

New business:

Mr. Lee provided the Board with the Municipal Compliance Report. The report was reviewed with the Board and Mr. Lee advised the Department of Insurance levy had not been completed at the time of the meeting; however, information about such is included in the Foster and Foster report.

The Municipal Compliance Report was included in a form letter to the Village Board of Trustees and Village Staff requesting a funding amount of \$849,742.00 for 2018.

A motion was made by Mr. Hyde to accept the report and contribution request.
Seconded by Mr. Lee.
Passed unanimously.

Mr. Hyde discussed fiduciary liability insurance and the policy from Mesirow.

Mr. Hyde informed the Board that no FOIA requests were handled this quarter.

The Board discussed trustee offices on the Board.

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

A motion to keep the offices the same by acclimation was made by Mr. Hyde.
Seconded by Mr. Lee.
Passed unanimously.

Consider applications for membership:

Officer Pablo J. Pesa joined the Lincolnshire Police Department on June 1, 2017. He was hired as a Tier II Officer and has made application for membership in the Fund.

A motion to accept his application was made by Mr. Hyde
Seconded by Mr. Herst.
Passed unanimously.

Consider applications for benefits:

Sergeant James E. Hanley applied for benefit after 28 years, 7 months and 10 days of creditable service. Mr. Hanley was 52 years of age at the time of his retirement. He began employment on December 21, 1988 and separated on July 31, 2017. All appropriate calculations were made by Mr. Hyde and Lauterbach and Amen. They were reviewed by Village Treasurer Michael Peterson.

Mr. Hanley's salary at separation was \$113,513.14. He will receive 70% applicable pension percentage, or an original benefit of \$79,459.20.

Officer Thomas Branick was a police officer with the Village of Lincolnshire from November 17, 2003 through May 7, 2017. He then transferred to the Gurnee Police Department. Mr. Branick requested a transfer of benefits from Lincolnshire to Gurnee, pursuant to 40 ILCS 5/3-110.7. A True Cost analysis was completed by Lauterbach and Amen. Mr. Branick's contribution amount to Lincolnshire was \$100,259.97. The contribution amount, plus appropriate interest, totaled \$298,604.26. This amount is due from Lincolnshire to Gurnee.

The documents were reviewed by Board members and a motion to accept the transfer of service application and True Cost analysis was made by Mr. Hyde.
Seconded by Mr. Quillinan.

Officer Jennifer Carstensen was a police officer with the Village of Lincolnshire from January 8, 2007 through July 23, 2017. She separated from the Village and made a request for a full refund of contributions to the Fund on July 13, 2017. Her total contributions amounted to \$77,896.43. Mrs. Carstensen was advised about the withdrawal penalties and she requested to proceed.

A motion to accept each individual application for benefit was made by Mr. Hyde.
Each was seconded by Mr. Quillinan.

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

Trustee Continuing Education:

All trustees have completed two hours each to date.

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 8:05 p.m.

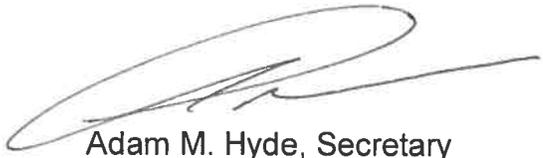
The next meeting date is November 7, 2017 at 6:00 p.m.

Motion to adjourn by Mr. Herst

Seconded by Mr. Quillinan

Passed unanimously

Respectfully Submitted,



Adam M. Hyde, Secretary

Accepted:



Mr. Steven Lee, President