



LINCOLNSHIRE POLICE PENSION FUND MEETING

November 13, 2018

Called to order: 6:08 p.m.

Trustees present: Steven Lee, Adam Hyde, Mickey Herst, Patrick Quillinan (through 7:40 pm) and Jamie Watson

Guests present: Laura Goodloe (Fund Attorney), Brad Burke (Village Manager), Doug Krapf (Manager),

Absent: None.

Reading and approval of minutes of last meeting:

Approval of the Minutes of the Board meeting from August 7, 2018 were tabled until the February Board meeting.

Minutes of the Board meeting on September 17, 2018.

Motion to accept as presented by Mr. Quillinan.
Seconded by Mr. Watson.

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.

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 third quarter performance of the Fund, which included a return of 2.46%. The total assets as of September 30, 2018 were \$23,271,706. An update was presented from November 12, 2018. The total assets at that time were

\$22,060,072.

Mr. Krapf confirmed no mid-quarter rebalancing took place. Mr. Krapf reviewed the two managers currently on "Watch Status," Dodge and Cox International and Victory Integrity. In addition, Mr. Krapf reported the underperformance of Oppenheimer International which would move it to "Watch Status." Mr. Krapf recommended keeping Dodge and Cox and Victory Integrity on Watch and adding Oppenheimer to the Watch list.

Discussions took place regarding the performance of the fund and the investment strategy, as well as the current market conditions. At this time, Mr. Krapf does not recommend a portfolio rebalancing.

Mr. Krapf presented an asset allocation study to the Board. The purpose of the study is a long term planning tool and for examining risk and return. Mr. Krapf will prepare further details for the next Board meeting.

Mr. Krapf and the Board reviewed the Investment Policy Statement. No changes were proposed at this time. Mr. Krapf will send a copy to the Illinois Department of Insurance.

A motion was made by Mr. Hyde to place Oppenheimer on Watch Status and to continue Watch Status for Dodge and Cox and Victory Integrity.
Seconded by Mr. Lee.

Passed unanimously.

Mr. Lee 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 to allow a mid-quarter rebalancing as needed. Mr. Lee, Mr. Hyde, Mr. Herst, Mr. Watson and Mr. Quillinan voted to approve the action.

Presentation of bills and or disbursements:

The current bills for payment were presented by Mr. Hyde

1. Village of Lincolnshire split (NW Lake Forest), Petrick/Salkauskas Physicals, \$902.00
2. Puchalski, Goodloe, Marzullo, LLP (legal fees), \$1,393.75
3. IPPFA Annual Dues, \$795.00
4. IPPFA Annual Training Expenses
 - a. Patrick Quillinan (Lodging/Travel), \$448.33
 - b. Jamie Watson (Lodging), \$399.29
 - c. Steven Lee (Lodging, Travel, Meals, Gratuity), \$484.51
 - d. Adam Hyde (Lodging, Meals, 2019 Room Deposits), \$1,382.56
5. Michael Nudi, Contribution Refund, \$13,838.85 (Net)
 - a. \$17,298.56 Total Refund
6. Brittany Tazzioli, Transfer to Gurnee Police, \$35,068.14

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. Watson and Mr. Quillinan voted to approve the action.

Old business:

A Met Life check were received and delivered to Mr. Krapf for deposit. The trust interest checks were in the amount of \$4.20 each (\$8.40 total).

Mr. Burke informed the Board the Village Board of Trustees has reviewed the levy request from the Fund. The request that is pending final approval for 2019 totals \$855,000.

Ms. Goodloe addressed the Board regarding the pending new Illinois Statutes regarding police officer reentry.

Mr. Lee reviewed the pending Securities Litigation with the Board. Current Robbins Arroyo litigation is for Wage Works and Camping World.

Mr. Hyde presented a check for \$41.72 to Mr. Krapf for deposit. The check was from Pomerantz, LLP for a settlement from Aegerion Securities Litigation.

New business:

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

Mr. Hyde presented the 2019 COLA benefit increases. Monthly benefits will total \$105,923.29 in 2019. The COLA's are outlined below.

LINCOLNSHIRE POLICE PENSION FUND						
Annual Benefit Increases						
January 1, 2019 as of October 22, 2018						
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		4,433.62	133.01	4,566.63	54,799.56
Blaz, AnneMarie	Service		6,253.39	187.60	6,440.99	77,291.88
Boyes, Alan D.	Service		5,152.98	154.59	5,307.57	63,690.84
Brucano, David M.	Service		6,265.36	187.96	6,453.32	77,439.84
Coakley, Richard J.	Service		6,036.33	0.00	6,036.33	72,435.96
Duffy, Gregory N.	Service		8,451.51	253.55	8,705.06	104,460.72
Gieze, George A.	Service		4,193.55	125.81	4,319.36	51,832.32
Hanley, James E.	Service		6,621.60	0.00	6,621.60	79,459.20
Kinsey, Peter D.	Service		1,500.12	45.00	1,545.12	18,541.44
Kleffner, John E.	Service		8,718.73	261.56	8,980.29	107,763.48
Larson, Glenn H.	Service		7,802.65	234.08	8,036.73	96,440.76
Melvin, Randall A.	Service		10,807.38	324.22	11,131.60	133,579.20
Quillinan, Patrick D.	Service		7,996.16	239.88	8,236.04	98,832.48
Richter, Gayle A.	Spouse - NT		1,469.00	0.00	1,469.00	17,628.00
Tavunier, Thomas L.	Non-Duty Disability		2,874.22	43.33	2,917.55	35,010.60
Weinstein, Morris H.	Service		6,240.80	187.22	6,428.02	77,136.24
Wrzesinski, Gary R.	Service		6,148.61	0.00	6,148.61	73,783.32
Totals			103,545.48	2,377.81	105,923.29	1,271,079.48

Mr. Hyde made a motion to increase the monthly distribution to \$110,000.
 Seconded by Mr. Watson.

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

Mr. Hyde presented a negotiated engagement letter with Lauterbach and Amen. The engagement is for a five-year term and the fees are outlined below.

Services Provided	For the Year Ended 12/31/2019	For the Year Ended 12/31/2020	For the Year Ended 12/31/2021	For the Year Ended 12/31/2022	For the Year Ended 12/31/2023
Monthly Accounting & Benefits Administration	\$585 Monthly	\$600 Monthly	\$615 Monthly	\$630 Monthly	\$645 Monthly
Payroll Tax Forms	\$285 Annually	\$290 Annually	\$295 Annually	\$305 Annually	\$310 Annually
Year End Auditor's Workpapers	\$595 Annually	\$610 Annually	\$625 Annually	\$640 Annually	\$655 Annually
IDOI Annual Statement	\$1,485 Annually	\$1,525 Annually	\$1,560 Annually	\$1,600 Annually	\$1,640 Annually
Affidavits of Eligibility	\$205 Annually	\$210 Annually	\$215 Annually	\$220 Annually	\$225 Annually
Total Annual Fees	\$9,590 Annually	\$9,835 Annually	\$10,075 Annually	\$10,325 Annually	\$10,570 Annually

Monthly services will be billed on a monthly basis and annual services will be billed as completed.

Mr. Hyde made a motion to enter a five year engagement with Lauterbach and Amen.
 Seconded by Mr. Herst.

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

Ms. Goodloe addressed updating the Administrative Rules and Regulations for the Fund. Additional rules addressing stipend pay and military service buy-back will be included.

Consider applications for membership:

Officer Marius Salkauskas joined the Lincolnshire Police Department on September 28, 2018. He made proper application to the Fund as a Tier II member.

Officer Paul Petrick joined the Lincolnshire Police Department on November 12, 2018. He made proper application to the Fund as a Tier I member due to his prior Article 3 service with the Streamwood Police Department.

Officer Michael Lill joined the Lincolnshire Police Department on November 12, 2018. He made proper application to the Fund as a Tier I member due to his prior Article 3 service with the Lake Villa Police Department.

Mr. Hyde made a motion to accept the new member applications of Officer Salkauskas, Officer Petrick and Officer Lill.
 Seconded by Mr. Watson

Passed unanimously.

Consider applications for benefits:

Former member Michael Nudi elected for a refund of contributions. His contributions totaled \$17,298.56. He was employed from August 10, 2011 through February 16, 2014. Mr. Nudi was provided taxability information from Lauterbach and Amen prior to requesting a refund.

Former member Brittany Tazzioli requested a transfer of service to the Gurnee Police Pension Fund. Her employment dates were June 22, 2015 through October 1, 2017. Ms. Tazzioli made contributions totaling \$15,537.11 and a transfer from this fund to Gurnee totals \$35,068.14.

Mr. Hyde made a motion to accept the benefit request of Mr. Nudi and transfer of Ms. Tazzioli.

Seconded by Mr. Watson

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

Ms. Goodloe discussed the salary for former member Richard Coakley. At the September 17, 2018 meeting, an interim pensionable salary in the amount of \$103,480 was discussed in depth. Further legal research supports the calculation, which is outlined in the Collective Bargaining Agreement.

Discussion took place about salary, salary attached to rank and specialty pay. Mr. Hyde made a motion to finalize the pensionable salary of Mr. Coakley in accordance with the calculations from the September 17, 2018 meeting.

Seconded by Mr. Watson.

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

Trustee Continuing Education:

To date, the following continuing education has been completed in 2018:

Steven Lee, 16 hours

Adam Hyde, 20 hours

Jamie Watson, 16 hours

Patrick Quillinan, 16 hours

Mickey Herst, 18.25 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 7:50 p.m.

The 2019 meetings will be scheduled and posted.

Motion to adjourn by Mr. Herst
Seconded by Mr. Watson

Passed unanimously

Respectfully Submitted,



Adam M. Hyde, Secretary

Accepted:



Mr. Steven Lee, President