



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



LINCOLNSHIRE POLICE PENSION FUND MEETING

August 19, 2019

Called to order: 6:00 p.m.

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

Guests present: Roy Bethel (active officer), Laura Goodloe (Fund Legal Counsel), Doug Krapf (via phone, Investment Manager), Michael Peterson (Village Treasurer/Finance Director)

Absent: Jamie Watson

Reading and approval of minutes of last meeting:

Approval of the Minutes of the Board meeting from May 28, 2019.

Motion to accept as presented by Mr. Lee.

Seconded by Mr. Hyde.

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 presented the Board with the Village audit findings and he discussed the areas pertaining to the Pension Fund. The findings are contained within the Comprehensive Annual Financial Report for the year ending December 31, 2018.

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 second quarter performance of the Fund, which included a return of 3.30% and a year to date return of 12.10%. The total assets as of June 30,

2019 were \$23,430,461 and as of August 15, 2019 were \$22,860,294. Mr. Krapf confirmed no mid-quarter rebalancing took place.

Mr. Krapf reviewed the model portfolio and the current asset allocation. As of August 15, 2019, the Fund was underweight approximately 2% in Equities and overweight by approximately 2% in Fixed Income and Cash. However, as of the market closing today, the funding difference was reduced and is minimal. Therefore, Mr. Krapf recommended no rebalancing of the portfolio.

Mr. Krapf reviewed the two managers currently on "Watch Status," Dodge and Cox International and Blackrock Global. Mr. Krapf recommended moving Dodge and Cox off "Watch Status," and keeping Blackrock Global on "Watch Status" for the next quarter.

A motion to accept the recommendations from Mr. Krapf was made by Mr. Herst. Seconded by Mr. Hyde.

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

Mr. Hyde 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. Mr. Lee, Mr. Herst, Mr. Hyde 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. Refund of Contributions, Nikki Megerle, \$516.40
 - a. Approved last meeting, amount confirmed and check issued this meeting.
2. Refund of Contributions, Brian Balinski, \$104,629.98
3. Puchalski, Goodloe Marzullo, Legal Fees, \$650.00
4. IPPFA Conference Registration, \$1,540.00
5. Illinois Bone and Joint, Scott Alm disability exam cancel fee, \$505.00
6. Alliant/Mesirow, Fiduciary Liability Insurance, \$3,092.00

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

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

Old business:

Mr. Hyde informed the Board that Scott Alm was examined by Dr. Cummins on June 19, 2019 for his yearly disability examination. He was found to be disabled. This year Mr. Alm turns 50, thus this was his final mandated exam.

Mr. Hyde also informed the Board that Mr. Alm missed his scheduled appointment earlier in the year and Mr. Hyde was notified of the schedule issue. Mr. Alm told Mr. Hyde his parents were hospitalized and he forgot about the appointment. Discussion took place about missed appointment fees, and in this case, Illinois Bone and Joint charged the Fund a \$505 cancellation fee. Ms. Goodloe reviewed the Administrative Rules and Regulations and confirmed the cancellation was in violation of the rules and should be paid for by Mr. Alm.

Additional discussion took place and Mr. Quillinan made a motion to direct Ms. Goodloe to invoice Mr. Alm for the \$505.00. The fee can be paid in full or divided up for the remainder of 2019.

Seconded by Mr. Lee.

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

Mr. Lee updated the Board on legal monitoring updates.

Ms. Goodloe updated the Administrative Rules and Regulations, and pursuant to the updates from the discussion, a motion was made by Mr. Hyde to accept the updated document.

Seconded by Mr. Quillinan.

Passed unanimously.

Mr. Lee presented the Board with the Municipal Compliance Report. The report was reviewed and the Village will be supplied with a copy of the Municipal Compliance Report, Actuarial Findings and Investment Policy Statement.

Funding is being requested in the amount of \$1,033,790.00, pursuant to the Actuarial Valuation.

Mr. Hyde will notify the Village of the request and he will supply the documents with a cover letter. Acceptance of the report will take place at the next quarterly meeting of the Board.

New business:

A Met Life check were received and delivered to Mr. Krapf for deposit. The trust interest check was in the amount of \$4.40.

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

Ms. Goodloe provided a legal update to the Board.

Mr. Peterson informed the Board the Department of Insurance appears to be working on the Fund audit, as they have requested additional payment documents for various retirees.

Mr. Hyde informed the Board there was an error in the Pension Fund applications of Officers Roy Bethel and Dillon Forkes. Their verified date of entry should reflect January 5, 2018, not January 8, 2018, as their applications state. Mr. Hyde verified the start dates with the Village and Police Chief Leonas. Copies of these minutes will be included in their pension file as a record of the error.

A motion to accept the change was made by Mr. Hyde.
Seconded by Mr. Quillinan.

Passed unanimously.

The Pension Board elections were held and all offices were filled without opposition.

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

Mr. Hyde informed the Board that Jamie Watson will be resigning from the Board. The nomination and election process will be followed to elect a replacement for Mr. Watson.

Mr. Hyde presented the fiduciary liability insurance quote to the Board from Alliant/Mesirow. The fee is \$3,092.00, up from \$3,001.00 last year.

A motion to accept and pay the insurance fee was made by Mr. Hyde.
Seconded by Mr. Herst.

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

Consider applications for membership:

None.

Consider applications for benefits:

Former member Brian Balinski made application to withdrawal his contributions and roll the funds over to another investment fund. He was advised of taxability by Lauterbach and Amen. Mr. Hyde verified his contribution amount of \$104,629.98 with the Village

and Lauterbach and Amen.

Mr. Balinski was a police officer from January 12, 2004 through January 25, 2018. He resigned from the police department.

A motion to refund Ms. Balinski's contributions was made by Mr. Hyde.
Second by Mr. Quillinan

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

Trustee Continuing Education:

To date, the following continuing education has been completed in 2019:

Steven Lee, 0 hours
Adam Hyde, 2 hours (OMA and FOIA)
Jamie Watson, 0 hours
Patrick Quillinan, 0 hours
Mickey Herst, 0 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:

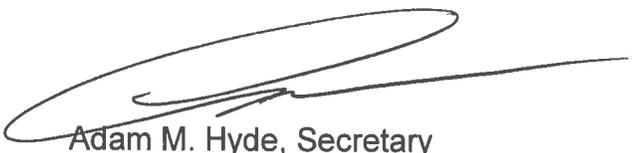
The meeting was adjourned at 7:42 p.m.

The next meeting is November 21, 2019.

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

Passed unanimously

Respectfully Submitted,



Adam M. Hyde, Secretary

Accepted:

A handwritten signature in cursive script, appearing to read "Steven Lee", is written over a horizontal line.

Mr. Steven Lee, President