



VILLAGE OF
LINCOLNSHIRE

LINCOLNSHIRE POLICE PENSION FUND MEETING

November 19, 2019

Called to order: 6:00 p.m.

Trustees present: Steven Lee, Adam Hyde, Mickey Herst, Patrick Quillinan (6:20 p.m.), and Roy Bethel

Guests present: Laura Goodloe (Fund Legal Counsel), Doug Krapf (via phone, Investment Manager), Brad Burke (Village Manager), Andrew Markoya (former Lincolnshire officer), and Jamie Watson (active officer).

Absent: None.

Reading and approval of minutes of last meeting:

Approval of the Minutes of the Board meeting from August 19, 2019 and Special Meeting Minutes from October 9, 2019.

Motion to accept as presented by Mr. Hyde.

Seconded by Mr. Herst.

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. Burke described potential Village loan and financing information that might have involved the Pension Fund. However, these did not move beyond the discussion stage. Mr. Burke discussed changes to the Village funding policy. The changes include the adoption of a new mortality table, PubS-2010, and a change to the actuarial method to include the budgeted number of active officers as the number of officers. (In the past, the actual number of officers was used.) On November 25, 2019, it would be ratified and be part of the 2020 budget.

The proposed contribution for 2020 is \$959,428, which was determined using the Village funding policy in effect on December 31, 2018. This is \$71,362 less than the amount requested by this Pension Board, which included the change in mortality table.

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 0.25% and a year to date return of 12.38%. The total assets as of September 30, 2019 were \$23,512,506. As of November 15, 2019, the total was \$24,123,152. Mr. Krapf confirmed no mid-quarter rebalancing took place.

Mr. Krapf reviewed the model portfolio and the current asset allocation. As of September 30, 2019, the Fund was in line with its model portfolio. Mr. Krapf recommended to terminate/liquidate Templeton Global and split the proceeds, \$512,052, with First Eagle Global and BlackRock Global Allocation. Mr. Krapf recommended moving \$250,000 from Great Lakes Advisors to cash.

Mr. Krapf reviewed the manager currently on "Watch Status". Mr. Krapf relayed to amend that Dodge & Cox has been off of "Watch Status" while BlackRock Global has been on "Watch Status". Mr. Krapf recommended keeping BlackRock Global on "Watch Status" through the rest of 2019.

A motion to accept the recommendations from Mr. Krapf was made by Mr. Quillinan.

Seconded by Mr. Hyde.

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

Passed unanimously.

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, Mr. Quillinan, and Mr. Bethel voted to approve the action.

Passed unanimously.

Presentation of bills and or disbursements:

The current bills for payment were presented by Mr. Hyde

1. Refund of Contributions- Andrew Markoya, \$39,342.72
2. Puchalski, Goodloe Marzullo, Legal Fees, \$1,531.95
3. IPPFA Trustee Certification Course- Roy Bethel, \$800.00
4. IPPFA Annual Dues, \$795.00

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

Seconded by Mr. Quillinan.

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

Passed unanimously.

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 the decision to stop the payment of \$505.00 was made.

Mr. Lee updated the Board on legal monitoring updates.

Ms. Goodloe updated the Administrative Rules and Regulations.

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

Discussion took place about Department of Insurance Audit Findings from October 21, 2019. A motion to accept the findings by Mr. Hyde.

Seconded by Mr. Lee.

Passed unanimously.

Mr. Lee presented the Municipal Compliance Report. These items will be passed on to the Village.

A motion to accept by Mr. Hyde.

Seconded by Mr. Lee.

Passed unanimously.

Year-end salary dates from Village and Creditable service forms will be collected in December.

A motion to accept by Mr. Hyde.

Seconded by Mr. Lee.

Passed unanimously.

New fiduciary liability insurance will be sought in 2020.

New business:

Discussion of the Police Pension Funding Policy by Mr. Burke.

Documents were collected for bank signatures at BMO Harris Bank.

RFP Manager discussion reflecting new Illinois legislation. Tabled indefinitely.

Ms. Goodloe provided updates on new legislation that took place. Effective January 1, 2020, there will be financial consolidation with the State of Illinois of funds. There have been added benefits to Tier 2 benefits. The COLA's increased and additional death benefits have been added. The training standards for trustees have been reduced also. More information to come.

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

Consider applications for membership:

None.

Consider applications for benefits:

Former member Andrew Markoya made application to withdrawal his contributions directly to himself. He was advised of taxability by Lauterbach and Amen. Mr. Hyde verified his contribution amount of \$39,342.72 with the Village and Lauterbach and Amen.

Mr. Markoya was a police officer from October 17, 2005 through February 06, 2012.

A motion to refund Ms. Markoya's contributions was made by Mr. Hyde.

Second by Mr. Quillinan.

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

Passed unanimously.

Trustee Continuing Education:

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

All trustees have completed mandated training. Mr. Bethel also completed the Certified Trustee training.

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 7:40 p.m.

The next meeting is February 11, 2020 at 6:00 p.m.

Motion to adjourn by Mr. Herst.

Seconded by Mr. Hyde.

Passed unanimously

Respectfully Submitted,



Roy Bethel, Assistant Secretary

Accepted: 

Mr. Steven Lee, President