A regular meeting of the Lincolnwood Police Pension Fund Board of Trustees was held on Thursday, October 26, 2017 at 2:00 pm at the Village Hall located at 6900 N. Lincoln Avenue, Lincolnwood, IL pursuant to notice.

CALL TO ORDER: Trustee Raypole called the meeting to order at 2:00 pm.

ROLL CALL:
PRESENT: Trustees Travis Raypole, Mark Weidner, Joel Perzov, Michael Bartholomew, Tim O’Connor (arrived at 4:12 pm)
ABSENT: None
ALSO PRESENT: Mary Tomanek, Graystone Consulting; Brian Carroll, Wells Fargo, Inc.; Gregory Poplett, Madison Investments; Robert Merkel, Village of Lincolnwood Finance Director; Benjamin Harris, Village of Lincolnwood Accountant; and Casey Heeley, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

INVESTMENT REPORT – MADISON INVESTMENTS: Quarterly Investment Report: Mr. Poplett presented the Quarterly Investment Report for the bond portfolio for the period ending September 30, 2017. As of September 30, 2017, the quarter-to-date total net return is 0.52% for a quarter-to-date gain of $167,144 and an overall portfolio value of $8,774,478. The current asset allocation is as follows: Corporate Bonds at 61%, Government Bonds at 36% and Cash at 3%.

Mr. Poplett left the meeting at 2:29 pm

INVESTMENT REPORT – WELLS FARGO: Quarterly Investment Report: Mr. Carroll presented the Quarterly Investment Report for the stock portfolio as of September 30, 2017 for the account ending in 0186. As of September 30, 2017, the year-to-date net time-weighted return is 1.9% for a year-to-date gain of $169,696 and an overall portfolio value of $8,773,442.

Mr. Carroll presented the Quarterly Investment Report for the stock portfolio as of September 30, 2017 for the account ending in 8639. As of September 30, 2017, the year-to-date net time-weighted return is 16.6% for a year-to-date gain of $760,269 and an overall portfolio value of $5,346,549.

Mr. Carroll left the meeting at 2:57 pm

Mr. Merkel discussed an upcoming Village Hall meeting on November 7th at 6:30 pm.

Ms. Tomanak joined the meeting at 3:04 pm
Graystone Consulting - Quarterly Investment Report: Ms. Tomanek presented the Quarterly Investment Report for the period ending September 30, 2017. As of September 30, 2017, the quarter-to-date net return is 2.78%, the year-to-date net return is 8.72%. The current asset allocation is as follows: fixed income at 42.27%, equities at 56.45%, and cash equivalent at 1.28%. Ms. Tomanek reviewed the recent transactions and discussed cash flow needs for the upcoming quarter.

A motion was made by Trustee Raypole and seconded by Trustee Bartholomew to accept the Madison Investments Quarterly Investment Report, the Wells Fargo Quarterly Investment Report and the Graystone Consulting Quarterly Investment Report as presented. Motion carried unanimously by voice vote.

Ms. Tomanek left the meeting at 3:43 pm

Review/Update Investment Policy: The Board discussed updating the Investment Policy. A motion was made by Trustee Perzov and seconded by Trustee Raypole to direct Wells Fargo to amend the Investment Policy as follows:
- Correct a mistake in the Asset Allocation to reflect the Fixed Income minimum of 35% and the target will be 45%;
- US Obligations minimum will be 30% with the target of 30%-70%;
- Corporate Obligations minimum will be 0% and the maximum will be 70% with the target of 30%-70%;
- Raise the duration of the Fixed Income Portfolio to 2-6 years;
- International Foreign Equities minimum will be 0% and the maximum will be 30% with the target of 25%;

Motion carried unanimously by voice vote. Trustee Raypole will contact Mr. Carroll to draft an amended Investment Policy for approval and execution at the next regular scheduled meeting.

Mr. Merkel left the meeting at 3:38 pm

Potential Sale/Purchase of Securities and/or Decision on Investment Advisors/Managers: A motion was made by Trustee Perzov and seconded by Trustee Raypole to direct Wells Fargo to move $25,000 initially and then $10,000 every month thereafter for the next ten months until September 2018 from the Investment Company of America Fund and reallocate the proceeds to the New World Fund. Motion carried unanimously by voice vote.

APPROVAL OF MEETING MINUTES: July 27, 2017 Regular Meeting Minutes: The Board reviewed the July 27, 2017 regular meeting minutes. A motion was made by Trustee Raypole and seconded by Trustee Bartholomew to approve the July 27, 2017 regular meeting minutes as written. Motion carried unanimously by voice vote with Trustee Perzov abstaining due to his absence at the July 27th meeting.

August 23, 2017 Special Meeting Minutes: The Board reviewed the August 23, 2017 special meeting minutes. A motion was made by Trustee Perzov and seconded by Trustee Bartholomew
to approve the August 23, 2017 special meeting minutes as written. Motion carried unanimously by voice vote with Trustee Raypole abstaining due to his absence at the August 23rd meeting.

**TREASURER’S REPORT:** The Board was presented with the Treasurer’s Report for the period 07/01/2017 through 09/30/2017. As of September 30, 2017, the beginning balance in cash & investments was $19,976,867.00, benefits and administrative expenses totaling $666,082.00, and the ending cash and investment balance was $20,827,036.00.

**Additional Bills:** The Board reviewed the following additional bills for approval:
- Madison Investment Advisors in the amount of $6,580.86 for Fourth Quarter Management Fee
- IPPFA invoice #1341 in the amount of $795.00 for 2018 membership dues
- Reimer Dobrovolny & Karlson LLC invoice #22751 in the amount of $150.00 for correspondence
- TWS Actuary in the amount of $2,900.00 for the completion of Actuarial Valuation, completion of GASB 67 & 68 and completion of Benefit Statements

Trustee O’Connor joined the meeting at 4:12 pm

**APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND:** There were no application for membership or withdrawals at this time.

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS:** Deceased Pensioner – Karlis Starpins/Approval of Surviving Spouse Benefits – Bernice Starpins: The Board noted that Karlis Starpins passed away on August 22, 2017. The Board reviewed the surviving spouse benefit calculation for Bernice Starpins with an effective date of August 23, 2017, for a monthly benefit of $7,087.48 with no additional increases. A motion was made by Trustee Raypole and seconded by Trustee Weidner to approve the surviving spouse benefit of Bernice Starpins as calculated by L&A. Motion carried unanimously by voice vote.

**TRUSTEE TRAINING UPDATE:** The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities. Trustees Perzov, O’Connor and Raypole completed their 16 hours of Trustee training and were reminded to send their certificates for L&A for recordkeeping.

**OLD BUSINESS:** There was no old business to discuss.

**NEW BUSINESS:** *IDOI Annual Statement:* The Board noted that the IDOI Annual Statement was filed with the Department of Insurance. A motion was made by Trustee Raypole and seconded by Trustee O’Connor to approve execution of the Certification Form and submission to the Department of Insurance before the October 31st deadline. Motion carried unanimously by voice vote.

*Review/Approve - Actuarial Valuation and Tax Levy Request/Municipal Compliance Report:* The Board reviewed the finalized Actuarial Valuation prepared by Tim Sharpe. Based on data and
assumptions, the recommended municipal contribution is $1,713,843 and the statutory minimum contribution is $1,644,036. A motion was made by Trustee Raypole and seconded by Trustee O’Connor to accept the Actuarial Valuation as prepared, the Municipal Compliance Report as prepared and to request a tax levy in the amount of $1,713,843 from the Village of Lincolnwood based on recommendations of Tim Sharpe. Motion carried unanimously by voice vote.

2018 Board Meeting Dates: The Board discussed establishing the 2018 Board meeting dates January 25, April 26, July 26 and October 25 at 2:00 pm at Village Hall located at 6900 N. Lincoln Avenue, Lincolnwood, IL. A motion was made by Trustee Raypole and seconded by Trustee O’Connor to approve the dates as stated. Motion carried unanimously by voice vote.

Certify Board Election Results – Active Member Position: L&A conducted an election for one of the Active Member positions on the Lincolnwood Police Pension Fund Board of Trustees. Tim O’Connor ran unopposed and was elected by acclamation for a two-year term expiring April 30, 2019. A motion was made by Trustee Raypole and seconded by Trustee Perzov to certify the Active Member election results. Motion carried unanimously by voice vote.

COMMUNICATIONS OR REPORTS: Affidavits of Continued Eligibility: The Board noted that all 2017 Affidavits of Continued Eligibility have been received by L&A and the originals were given to the Board for their recordkeeping.

ATTORNEY’S REPORT: Legal Updates: The RDK newsletter was distributed, reviewed and discussed.

Mr. Harris left the meeting at 4:59 pm

CLOSED SESSION, IF NEEDED: No closed session was needed.

ADJOURNMENT: A motion was made by Trustee Raypole and seconded by Trustee Bartholomew to adjourn the meeting at 5:04 pm. Motion carried unanimously by voice vote.

Tim O’Connor, President

Minutes approved by the Board Trustees on 01-25-2018.

Minutes prepared by Casey Heeley, Pension Services Administrator

~ The next regular meeting is scheduled for January 25, 2018 at 2:00 pm. ~