

LAKE BLUFF POLICE PENSION FUND
REGULAR BOARD MEETING
August 13, 2015 5:30 P.M.

Roll Call

President Vinson called the regular meeting to order at 5:30 P.M. at the Lake Bluff Public Safety Building Conference Room.

Trustees Present: Brad Adams, Mark Betz, Catharine Lemieux and Tom Vinson.

Trustees Absent: Erik Gehrke.

Others Present: Treasurer Susan Griffin, Attorney Barbara Bell, and Graystone Consulting Advisor James Kolbusz.

Non-Agenda Items and Visitors

None

Approval of Meeting Minutes

President Vinson moved to approve the April 16, 2015 minutes as presented; seconded by Trustee Adams and approved unanimously on a voice vote.

1. Treasurer's Report

Treasurer Griffin reviewed the Statement of Net Assets and Changes in Statement of Net Assets reflecting audited net assets as of April 30, 2015 of \$8,934,449 and the additions of \$1,221,821 and the deductions total of \$845,685 increasing the net assets by \$376,136. She noted that the 2014 property tax levy of \$640,595 has been filed with the County and will be received in June and September with small amounts received in May and October-December. The Statement of Net Assets and Changes in Net Assets reflect unaudited net assets of \$9,147,184 and net additions of \$212,735 as of July 31, 2015. *President Vinson moved to accept the Treasurer's Report, seconded by Trustee Betz and approved unanimously on a voice vote.*

2. Elections and Appointments Status

Discussion ensued regarding the willingness of the current officers to continue in their respective positions for another year. Trustee Adams moved to retain Thomas Vinson as President; Erik Gehrke as Vice-President; Mark Betz as Secretary and Catharine Lemieux as Vice-Secretary. Trustee Lemieux seconded the motion and it was approved on the following roll call vote: *Ayes: Adams, Betz, Lemieux, and Vinson. Nays: None.*

3. Investments/Investment Policy

a. Investment Report

Mr. Kolbusz distributed an investment report as of June 30, 2015 and July 31, 2015. Mr. Kolbusz reviewed the portfolio target allocations and performance by asset class compared to the fund total and benchmarks, respectively. He noted that the Plan is overweight in domestic equity by 7.7% and cash by 2.78% and underweight in fixed income by 1.69% and international equity by 8.30% as of July 31st.

For the past two years the portfolio returned 5.71% compared to its custom benchmark of 5.88% underperforming the benchmark by 0.17%, net of fees. Trustee Lemieux remarked on the 2 quarters of negative returns in the equity portfolio. Mr. Kolbusz explained that ASB's strategy is to avoid high cost stocks because of the potential for large losses. However, ASB has been underperforming the S&P and ASB is on the MSSB watch list with Kevin Moore conversing weekly with MSSB. Trustee Adams did note that ASB has only been the equity manager for less than 2 years. Mr. Kolbusz recommends reducing the domestic equities portfolio by \$360,000 over 3 months and reallocating the funds to Harding Loevner. The Board members expressed concerns about the stability of international and emerging markets especially in light of the recent Chinese devaluation of the yuan. *President Vinson moved to authorize the reallocation of \$240,000 at \$120,000 each over two months from ASB equity managers to Harding Loevner; seconded by Trustee Adams and approved on the following roll call vote: Ayes: Adams, Betz, Lemieux, and Vinson. Nays: None.*

b. Investment Policy

Mr. Kolbusz stated that prudent practice is to review the Investment Policy annually for compliance with new laws (if any), investment advisor and/or managers' recommendations, or other relevant changes. Mr. Kolbusz noted that the investment manager contracts reference this policy as the guidelines for investing the Plan's funds. He offered no changes and, after reviewing the policy, the Board agreed that it does not require any modifications at this time. Treasurer Griffin will note on the face of the document the date that the policy was reviewed.

4. Disability Pensions Annual Physical Examinations

The Illinois Municipal Code 40, ILCS 5/3-115 states that "Medical examination of a police officer retired for disability shall be made at least once each year prior to attainment of age 50, as verification of the continuance of disability for service as a police officer. No examination shall be required after age 50." President Vinson remarked that Attorney Collins coordinated the scheduling of the examinations with the physician and the disabled officer. President Vinson provided the results of the examinations for Betz, Canzoneri, and Landy noting that all continue to be medically ineligible for active duty. *Trustee Lemieux moved to accept the medical examinations for Betz, Canzoneri and Landy and to affirm their continued disability. Trustee Adams seconded the motion and it was approved on the following roll call vote: Ayes: Adams, Betz, Lemieux, and Vinson. Nays: None.*

5. Board Member Training Updates

Trustee Betz completed his required 32 hours of new trustee certification training including 8 hours of ethics. Trustee Lemieux completed 16 hours of training on ethics and information security. President Vinson noted that he completed 9 hours of required annual training. Trustee Adams was advised of his responsibility to complete the 32 hour trustee certification within his first year of appointment.

6. Executive Session – None**Items from the Members/Treasurer**

Treasurer Griffin noted that the Village has engaged a new actuary to prepare the annual valuation and recommended tax levy. The new actuarial firm, MWM Consulting was selected from among a list of actuaries with the proven capability to prepare the new GASB Statements 67 & 68 required information. She noted that MWM currently prepares the Village's OPEB report.

President Vinson noted the July pension benefits ACH deposits were remitted on Monday July 27th instead of Friday, July 24th. It was suggested that Treasurer Griffin inquire into making this an automatic transfer each month.

Next Board Meeting Dates

- The 2014-15 regular meetings are scheduled for: **Thursday at 5:30 PM in the Lake Bluff Public Safety Conference room October 15, 2015.**

Adjournment

At 7:00 P.M. Trustee Lemieux moved to adjourn the meeting; Trustee Adams seconded the motion and it was approved unanimously on a voice vote.

Respectfully submitted,

Mark Betz
Secretary

Susan Griffin
Treasurer/Recording Secretary