

Quarterly Meeting  
Libertyville Police Pension Board  
April 12, 2016

**Call to Order:** President William Plumb called the meeting to order at 3:05 P.M., on Tuesday, April 12, 2016. The meeting was held at the Alan Shertz Building, 200 E. Cook St., Libertyville, IL.

**Roll Call:** The following trustees were present: Mr. William Plumb (Pres.), Mr. Michael Buchert (Vice Pres.), Mr. Jeffrey Stolzenburg (Secretary) and Mr. Al Johnson (Trustee). Also present were Mrs. Pat Wesolowski, Director of Finance for the Village of Libertyville and Treasurer for the Libertyville Police Pension Fund, Mrs. Patrice Sutton the new Director of Finance for the Village of Libertyville and Treasurer for the Libertyville Police Pension Fund, Mr. Jeff Goodloe, Esq., attorney for the Libertyville Police Pension Board, Mr. Kelly Weller (Great Lakes Advisors), and Chief Clinton Herdegen (Chief of Police, Libertyville Police Dept.).

**Minutes:** Copies of the January 12, 2016 quarterly meeting minutes were distributed and read. Trustee Buchert made a motion to accept the minutes. The motion was seconded by Trustee Johnson and passed unanimously.

**Reports:** Mrs. Pat Wesolowski (Treasurer) presented the Board with Treasurer's Report. The current total fund balance is calculated at \$27,336,641. Total revenues YTD are \$895,089, expenditures YTD are \$2,326,916 with a YTD change of -\$1,431,828 (with investment numbers as of February 28, 2016.). Trustee Stolzenburg made a motion to accept/approve the Treasurer's Reports. The motion was seconded by Trustee Johnson and passed unanimously.

Mr. Jeff Goodloe, Esq. requested that the Attorney's Report be passed until the end of the meeting.

The GLA First Quarter 2016 report was disseminated to all Board members (copy attached). Kelly Weller then presented the GLA report. He indicated, "January and February were painful, but March looked better..." The portfolio performance summary was referenced (p8) and showed a 1.88% increase for the quarter. The 3-year fund performance (5.93%) is right on top of the benchmark (5.83%). Per Weller, last year's emerging market exposure is what is still keeping the performance numbers slightly low. The individual performances of Oakmark, Artisan, and Templeton (p9) were then specifically reviewed.

Currently, GLA is looking at (p5) an increased equity exposure (from 51% to 56%). This is subsequent to the Board's vote to discontinue High Yield Bond investment (Jan 2016 meeting vote) with re-allocation into equities. Within the equity folder, GLA recommends decreasing Mid/Small Cap (13% to 10%) and Large Cap (26% to 25%), increasing Int.(Developed) from 5% to 13% using iShares MSCI EAFE small cap ETF (fact sheet attached). GLA would also like to expand REITS to global, not just US, using Vanguard Global ex-U.S. Real Estate ETF (fact sheet attached). With these changes, the portfolio will still be within ILCS definitions for allocations (p10).

Weller then went on to discuss the portfolio's fixed income composition (p13). Overall, fixed income is "good." GLA has added a new Senior Portfolio Manager to the fixed income team, Nancy Studenroth. Weller will be asking Nancy to attend one of the next few quarterly meetings.

The Weekly Wire handout was reviewed and discussed. Trustee Plumb asked Weller to re-incorporate the "snap shot" page that was formerly included in the GLA quarterly investment review. Weller agreed to do so.

Trustee Buchert made a motion to accept the GLA report with approval of its recommendations. The motion was seconded by Trustee Johnson and passed unanimously.

**Old Business:** Investment policy revisions will not be needed to accommodate the Board's vote to discontinue high yield bond investments as high yield bond exposure is not specifically addressed in the policy.

The ballots for the active and beneficiary elections are currently being returned and will be tallied later in the month. Trustee Stolzenburg will advise Treasurer Sutton of the election results as soon as possible so that IDOI reporting can be completed. Formal acknowledgment of election results will be an agenda item for the next quarterly meeting. At this time, no personnel changes on the Board are expected.

Trustees Plumb and Stolzenburg have completed their statement of economic interest reporting requirements. Trustees Buchert and Johnson state that despite completing the online reporting, the clerk's office has indicated a problem with their filings. They will re-submit to ensure compliance. Trustee Smith has not yet received reporting instructions, but will also follow-up with the county clerk.

**New Business:** The Timothy Sharpe allegations were then discussed. Per Atty. Goodloe, there are only allegations at this time. No formal discipline has been administered. Although the Village hires the actuary, the Pension Board can express a desire to RFP a new one. Pat Wesolowski has checked with Lauterbach & Amen and doesn't see a need for immediate change. Per L&A, Sharpe's numbers and reports are audited and are good.

Routine bills that came up in the interim had been informally approved by email. Trustee Stolzenburg made a motion to approve the bills as listed on the agenda. The motion was seconded by Trustee Buchert and passed unanimously.

No trustee training certificates were submitted.

The service pension application for Robert Townsend was then reviewed and considered. Pat Wesolowski verified that the monetary amounts listed on the application have been checked and approved as accurate. Townsend has creditable service of 12 years and will be receiving a 30% pension based upon his salary on his last day of employment. The effective date of the pension will be 10/01/16. Trustee Stolzenburg made a motion to approve Townsend's pension application. The motion was seconded by Trustee Johnson and passed unanimously.

The disability pension application for Alejandro (“Alex”) Cardona was then formally acknowledged as received. Atty. Goodloe will begin processing the application and will update the Board when further information is known.

**Reports (cont’d):** Atty. Goodloe then returned to his report. The testimony schedule for the Anderson hearings (4/13/16 and 4/14/16) were discussed. Goodloe indicated that he received a Motion to Intervene from the Village of Libertyville’s attorney on 4/11/6, which may cause some difficulty for the Board. Options for granting/denying the intervention and continuance were discussed as well as scenarios for continuing with the scheduled hearings or for deferring to other date(s). Payment of witness’ appearance fees and other possible expenses were also discussed. Trustee Stolzenburg then made a motion have the hearings continued to another date. Trustee Buchert seconded the motion, which passed unanimously. Atty. Goodloe will make immediate notification to the other parties reference the cancellation.

**Public Comment:** None

**Good of the Board:** The next quarterly meeting of the Libertyville Police Pension Board will be on July 12, 2016 at 3:00 P.M. at the Alan Shertz Building, 200 E. Cook Ave., Libertyville, IL.

A motion was made by Trustee Stolzenburg to adjourn the meeting, seconded by Trustee Buchert and passed unanimously.

Respectfully Submitted,



Jeffrey Stolzenburg  
Secretary