

APPROVED MINUTES

**VILLAGE OF NORTHFIELD
BOARD OF TRUSTEES OF THE POLICE PENSION FUND**

January 25, 2018

Minutes of the Board of Trustees of the Police Pension Fund meeting held on Thursday, January 25, 2018 in the Village of Northfield Multi-Purpose Room, 2nd floor, 361 Happ Road, Northfield, Illinois.

ROLL CALL

President Kenneth Smith called the meeting to order at 5:00 p.m. Roll call was as follows:

Trustees Present:

Kenneth Smith
William Lustig
Gordon Scott
Don Whiteman

Absent

Tom Hanus

Non-Trustees Present

Steve Noble, Village Finance Director
Kelly Weller, Great Lakes Advisors
Bruce Ebel, Great Lakes Advisors
Tom Terrill, Village Trustee
Carolyn Clifford, Ottosen-Britz

Mr. Smith noted there was a quorum present.

PUBLIC COMMENT

No public comment was made.

APPROVAL OF MINUTES

The next item was to approve the pension meeting minutes of October 26, 2017. Mr. Whiteman made a motion to accept the minutes, seconded by Mr. Scott, and upon a voice vote, motion passed.

REVIEW OF INVESTMENT REPORT-GREAT LAKES ADVISORS (GLA)

Mr. Ebel presented the Board with the 4th quarter investment report and discussed the Market Review portion in detail. Mr. Ebel stated for the record that Great Lakes Advisors is in compliance with the statutory restrictions on the account of the Northfield Police Pension Fund, and recognizes its April 30th fiscal year, and also recognizes the Fund's 6.75% actuarial return assumption and inflation assumption of 3%. He stated that it is a strong portfolio.

Mr. Ebel then discussed the quarterly results. The Fund's performance for the 4th quarter ending December 31, 2017 net of fees was as follows:

Total Account	3.29%	(benchmark return: 2.93%)
Fixed Income	0.10%	(benchmark return :(0.21))

The asset allocation for the end of the 4th quarter was:

Equity: 57.7%, Fixed Income: 39.2% and Cash: 3.1%.

Mr. Ebel told the Trustees that Great Lakes will be adjusting the portfolio and bringing the equity component down to 53%. He also said that the fixed income is doing well. Mr. Weller added that the fixed income component is well diversified. Mr. Weller suggested some changes to the portfolio to simplify and streamline the fund. Subsequent to the meeting, Mr. Weller will be sending the Trustees a detailed outline of the changes that were discussed at the meeting.

TREASURER'S REPORT

Mr. Noble presented the Board with the treasurer's report, dated December 31, 2017. Mr. Noble reviewed the report with the Board and answered questions.

APPROVAL OF BILLS

Mr. Noble distributed a copy of the paid invoice sheets, which details all bills paid by the Pension Board for the period October 31, 2017 through December 31, 2017. The Board went over the disbursements. The bills for the three month period totaled \$21,826.17.

Mr. Whiteman made a motion to accept the Treasurer's report and approve the payment of the bills, seconded by Mr. Scott and upon roll call vote, motion passed.

AYES: Smith, Lustig, Whiteman and Scott
NAYS: None
ABSENT: Hanus

APPROVAL OF PENSION INCREASES

Lauterbach and Amen prepared a list of current pensioners and the type of pension they receive, as well as the current and new benefit amount they will receive. Mr. Whiteman made a motion to approve the annual benefit increases for pensioners, seconded by Mr. Scott and a upon a roll call vote, motion passed.

AYES: Smith, Lustig, Whiteman and Scott
NAYS: None
ABSENT: Hanus

DISCUSSION OF DEPARTMENT OF INSURANCE ACTUARIAL VALUATION FOR 2017

Ms. Clifford discussed the valuation report with the Board members, noting that the DOI has a new actuarial firm, GRS, which has updated assumptions being used in the actuarial valuation reports. The most notable change in assumptions from DOI's new actuary is a lowering of the investment return assumption to 6.5% for funds with more than \$10 million in assets.

CONFIRMATION OF TAX LEVY

Mr. Noble discussed the tax levy amount for the fund from the Village levy ordinance. Every month he transfers 1/12 of the amount monthly to simplify the procedure. Mr. Noble also said that the Village contribution will be \$1,149,861, which was on target with the recommendation of the actuary.

OLD BUSINESS

The annual IME reports for Officer Hoffman and Officer Romag have been sent. Officer Romag should be making an appointment with the doctor at Omega. Officer Hoffman signs an authorization for release of her medical records, which we then submit to her physician.

The fiduciary liability insurance was renewed and paid in December 2017. It remains the same as the previous year, perhaps \$20.00 higher. Mr. Noble provided a copy to the Trustees for their review.

NEW BUSINESS

The Trustees will submit their Statement of Economic Interest as soon as the e-mails are sent by the county. These statements are due by May 1st.

Mr. Noble advised the Board that he has received a couple of the Servicer Certifications. One was from the bank that L&A uses for the pension payments. The other is the bank that Mr. Noble uses for our checking account. If either bank is determined to be Illinois finance entities, the certification will need to be filed with the DIO.

TRAINING

Ms. Clifford discussed state and national pension issues. She also discussed upcoming training opportunities.

CLOSED SESSION

None

ADJOURNMENT

With no further business to discuss, Mr. Lustig made a motion to adjourn at 6:20 p.m., seconded by Mr. Scott, and upon a voice vote, motion passed.

Respectfully submitted,

Donald Whiteman, Secretary

Minutes prepared by Maureen French, Administrative Assistant. Minutes approved the Board of Trustees at its meeting on _____2018.