

**FOX LAKE POLICE PENSION FUND  
BOARD MEETING  
November 05, 2008**

**Meeting Called to Order**

President Fred Loffredo called the meeting to order at 9:30 a.m. The Pledge of Allegiance was recited.

**Roll Call**

Fred Loffredo, Jeff Norris, Jack Kiesgen, Joe Neary, John Harahan, Village Treasurer, Tom McShane, and Carol McMullen, were in attendance. Ron Nagel was absent.

**Approval of Minutes**

A motion was made by Jeff Norris, second by Jack Kiesgan to approve the minutes of July 14, 2008, all ayes, motion carried.

**Old Business**

Rick Reimer or Attorney Atwell will go on a conference call if anyone had any questions regarding the Member Handbook and they will give the legal interpretation of the Statute.

The Investment Policy was reviewed; Tom McShane will e-mail a corrected copy to Fred Loffredo and it will be finalized for the next Board Meeting.

**Officer Status**

New police officer, Paul Koc was hired on 10-07-08. Four officers are down with injuries; 4 officers are on light duty, there are two surgeries; one is work-related, the other one is not work related. The Pension Fund requires copies of the application, beneficiary form, birth certificate, marriage certificate, birth certificate of any children, and medical report on the new officer. If the marital status changes, a copy of the page showing the divorce is also required for the pension fund files.

**Financial Report**

A motion was made at the last meeting to give TomMcShane and Fred Loffredo approval to make some financial transactions.

Year-to-date the fund is down approximately 12% for the year. The equity markets are down 28% since January 1. The fund is down \$969,187.00 year-to-date. The Pension Fund has 20% in cash (\$1,425,662); 46.9% in fixed income (\$3,220,980); 32.4% in equities (\$2,227,030). The fund didn't have 45% in equities, which proved to be fortunate. In

October 2007, the market was at its all-time high. Now we are in a bear market (down market); the average bear market lasts 13 months, November 2008 being the 13<sup>th</sup> month. The average down side is about 30%; the stocks are down 42%. The current market situation is worse than average. The worst market since WWII has been about 30 months in a bear market with a down side of 50%. The average return on stocks since 1929 is about 10 1/2%.

Tom McShane's suggested to take approximately \$260,000 and invest in stocks now. The Board proposed that Tom bring the equities to 45% over a 12 month period. Tom said the initial input would be \$260,000, and then add \$50,000 a month. Motion made by Jeff Norris to give Tom McShane the leeway to bring the funds' percentage up to the 45% equity limit, within a 12 month period; second by Joe Neary; motion carried.

Paul Christensen has agreed to do the report required by the Department of Insurance, and finish up all the paperwork from the previous year. Motion made by Fred Loffredo to compensate Paul Christensen for bringing the annual reports up-to-date; second by Jack Kiesgan, motion carried.

### New Business

Fiduciary Liability Insurance was brought up at the IPPFA Conference. As Board Members, it would be prudent to look into this insurance. Tom and Fred will investigate the insurance.

The Open Meetings Act was also a topic at the Conference. Anything that has to be moved on has to be on the agenda. No action can be taken in Executive Session, the Executive Session has to be taped which is kept for 18 months, and you need a verbatim transcript. You can hold a meeting via tele-conference to have a Board member at the meeting. After the minutes are approved, they should be posted within 7 days. The minutes are to be on the Village web-site.

### Adjournment

With no further business a motion was made to adjourn at 10:50 a.m. by Jack Kiesgan, second by Jeff Norris; all ayes, motion carried. The next meeting is scheduled for Tuesday, December 9, 2008 at 3:30 p.m., so the actuary will be able to attend. John will contact Tim Sharpe.

Jeff Norris  
Secretary

BY: Carol McMullen  
Recording Secretary