



FOX LAKE POLICE PENSION FUND
Fox Lake Village Hall - 66 Thillen Drive, Fox Lake, IL 60020
BOARD MEETING
July 30, 2019

I. Meeting Called to Order

President Fred Loffredo called the meeting to order at 9:30 a.m.

II. Pledge of Allegiance

The Pledge of Allegiance was recited.

III. Roll Call

Board Members present were Fred Loffredo, Bill Golden and Joe Martin. Walter Kubala and Terrence Daly were absent. Also present: Board Attorney Laura Goodloe, Village Finance Director Susan Griffin, Tom McShane of Graystone Consulting, Dawn Ratkovich and Bob Rietz of Lauterbach & Amen, Village Administrator Ann Marin and Recording Secretary Carol McMullen.

IV. Approval of Agenda

A motion was made by Bill Golden to approve the Agenda as presented; second by Joe Martin. All Ayes; motion carried.

V. Public Comments - None at this time.

VI. Approval of Minutes

A motion was made by Bill Golden to accept the minutes of the quarterly meeting of 04-15-2019 as presented; second by Joe Martin. All Ayes; motion carried.

A motion was made by Bill Golden to accept the minutes of the Special meeting of 05-14-2019 as presented; second by Joe Martin. All Ayes; motion carried.

VII. Financial Report

Tom McShane presented the Performance Report for the period ending 06-30-2019, showing ending market value at \$17,501,215. There was 35.22% in fixed income, 63.36% in equities and 1.43% in cash & cash equivalents. He reviewed the last quarter's equity and bond markets. There was a discussion on investing in annuities; Tom will research annuity investments for the Board.

He reviewed the ETF's (Exchange Traded Funds) held by the fund. There is a third party compliance firm that looks at holdings of ETF's. They are of the opinion that ETF's have not been explicitly approved by State Statutes and that there may be a better alternative than ETF's and other index funds that are mutual funds not exchange traded funds. There is a little bit of a difference. Tom has reached out to the Department of Insurance; they are trying to put legislation before the fall session, to grandfather exchange traded funds into portfolios. When ETF's first became popular, Tom did get a DOI Opinion from Scott Brandt that ETF's were permissible.

A motion was made by Bill Golden to accept the Performance Report for the period ending 06-30-19 as presented by Tom McShane; second by Joe Martin. All Ayes; motion carried.

VIII. Accountants Report - Cash Flow Needs

Dawn Ratkovich presented and reviewed the Monthly Financial Report ending 06-30-2019 showing total assets at \$17,506,654.90.

A motion was made by Bill Golden to accept the Lauterbach & Amen Financial Report for the month ended June 30, 2019 as presented; second by Joe Martin. All Ayes; motion carried.

A motion was made by Bill Golden to accept the bills as presented on the Lauterbach & Amen Report dated 06-30-2019, and pay them as they become due; second by Joe Martin. Roll call vote taken: Fred Loffredo - Aye. Joe Martin - Aye. Bill Golden - Aye. Terrence Daly - Absent. Walter Kubalanza - Absent. Motion carried.

Dawn Ratkovich and Susan Griffin will discuss cash flow needs for the fund and have an update at the next meeting.

Affidavits of Eligibility were not returned from Good, Kinsler, Nagel and Thurow. A final affidavit will be mailed today giving them 20 days to return the form. If the form is not received by August 20, Lauterbach & Amen will be notified to cut off their ACH pension deposit until they personally come to the Fox Lake Village Hall and return the form at which time they will receive their monthly pension check.

Status as to preparation of DOI Annual Statement – Dawn reported that they have everything they need to move forward with the Annual Statement.

Status as to preparation of Actuarial Statement – Bob Rietz reviewed the draft actuarial report prepared by Lauterbach & Amen. Their recommended tax levy contribution is \$826,048. The current Funding Policy includes a phase-in of the increase in Recommended Contribution due to assumption changes for the May 1, 2018 Actuarial Valuation. The full increase in Recommended Contribution due to assumption changes was \$104,290. The transition contribution for the current year with 1/3 of the impact due to the assumption changes being deferred is \$791,285. The Current Percent Funded Actuarial Value is 74.32%

IX. Attorney Report

Attorney Goodloe reported that status of the Gliniewicz case remains pending due to some issues on the criminal end. There were some evidentiary battles on the criminal end that went up to the appellate court; they were remanded back to state court, clarification was made and now they are back up on appeal. There has been minimal communication from either the Gliniewicz or the Village's counsel.

Attorney Goodloe stated that in terms of legislation, none of the consolidation bills have passed; we will see what happens during veto session.

X. Old Business

Certification of Election Results for Pension Board Trustees – The election results were shown in the last quarterly meeting minutes; since the deadline to receive the ballots was the day of that meeting, the results were tentative. No other ballots were received.

A motion was made by Bill Golden to approve and certify the election results as listed in the 04-15-2019 meeting minutes; second by Joe Martin. All Ayes; motion carried.

XI. Officer Status

Officer William Monsen turned in his retirement pension application. His date of hire was 10-09-1995; his last day worked was 05-23-2019. He was born in 1962. He has 23 years of creditable service. His pension benefit calculations were prepared by Lauterbach & Amen.

A motion was made by Bill Golden to retroactively approve the retirement pension application of William Monsen and to approve and accept the pension benefit calculations prepared by Lauterbach & Amen; second by Joe Martin. Roll call vote taken: Fred Loffredo – Aye. Joe Martin – Aye. Bill Golden – Aye. Terrence Daly – Absent. Walter Kubalanza – Absent. Motion carried.

The new hire pension application for Austin VanBuren will be on the October Agenda for approval.

XII. New Business

Status as to Audit- Susan Griffin stated that the auditors will begin working on the audit in August.

OMA/FOIA Officer - A motion was made by Joe Martin to appoint Bill Golden as the OMA/FOIA Officer; second by Fred Loffredo. All Ayes; motion carried.

Board Officer Positions - A motion was made by Bill Golden to keep the current slate of Trustees - Fred Loffredo as President, Bill Golden as Vice-President, Joe Martin as Secretary and Terrence Daly as Assistant Secretary; second by Joe Martin. All Ayes; motion carried.

IPPFA Conference Registration - All of the Trustees have been registered for the Mid-American IPPFA Conference in Lake Geneva and the invoice has been forwarded for payment.

XIII. Executive Session - None.

XIV. Adjournment

The next regular scheduled meeting will be October 21, 2019, at 9:30 a.m.

With no further business, a motion was made by Bill Golden to adjourn at 10:45 a.m.; second by Joe Martin. All Ayes; motion carried.

Respectfully Submitted,

Fred Loffredo
President

BY: Carol McMullen
Recording Secretary