



**FOX LAKE POLICE PENSION FUND
BOARD MEETING – VIA ZOOM
January 18, 2021**

I. Meeting Called to Order

President Bill Golden called the meeting to order at 9:30 a.m. Due to the COVID-19 pandemic, this meeting will take place in person and via Zoom. All votes will be taken by roll call vote during this meeting.

II. Pledge of Allegiance

The Pledge of Allegiance was recited.

III. Roll Call

Board Members present were Bill Golden, Joe Martin, Walter Kubalanza and Tim Foster. Terrence Daly is absent. Also present: Attorney Jeff Goodloe, Tom McShane of Graystone Consulting, Steve Earnhardt of Lauterbach & Amen, Village Administrator Ann Marin, Village Finance Director Susan Griffin, Christian Ebeling of Lauterbach & Amen and Recording Secretary Carol McMullen.

IV. Approval of Agenda

A motion was made by Joe Martin to approve the Agenda as presented; second by Walter Kubalanza. Roll call vote taken: Bill Golden - Aye. Joe Martin - Aye. Walter Kubalanza - Aye. Tim Foster - Aye. Terrence Daly - Absent. Motion carried.

V. Public Comments – None at this time.

VI. Approval of Minutes

A motion was made by Walter Kubalanza to accept the minutes of the quarterly meeting of 10-19-2020 as presented; second by Joe Martin. Roll call vote taken: Bill Golden - Aye. Joe Martin - Aye. Walter Kubalanza - Aye. Tim Foster - Aye. Terrence Daly - Absent. Motion carried.

VII. Financial Report

Tom McShane reviewed the actions from the last Board meeting and presented the approved Investment Policy for signature. Bill Golden will get the signatures and send the signed policy to Tom. Tom gave an overview of the capital markets, asset allocation, asset class index performance, reviewed the GIC Weekly statement of January 11, 2021 issued by Morgan Stanley, and presented a COVID-19 Tracker report.

The 12-31-2020 quarterly performance report showed \$13,566,753 (66.71%) in equities, \$6,431,448 (31.62%) in fixed income and \$338,846 (1.67%) in cash & equivalents, for a total market value of \$20,337,047. The Pension Fund is up 11.14% YTD, up 19.77% Fiscal YTD, and up 7.11% over the last 10 years. Since inception, the fund is up 6.45%. Tom reviewed and discussed the bond and mutual fund portfolio with the Board.

A motion was made by Joe Martin to accept the 12-31-2020 Performance Report as presented by Tom McShane; second by Walter Kubalanza. Roll call vote taken: Bill Golden - Aye. Joe Martin - Aye. Walter Kubalanza - Aye. Tim Foster - Aye. Terrence Daly - Absent. Motion carried.

VIII. Accountants Report

Steve Earnhardt introduced Christian Ebeling who is a full-time staffer with Lauterbach & Amen. Christian stated that he started with L&A in July and he will be sitting in on pension meetings to observe.

Steve presented and reviewed the Monthly Financial Report ending 12-21-2020, showing total net position held in trust for pension benefits at \$20,352,396.68. Total bills for 10-01-2020 through 12-31-2020 were \$45,660.32.

Susan Griffin asked if the IDOI Compliance Fee was paid; Steve responded that it was paid in June 2020. He stated that this bill is a top priority for all pension funds and they make sure it gets paid each year.

Susan stated that a new Finance Director, D. Wayde Frerichs, will begin with the Village on Monday; Susan will help with the transition and she will stay with the Village until June.

A motion was made by Joe Martin to accept the Lauterbach & Amen Financial Report as of 12-31-2020 as presented; second by Walter Kubalanza. Roll call vote taken: Bill Golden - Aye. Joe Martin - Aye. Walter Kubalanza - Aye. Tim Foster - Aye. Terrence Daly - Absent. Motion carried.

Steve Earnhardt stated that the signature sheet with BMO Harris bank is outdated, showing Fred Loffredo, Julie McManus, Bill Golden and Joe Martin as signors. We will need to update the signature sheet, remove Fred and Julie and add the new Finance Director. He will send the necessary form to Bill Golden.

Steve Earnhardt discussed recent changes to the checking account held at BMO Harris Bank. With interest rates at historical lows, Harris Bank is no longer able to offer interest-free and expense-free checking services. They have restructured the checking account to an interest-bearing account which incurs costs based on activity. L&A Directors have communicated with, and is still communicating with, local and national banks to ensure that whatever the fees are that they are as good as we can get. The balance held in the BMO Harris account will help to offset the fees, but unless we are holding a larger balance in the account on a regular basis we may not be able to fully offset those fees. The fees offset at a specific rate based on balances. Steve will look into what the target minimum would be that would cover costs, put some numbers together and present that to the board at the next meeting.

A motion was made by Joe Martin to approve removing Fred Loffredo and Julie McManus as signors on the BMO Harris checking account and add D. Wayde Frerichs as signor effective January 25, 2021; second by Walter Kubalanza. Roll call vote taken: Bill Golden - Aye. Joe Martin - Aye. Walter Kubalanza - Aye. Tim Foster - Aye. Terrence Daly - Absent. Motion carried.

Tom McShane stated that Stephanie Hannon was still shown as signor on his account; he will send out new signor paperwork to remove Fred and Stephanie and add D. Wayde Frerichs, Bill Golden and Joe Martin as signors. The Board will ratify these changes at the next meeting.

A motion was made by Joe Martin to approve the 2021 Cost of Living Increases as prepared by Lauterbach & Amen; second by Tim Foster. Roll call vote taken: Bill Golden - Aye. Joe Martin - Aye. Walter Kubalanza - Aye. Tim Foster - Aye. Terrence Daly - Absent. Motion carried.

A motion was made by Joe Martin to accept and pay the bills as presented on the Lauterbach & Amen quarterly Vendor Check Report dated 12-31-2020, and pay the bills as they become due; second by Tim Foster. Roll call vote taken: Bill Golden - Aye. Joe Martin - Aye. Walter Kubalanza - Aye. Tim Foster - Aye. Terrence Daly - Absent. Motion carried.

A motion was made by Walter Kubalanza to ratify and approve the 2020 Annual Statement as prepared by Lauterbach & Amen; second by Joe Martin. Roll call vote taken: Bill Golden - Aye. Joe Martin - Aye. Walter Kubalanza - Aye. Tim Foster - Aye. Terrence Daly - Absent. Motion carried.

There are no cash flow needs at this time.

IX. Attorney Report

Attorney Jeff Goodloe stated that he was covering for Laura Goodloe who had a disability hearing in Kankakee today for a firefighter who suffered a stroke while on duty.

He stated that the Gliniewicz matter before the pension board is stayed pending resolution of the criminal case. They had a court case in early January for status; there is another status hearing set for February 9, 2021. It has not been set for trial yet.

He stated in terms of the consolidated board the election for the permanent board members has taken place. Three open spots for active police officers were filled; those officers are from Aurora, Peoria and Bloomington. They were seated at the end of last year. There was a meeting of the consolidated board on January 8th; the three page Agenda can be viewed on the IML website. The important issues were the RFP for the investment consultant, as well as making a decision for a chief investment officer and other staff. There has been no word from the police consolidated board as to a date for the transfer of assets. The fire consolidated board has a target date of 08-21-2021.

A new legislature took over during the lame duck session; there were no changes for Articles 3 or 4 of the Pension Code. He reviewed a disability case that was in the appellate court case last week, Griffin vs. the New Lenox Police Pension Board.

Steve Earnhardt asked Attorney Goodloe if his firm planned to interpret or put a commentary in their newsletter regarding the new police reform legislation that passed. Jeff Goodloe stated that this legislation doesn't specifically mention anything that involves pensions. As of now they have no intention of doing this, but he will speak with his partners, Laura and Jerry.

X. Old Business

Ratification/approval of FY2020 Audit Report - Susan Griffin stated that the final pdf audit file has not been given to her, although there are no changes from the information that was presented. This is tabled for the next meeting.

2020 Affidavits of Eligibility - Attorney Goodloe sent final notice letters to Tom Olsen and Bill Monsen on 12-04-2020. In response to her letter, both affidavits were received. Baldowsky is a deferred pensioner; his affidavit was not returned. This is tabled for the next meeting.

Fiduciary Liability Insurance - The insurance has been renewed, the invoice has not yet been received for payment.

Trustee Training Status - Certificates were received for Walter Kubalanza. Carol will look into registering everyone for the 4 hour mandatory consolidated training. This is tabled for the next meeting.

XI. Officer Status

No paperwork has been received from Patrick Caputo regarding the disposition of his pension contributions at this time. This is tabled for the next meeting.

A motion was made by Bill Golden to ratify and approve the refund of pension contributions in the amount of \$2,841.37 (gross) to Meagan M. Blue; second by Joe Martin. Roll call vote taken: Bill Golden - Aye. Joe Martin - Aye. Walter Kubalanza - Aye. Tim Foster - Aye. Terrence Daly - Absent. Motion carried.

XII. New Business

Board Elections - Terry Daly informed the Board in writing that he will not be seeking re-election, but he will be at the April meeting. Bill Golden's term expires 04-30-2021; he stated that he will not be seeking re-election. Nominations will go out for these two positions in March and the election will be held in April. Tim Foster was appointed to replace Fred Loffredo and that term expires 04-30-2021; he will need to be reappointed by the mayor.

Annual review of Administration Rules & Regulations - There are no changes at this time.

Semi-annual review of closed session meeting minutes - A motion was made by Bill Golden to keep the closed session meeting minutes confidential subject to semi-annual review; second by Walter Kubalanza. Roll call vote taken: Bill Golden - Aye. Joe Martin - Aye. Walter Kubalanza - Aye. Tim Foster - Aye. Terrence Daly - Absent. Motion carried.

XIII. Executive Session - None.

XIV. Action from Executive Session - None.

XV. Adjournment

The next regular scheduled meeting will be in April 2021. With no further business, a motion was made by Walter Kubalanza to adjourn at 10:50 a.m.; second by Tim Foster. Roll call vote taken: Bill Golden - Aye. Joe Martin - Aye. Walter Kubalanza - Aye. Terrence Daly - Aye. Tim Foster - Aye. Motion carried.

Respectfully Submitted,

**Bill Golden
President**

**BY: Carol McMullen
Recording Secretary**