



**FOX LAKE POLICE PENSION FUND
BOARD MEETING
Monday, January 18, 2016**

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, Joe Neary, Mark Schindler, Jack Kiesgen. Jeff Norris was absent. Also present: Steve Earnhardt of Lauterbach & Amen, Attorney Laura Goodloe, Stephanie Hannon, Ann Marin, Tom McShane of Graystone Consulting, and Recording Secretary Carol McMullen. In the audience, Tom Olson was present.

IV. Approval of Agenda

Add Fiduciary Liability Insurance for discussion under New Business. A motion was made by Joe Neary to approve the Agenda as amended ; second by Jack Kiesgen. All Ayes; motion carried.

V. Public Comments

Tom Olson discussed a certified letter he sent to the Pension Board and to Police Chief Keller regarding his start date with the Fox Lake Police Department. Fred Loffredo stated that any decisions made by the Pension Board or any investigation as to the correct start date of Mr. Olson would be made when an application was received from him for either retirement or disability benefits; at that time his start time will be verified with the municipality. Mr. Olson's arbitration with the Village is pending at this time. Mr. Olson's certified letter also questioned the initial start date of Charles Gliniewicz. Fred Loffredo stated that an application has not been received from the widow of Officer Gliniewicz for any type of pension benefit; we were not legally able

to respond to this matter at this time or make any decisions regarding benefits until such time as an application has been received. Attorney Goodloe stated that Mr. Olson's letter has been duly noted in the record and that he has exceeded his 5 minute limit for public comment; if any action needs to be taken it will be on a future agenda.

VI. Approval of Minutes

A motion was made by Joe Neary to accept the Board Meeting minutes of 10-19-15 as presented; second by Fred Loffredo. All Ayes; motion carried.

VII. Financial Report

Tom McShane discussed the Market Performance for the 4th Quarter 2015 and the outlook for next year. He discussed the Consumer Price Index and the Bond Market and discussed future market recommendations.

He reviewed the Fox Lake Police Pension Fund portfolio as of 12-31-2015. The portfolio was down 1.17 YTD, slightly less than the benchmark of -1.22. For the last 5 years the portfolio was up 6.21 versus the benchmark of 4.81. The total ending value as of 12-31-2015 was \$13,912,312. He reviewed bonds that will be maturing.

A motion was made by Joe Neary to approve the financial report presented by Tom McShane; second by Mark Schindler. All Ayes; motion carried.

Tom McShane left the meeting at 10:43 a.m.

VIII. Accountants Report – Cash Flow Needs

Steve Earnhardt reviewed the Lauterbach & Amen Monthly Financial Reports ending November 30, 2015. Lauterbach & Amen shows net position assets & liabilities, held in trust for pension benefits at \$14,075,709.01.

Steve reviewed a Participant Board Report he prepared for the Fox Lake Police Pension Fund. There is no additional fee for this report and it will be prepared on an annual basis. The report contains active member information, beneficiary information, and deferred and terminated member information. Four inactive members have accumulated contributions, however do not have enough creditable service to obtain a benefit. He recommended contacting them as to the disposition of their funds since their money is basically sitting in a non-interest bearing account; he will send IRS Special Tax information for withdrawing funds to Carol who will send this out to the four people.

Stephanie Hannon reported that BMO Harris is charging a monthly \$50 bank fee, and she is in the process of moving the account to State Bank of the Lakes. This will be discussed further at the next meeting.

IX. Approval of Bills & Disbursements

A motion was made by Jack Kiesgen to accept the bills as presented in the Lauterbach & Amen Monthly Financial Report ending 12-31-15, and pay them as they come due; second by Joe Neary. Roll call vote taken: Fred Loffredo – Aye. Joe Neary – Aye. Mark Schindler – Aye. Jack Kiesgen – Aye. All Ayes; motion carried.

X. Attorney Report

Attorney Goodloe reminded the Board members that they can electronically file their Statement of Economic Interest when they receive it. She stated that Mr. Olson requested a copy of his dissolution of marriage judgment at the last Board meeting and she obtained one and provided one to Carol for the pension file. She stated there has been no movement on the pension reform front at this time, and that she is actively monitoring this.

There is an enforcement provision change to the Pension Code that is to take effect 2016 which would essentially allow a pension board who has not been properly funded to go to a municipality to ask for a portion. There are several issues that will need to be addressed. When does the period of time really start for the enforcement provision, does it take effect now as opposed to when you actually collect those funds through the levy? There are issues as to when you're requesting monies and when that money really comes in and how that is going to take shape in terms of a timeline. The other problem is that the Comptroller's Office was to promulgate rules and regulations with regards to enforcement of contributions; we are not aware if that has taken place and are in the process of waiting for information from our FOIA request to the Comptroller's Office. Attorney Goodloe stated that by explaining this to the Board she is not implying that the Village of Fox Lake is due for a request for a contribution based upon their funding.

Attorney Goodloe reviewed a line of duty disability case regarding Svoboda vs. Sugar Grove Police Pension Fund with the Board.

XI. Old Business

Review and Ratification of the Audit – A motion was made by Joe Neary to retroactively approve and ratify the audit; second by Mark Schindler. All Ayes; motion carried. The Village procured an extension from which the audit was to be submitted and finalized and therefore both the Village and the Pension Board are in compliance with their obligation under the law.

Review and Ratification of Municipal Compliance Report – A motion was made by Fred Loffredo to approve and ratify the Municipal Compliance Report; second by Joe Neary. All Ayes; motion carried.

Approval of COLA's – A motion was made by Fred Loffredo to approve the COLA's as calculated and presented by Lauterbach & Amen; second by Jack Kiesgen. Roll call vote taken. Fred Loffredo – Aye. Joe Neary – Aye. Mark Schindler – Aye. Jack Kiesgen – Aye. All Ayes; motion carried.

Proof of Eligibility Form – All the annuitant Proof of Eligibility Forms have been received and filed in their pension file.

Membership File Update/review – All required forms for Tom Olson are now in his pension file.

XII. Officer Status

Ann Marin reported that Russell Laine from Algonquin has been hired as the new interim police chief.

XIII. New Business

Fiduciary Liability Insurance – No action is taken at this time; however the Fiduciary Liability Insurance is up for renewal. This will be placed on the April Agenda.

XIV. Executive Session – None at this time.

XV. Action from Executive Session – None at this time.

XVI. Adjournment

With no further business a motion was made by Joe Neary to adjourn at 11:05 a.m.; second by Mark Schindler. All Ayes; motion carried.

The next scheduled meeting will be Monday, April 18, 2016, at 9:30 a.m.

Respectfully Submitted,

Fred Loffredo
President