



**FOX LAKE POLICE PENSION FUND
BOARD MEETING
Monday, July 20, 2015**

I. Meeting Called to Order

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

II. Roll Call

Board Members present were Fred Loffredo, Mark Schindler, and Jeff Norris. Jack Kiesgen and Joe Neary were absent. Also present: Steve Earnhardt of Lauterbach & Amen, Tom McShane of Graystone Consulting, Attorney Laura Goodloe, and Carol McMullen.

III. Approval of Agenda

A motion was made by Mark Schindler to approve the Agenda as presented; second by Jeff Norris. All Ayes; motion carried.

IV. Public Comments – None at this time

V. Approval of Minutes

A motion was made by Jeff Norris to approve the Board Meeting minutes of 04-20-2015 as presented; second by Mark Schindler. All Ayes; motion carried.

VI. Financial Report

Tom McShane stated that he was named to the Barron's Inaugural Ranking Institutional Consultant's; they took the top 30 consultant teams in the country and his was 17th.

Tom McShane reviewed the Quarterly Performance Report as of June 30, 2015. He referenced an article from the Wallstreet Journal about the State of California pension fund, which is the largest pension fund in America. Their 12 month return on

their \$88 billion fund was 2.6%. The return for the Fox Lake Police Pension Fund for the last 12 months was 2.76%, which is slightly higher than the largest pension fund in the United States. Since inception in 2007, the average rate of return is 6.24%, vs. the custom benchmark of 4.70%. The ending market value as of 06-30-2015 was \$14,108,267. He discussed current market conditions.

A motion was made by Fred Loffredo to approve the financial report presented by Tom McShane; second by Jeff Norris. All Ayes; motion carried.

VII. Accountants Report – Cash Flow Needs

Steve Earnhardt reviewed the Lauterbach & Amen Monthly Financial Report ending June 30, 2015.

A motion was made by Jeff Norris to approve the Lauterbach & Amen Monthly Financial Report ending 06-30-2015 as presented; second by Mark Schindler. All Ayes; motion carried.

VIII. Approval of Bills & Disbursements

A motion was made by Fred Loffredo to accept the bills as presented in the Lauterbach & Amen Monthly Financial Report ending 06-30-2015, and pay them as they come due; second by Jeff Norris. Roll call vote taken: Fred Loffredo – Aye. Jeff Norris – Aye. Mark Schindler – Aye. All Ayes; motion carried.

IX. Attorney Report

Attorney Goodloe updated the Board on current pending legislation regarding pension reform. She discussed proposed changes by the Governor: 1) to reform bankruptcy provisions within the State which would make it easier for municipalities to potentially file for bankruptcy. 2) To amend the PSEBA catastrophic injury provision, making it stricter. 3) To eliminate Collective Bargaining, which would preclude Unions, such as FOP, from being able to bargain for salaries as well as hours and other terms and conditions. 4) To pool all pension fund investments into IMRF. 5) To set up a 3rd Tier for new hires for Article 3 & 4 pension funds. 6) For current employees, to give the option of either capping the salary for pension purposes or take a reduced COLA.

X. Old Business

Elections – Run-off Election – The run-off election was held. There were 14 votes for Mach Schindler and 8 votes for Joe Martin.

Election of Board Officers - A motion was made by Mark Schindler to elect Fred Loffredo as President; second by Jeff Norris. All Ayes; motion carried.

A motion was made by Mark Schindler to elect Jack Kiesgen as Vice-President; second by Fred Loffredo. All Ayes; motion carried.

A motion was made by Jeff Norris to elect Mark Schindler as Secretary; second by Fred Loffredo. All Ayes; motion carried.

A motion was made by Fred Loffredo to elect Jeff Norris as Assistant Secretary; second by Mark Schindler. All Ayes; motion carried.

Trustee reappointments – Jack Kiesgen was reappointed for two years through 2017. Fred Loffredo’s appointment expires in 2016.

Fiduciary Liability Insurance – A motion was made by Mark Schindler to retroactively approve the Fiduciary Liability Policy; second by Fred Loffredo. All Ayes; motion carried.

Status as to Audit – This is tabled for October.

Status as to preparation of DOI Annual Statement – Once the Audit is finalized, Steve Earnhardt stated that the Annual Statement will be completed and will be filed before 10-31-15. This is tabled for October.

Trustee training requirement – All five Trustees will be attending the IPPFA Conference in Lake Geneva.

OMA/FOIA Officer appointment and training status – A motion was made by Fred Loffredo to appoint Jeff Norris as OMA/FOIA Officer for the Pension Board; second by Mark Schindler. All Ayes; motion carried. Jeff Norris will give a copy of his training certificate to Carol once it is completed.

Membership File Update/Review – Upon review of membership files, it was discovered that several files did not have signed/approved pension applications. Based upon our investigation we are not sure if there was ever formal approval of the applications. A motion was made by Fred Loffredo to retroactively approve the unsigned pension applications of Officers Baldowsky, Behan, Bostic, DeServi, Gliniewicz, Golden, Henderson, Hoyne, Lewis, Martin, Malczewski, Micic, Monsen, Norris, Schindler, Welsch, and Zander; second by Mark Schindler. All Ayes; motion carried.

Also, Matthew Malczewski transferred time from Fox Lake to Evanston for 2002-2005; he returned back to work to Fox Lake in 2013. There is confusion as to his actual start date and correct actual time worked credited to him. Mark Schindler stated that after researching this issue, Officer Malczewski was not at Evanston longer than 2 years so therefore he gets no creditable service time for that. Steve Earnhardt stated that his creditable service time begins when he started in Fox Lake in 2013. Steve will prepare a letter for his membership file which will state the correct start date and correct creditable service time.

Mark Schindler provided a pension application and marriage certificate for Officer Malczewski; a beneficiary form for Officer Gliniewicz; a birth certificate from Officer Baldowsky and a child’s birth certificate from Officer Henderson.

Adoption of Investment Policy Statement – A motion was made by Fred Loffredo to adopt the Investment Policy Statement as reviewed; second by Mark Schindler. All Ayes; motion carried.

Breaks in Creditable Service Form – The form was reviewed and accepted by the Board. Mark Schindler will disseminate this form on to active police officers.

Richard Good FOIA Update – Fred Loffredo spoke with Richard Good, who stated that he received all the required paperwork. No further action is required by the Pension Board.

Proof of Eligibility – Second requests sent 05-21-2015. We have not received this form from Ron Nagle and Harris Kinsler. Attorney Goodloe stated that a third request should be sent certified mail, stating that if the form is not received, the annuitant will have to come in to the Village Hall or Police Department to pick up a hard check until the form is received. Fred Loffredo will contact Ron Nagle. Mark Schindler will contact Harris Kinsler. Carol will send a third request to both individuals.

XI. Officer Status

Disabled pension annual re-evaluations – There are none.

Officer Olson – He was terminated on June 8, 2015. Mark Schindler will give a copy of his termination letter to Carol for his pension file. He has filed a grievance with the Village; he has not requested any pension benefits at this time. Carol will prepare a certified letter for Fred Loffredo's signature requesting missing documents in his pension file.

Officer Schindler reported that he was on sick leave May 12, 2015 to June 19, 2015, and on light duty from June 22, 2015 through July 9, 2014, due to an unexpected illness. He returned to full-duty as of today.

XII. New Business

Semi-annual review of closed session meeting minutes – None at this time.

Fred Loffredo expressed sympathy from the Pension Board to Tom McShane for the recent loss of his son.

XIII. Adjournment

With no further business a motion was made by Mark Schindler to adjourn at 10:45 a.m.; second by Jeff Norris. All Ayes; motion carried. The next scheduled meeting will be Monday, October 19, 2015, at 9:30 a.m.

Respectfully Submitted,

Fred Loffredo
President