



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

**I. Meeting Called to Order**

President Fred Loffredo called the meeting to order at 9:32 a.m.

**II. Pledge of Allegiance**

The Pledge of Allegiance was recited.

**III. Roll Call**

Board Members present were Fred Loffredo, Jeff Norris, Mark Schindler, Joe Neary and Jack Kiesgen. Also present: Steve Earnhardt of Lauterbach & Amen, Pension Board Attorney Laura Goodloe, Tom McShane of Graystone Consulting, Finance Director Stephanie Hannon, Village Administrator Ann Marin, Village of Fox Lake Attorney Jim Powers and Recording Secretary Carol McMullen. In attendance in the audience were Tom Olson, Tony Briscoe of the Chicago Tribune, Lee Filas of the Daily Herald, Vince Craig and Mike Puccinelli of CBS 2, Dave Bayless of Bayless Communications, and Katia Dahlstrom of the Northwest Herald.

**IV. Approval of Agenda**

A motion was made by Joe Neary to approve the Agenda as presented; second by Jack Kiesgen. All Ayes; motion carried.

**V. Public Comments**

Tom Olson read a statement voicing his opinion regarding the retirement pension application of Jeff Norris. The Board made no comment at this time.

**VI. Approval of Minutes**

A motion was made by Joe Neary to accept the Board Meeting minutes of 01-18-2016 as presented; second by Mark Schindler. All Ayes; motion carried.

At this time, due to the media coverage, Item f. under Section XIII. New Business "Gliniewicz – Set hearing on Village Petition to Intervene – discussion/action" was discussed. The Board set the date of May 25, at 1:00 p.m. to hold a Special Meeting to

discuss the Village Petition to Intervene on the Gliniewicz hearing. At 9:45 a.m., the Village Attorney, Jim Powers, and the media, with the exception of Tony Brisco from the Tribune, left the meeting.

**VII. Financial Report**

Tom McShane discussed the investment perspectives for the Global Investment Committee including Capital Markets Overview and Capital Markets Outlook for the first quarter 2016, including emerging markets, the bond market, and interest rates. He reviewed the listing of returns for various parts of the market for the last ten years including emerging markets, REITS, U.S. Equities, High Yield Bonds.

On the fixed income side, he reviewed the bond portfolio which has a total portfolio market value of \$2,986,761.77. There is currently 38.3% invested in U.S. Treasury Securities and 61.7% in Federal Agency Securities.

The Quarterly Performance Report of the Fox Lake Police Pension as of 03-31-2016, shows \$4,929,415 (38%) in fixed income, \$8,879,288 (60%) in equities, and \$63,479 (2%) in cash, for a total ending market value of \$13,872,182. Since inception, the fund had an average rate of return of 5.44% vs. the benchmark of 4.18%.

A motion was made by Jack Kiesgen to approve the financial report presented by Tom McShane; second by Joe Neary. 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 March 31, 2016. Lauterbach & Amen shows net position assets & liabilities, held in trust for pension benefits at \$13,877,181.49.

Stephanie Hannon reported that BMO Harris has adjusted their rates and no changes will be made in banks at this time.

**IX. Approval of Bills & Disbursements**

A motion was made by Joe Neary to accept the bills as presented on the Lauterbach & Amen Monthly Financial Report for the month ended 03-31-2016, and pay them as they come due; second by Mark Schindler. Roll call vote taken: Fred Loffredo – Aye. Mark Schindler – Aye. Joe Neary – Aye. Jack Kiesgen – Aye. Jeff Norris – Aye. All Ayes; motion carried.

**X. Attorney Report**

Attorney Goodloe gave an update to the Board on Pension Reform. The originator of the bill that proposed that all pension financing for funds under Art 3 and 4 funds would be consolidated into one big fund, has retired and it has been taken over by Oberweis; it is pending in Committee now. She is staying on top of this bill. She reviewed a pension reform case (Jones) in the City of Chicago which would have

increased the contribution requirement of the municipal employees and also slashed cost of living increases. It was ruled unconstitutional by the Illinois Supreme Court. She discussed pending legislation regarding police officer reentry provision; as of right now the Statutes stands for the proposition that a police officer may not reenter active service and continue to receive his pension.

**XI. Old Business**

**Approval of Fiduciary Liability Insurance** – A motion was made by Jack Kiesgan to renew the Fiduciary Liability Insurance with Mesirow (Markel Insurance Corporation) with a premium of \$2,539; second by Joe Neary.

**IRS Special Tax Info** - Letters requesting instructions for distribution of pension contributions were sent to three of the four individuals (Christopher Llenza, John Swan, and Billie Dickerson) who left their pension contributions in the fund, along with a refund packet and tax information provided by Lauterbach & Amen. Christopher Llenza's mail was returned as undeliverable; Mark Schindler stated that he knew Christopher Llenza would be taking care of this soon. There is still confusion on the identification and location of the fourth recipient, last name Koc.

**XII. Officer Status**

An application for retirement pension was received from Jeff Norris; the last day of work will be May 21, 2016. The Village Finance Director will need to verify the information contained in the application including the start date and last day of work. The approval of this application is tabled until such verification.

**XIII. New Business**

**Review and Approval of Lauterbach & Amen Engagement Letter for FY 2017, 2018 and 2019** – Steve Earnhardt will provide a 5 year engagement proposal at the request of the Board. No action is taken at this time; this is tabled for the next meeting.

**Special Election** - Nomination forms for a Special Election to replace Jeff Norris as active police officer on the Pension Board will be prepared and sent to Mark Schindler for distribution when a resignation letter to the Pension Board is received from Jeff Norris. The newly elected Trustee will need to complete the required 32 hours certified trustee training requirements.

**Fred Loffredo** – The Village administration is aware that Fred Loffredo's appointment as Trustee to the Pension Board expires May 1, 2016.

**Auditor** – A motion was made by Fred Loffredo to continue having the pension fund audit performed with the Municipality auditors; second by Mark Schindler. All Ayes; motion carried.

The Department of Insurance has issued a SIREN with a new form with changes to the pension fund requirements for submitting an annual audited financial statement. The audit will now need to be uploaded to the DOI within 6 months of close of the fiscal year. The DOI is also requiring all funds designate a new administrator for the

**DOI online system of filing of the annual statements. There is an authorization form that needs to be signed and submitted stating who the administrator will be. The designation of an administrator is tabled for the next meeting.**

**Actuary – Hiring of an actuary is tabled at this time.**

**XIV. Executive Session – None at this time.**

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

**XVI. Adjournment**

**Mark Schindler turned in his Statement of Economic Interest for his pension file.**

**With no further business a motion was made by Mark Schindler to adjourn at 10:47 a.m.; second by Joe Neary. All Ayes; motion carried.**

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

**Respectfully Submitted,**

**Fred Loffredo  
President**