



**FOX LAKE POLICE PENSION FUND
BOARD MEETING - VIA ZOOM
May 4, 2020**

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, Walter Kubalanza. Terrence Daly joined the meeting at 9:40 a.m. Joe Martin was absent. Also present: Board Attorney Laura Goodloe, Steve Earnhardt of Lauterbach & Amen, Tom McShane of Graystone Consulting, Village Finance Director Nazer Uddin, Village Administrator Ann Marin, Police Chief Jimmy Lee, Village Attorney Paul Denham and Recording Secretary Carol McMullen.

IV. Approval of Agenda

A motion was made by Bill Golden to approve the Agenda as presented; second by Walter Kubalanza. 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 01-20-2020 as presented; second by Walter Kubalanza. All Ayes; motion carried.

VII. Financial Report

Tom McShane reviewed the first quarter markets and discussed the health crisis that caused the financial crisis. He reviewed several charts and documents he e-mailed to the Board. As of 04-30-2020, the fund is worth \$16,807,089. There is 59% in stocks, 7% in cash, 32% in fixed income. He discussed having enough cash flow to get

through the next two years. The cash flow analysis report for the last 12 months of expenses show that the average monthly benefit payout was \$89,000 - \$90,000. Looking at adding the 3% increase for benefits, the new funding amount would be approximately \$92,000 monthly to pay the pensioners; it currently is \$85,000. He stated that Morgan Stanley recently transferred \$300,000 to the pension fund bank account with BMO. If we received the same receipts for property tax as last year there would be funding through March 2021. Nazer Uddin stated he believes property tax is going to be extended due to the pandemic.

The Investment Policy will be updated to include the new requirement that all pension fund investment policies include language relating to Public Act 101-0473, the Illinois Sustainable Investing Act (ISIA) which took effect on January 1, 2020. This will be on the next agenda for approval.

A motion was made by Bill Golden to accept the 03-31-2020 Performance Report as presented by Tom McShane; second by Terrence Daly. All Ayes; motion carried.

VIII. Accountants Report

Steve Earnhardt presented and reviewed the Monthly Financial Report ending 03-31-2020 showing total assets at \$15,883,477.29.

A motion was made by Terrence Daly to accept the Lauterbach & Amen Financial Report as of 03-31-2020 as presented; second by Walter Kubalanza. All Ayes; motion carried.

Actuarial Services - Steve stated that Lauterbach & Amen does the actuarial services for both the Pension Fund and the Village. The Village currently bills the pension fund for this service. Nazer Uddin stated that the Village would be prepared to cover the expense for both the GASB 67/68 and GASB 74/75 valuations. An Engagement Letter will be prepared from Lauterbach & Amen directed to the Pension Fund to perform the tax levy actuarial valuation. The cost for actuarial tax levy valuation services for 2019 will be \$2,500, for 2020 it will be \$2,550, for 2021 it will be \$2,600 and for 2022 it will be \$2,650.

A motion was made by Terrence Daly to engage Lauterbach & Amen for actuarial services for 2019 through 2022, subject to review of the new Engagement Letter, second by Walter Kubalanza. Roll call vote taken. Fred Loffredo - Aye. Walter Kubalanza - Aye. Bill Golden - Aye. Terrence Daly - Aye. Joe Martin - Absent. Motion carried.

A motion was made by Walter Kubalanza to accept the bills as presented on the Lauterbach & Amen quarterly Vendor Check Report dated 03-31-2020, and pay the bills as they become due; second by Bill Golden. Roll call vote taken. Fred Loffredo - Aye. Walter Kubalanza - Aye. Bill Golden - Aye. Terrence Daly - Aye. Joe Martin - Absent. Motion carried.

It was the consensus of the Board to that due to the COVID Pandemic and the stay at home orders, to postpone sending the Affidavits of Eligibility in July. These are sent to all beneficiaries and one of the requirements is that they be notarized which would prove to be difficult at this time. This will be on the Agenda for the next meeting.

IX. Attorney Report

Attorney Goodloe reported that with the Gliniewicz matter there is no new information. The matter was going to the Appellate court last June and we have not received word from either Gliniewicz's counsel or the Municipal attorney. The matter remains stayed and we cannot proceed with adjudicating her survivors claim until the criminal matter is settled.

Attorney Goodloe stated that COVID 19 has had a huge impact on every facet of our lives including the legal front. Court houses remain closed except for emergency matters. Disability adjudications are moving very slowly with the wait time doubling for getting IME's and retrieving records. Disability cases are currently at a standstill and the time to adjudicate a claim will be doubled.

With the pension legislation, there has been the creation of the two interim investment boards on both the police and fire front. The fire investment board has moved a bit more expeditiously in terms of procuring their general counsel and their interim executive director. The police side convened last Friday and obtained key individuals and entities to help guide them with respect to the set up and administration of this interim fund. We have not received notice as to when audits will be performed. The police investment board is currently focusing on its internal controls and getting the investment board up and running before it will begin to reach out and communicate with the pension funds.

Attorney Goodloe discussed the DOI Siren dated 04-10-2020 which discusses the ramifications that hit pension boards due to the COVID-19 pandemic with respect to Trustee elections, training and meetings. The Governor has lifted some restrictions on attendance of meetings; we are in compliance with the Open Meetings Act by meeting via Zoom today. It also discusses Trustee Training requirements and recommends to do the training online. It does recommend the creation of a policy with respect to what is provided in the DOI Siren. It is our policy that we adhere to the guidelines created in that DOI Siren. Attorney Goodloe will defer to the municipality to see if they have created a policy and to see if they want us to apply/adopt the same.

X. Old Business

Pension Trustee Election Results - Cody Barker, Richard Howell and Joe Martin were nominated. Ballots went out and were received and tallied on April 21, 2020. Cody Barker received 2 votes. Richard Howell received 2 votes. Joe Martin received 13 votes. Joe Martin will serve a two year term from 05-01-2020 through 04-30-2022.

The Fiduciary Liability Insurance has been renewed.

XI. Officer Status

Bill Golden stated that the paperwork for the resignation of Patrick Caputo is with Joe Martin. This is tabled for the next meeting.

The paperwork for new officers Ramon Carreno and Scott Litwiler is with Joe Martin. This tabled for the next meeting.

XII. New Business

A motion was made by Terrence Daly to pre-approve payment of the DOI Annual Compliance Fee not to exceed \$8,000; second by Walter Kubalanza. Roll call vote taken. Fred Loffredo - Aye. Walter Kubalanza - Aye. Bill Golden - Aye. Terrence Daly - Aye. Joe Martin - Absent. Motion carried.

The IDOI Annual Statement and Actuarial reports are being done by Lauterbach & Amen; Sikich is doing the audit.

A motion was made by Walter Kubalanza that all closed session meeting minutes pertaining to the Gliniewicz matter remain exempt from disclosure based upon the pendency of the claim and its ongoing nature; second by Terrence Daly. All Ayes; motion carried.

The IPPFA is offering an 8 hour Trustee online training seminar and a cost of \$250.00; Carol can register anyone who is interested.

XIII. Executive Session - None.

XIV. Action from Executive Session - None.

XV. Adjournment

The next regular scheduled meeting will be in July. With no further business, a motion was made by Walter Kubalanza to adjourn at 10:40 a.m.; second by Bill Golden. All Ayes; motion carried.

Respectfully Submitted,

Fred Loffredo
President

BY: Carol McMullen
Recording Secretary