



**FOX LAKE POLICE PENSION FUND
BOARD MEETING - VIA ZOOM
October 19, 2020**

I. Meeting Called to Order

President Bill Golden called the meeting to order at 9:30 a.m., and read the following statement.

This meeting is being conducted by audio or video conference without a quorum of the public body physically present and without any singular member of the public body present at the Board's regular meeting location because of a disaster declaration related to COVID-19 public health concerns affecting the Fox Lake Police Pension Board. The Pension Board President has determined that an in-person meeting with all participants is not practical, prudent or feasible because of the disaster. All votes will need to be taken via 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, Terrence Daly, Walter Kubalanza and Tim Foster. Also present: Board Attorney Laura Goodloe, Steve Earnhardt of Lauterbach & Amen, Tom McShane of Graystone Consulting, and Recording Secretary Carol McMullen. Outgoing Board member, Fred Loffredo, who served on the Pension Board for 36 years, was in the audience. Village Finance Director Susan Griffin and Village Administrator Ann Marin joined after the meeting started.

Bill Golden started that he was currently at work and if he were to be called out for some reason he would ask someone else to continue the meeting.

IV. Approval of Agenda

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

V. Public Comments

Fred Loffredo thanked the Village Board for giving him the opportunity to serve on the Pension Board since 1984. He thanked former members including Jack Kiesgen. He was proud to say that he felt that the board was solid and fortified by great people. He appreciated the addition of Tom McShane, Laura Goodloe, and Carol McMullen as integral parts adding to the success of the board. He welcomed new board member Tim Foster. Bill Golden thanked Fred on behalf of the participants in the pension fund, both retirees and future retirees, for all his work over the past 36 years.

The Board welcomed new Trustee, Tim Foster.

VI. Approval of Minutes

A motion was made by Joe Martin to accept the minutes of the quarterly meeting of 07-20-2020 as presented; second by Terrence Daly. Roll call vote taken: Bill Golden - Aye. Joe Martin - Aye. Walter Kubalanza - Abstain. Terrence Daly - Aye. Tim Foster - Abstain. Motion carried.

VII. Financial Report

Tom McShane presented the updated Investment Policy. A motion was made by Walter Kubalanza to accept the Investment Policy as presented; second by Terrence Daly. Roll call vote taken: Bill Golden - Aye. Joe Martin - Aye. Walter Kubalanza - Aye. Terrence Daly - Aye. Tim Foster - Aye. Motion carried.

Tom McShane discussed the market's reaction due to COVID-19 virus; talked about companies producing vaccines and discussed reactions to a possible vaccine. He reviewed the summary of recent portfolio actions. He reviewed cash flow needs and stated that cash flow was good until possibly March or April of 2021. He reviewed the 09-30-2020 quarterly performance report, showing \$11,866,451 (63.40%) in equities, \$6,425,781 (34.33%) in fixed income, and \$425,418 (2.27%) in cash and equivalents for a total of \$18,717,650. He stated that the fund is up 7.07% for 1 year versus the benchmark of 8.04. The fund has doubled in value since inception in 2007. Tom stated that they are going to make a change to the portfolio by taking \$1 million from the S&P 500 Index Fund, (which holds approximately 5 million) and move it to the Principal Equity Income Value Index Fund.

A motion was made by Walter Kubalanza to accept the 09-30-2020 Performance Report as presented by Tom McShane; second by Joe Martin. Roll call vote taken: Bill Golden - Aye. Joe Martin - Aye. Walter Kubalanza - Aye. Terrence Daly - Aye. Tim Foster - Aye. Motion carried.

VIII. Accountants Report

Steve Earnhardt presented and reviewed the Monthly Financial Report ending 09-30-2020, showing total assets at \$18,732,137.72. Total bills for 07-01-2020 through 09-30-2020 were \$45,819.77.

Trustee Kubalanza questioned how the Fund would be paying expenses after the consolidation, and how we would know the total assets of the Fund. Steve Earnhardt stated that no decisions have been made at this point but he believes that we should be able to maintain a local checking account; he does not know yet how much the Fund will be able to keep in that account. He also stated that the Fund should be getting reports on a regular basis showing the current total assets of the Fund.

A motion was made by Terrence Daly to accept the Lauterbach & Amen Financial Report as of 09-30-2020 as presented; second by Joe Martin. Roll call vote taken: Bill Golden - Aye. Joe Martin - Aye. Walter Kubalanza - Aye. Terrence Daly - Aye. Tim Foster - Aye. Motion carried.

A motion was made by Walter Kubalanza to accept and pay the bills as presented on the Lauterbach & Amen quarterly Vendor Check Report dated 09-30-2020, and pay the bills as they become due; second by Joe Martin. Roll call vote taken: Bill Golden - Aye. Joe Martin - Aye. Walter Kubalanza - Aye. Terrence Daly - Aye. Tim Foster - Aye. Motion carried.

Steve Earnhardt stated that L&A is finalizing the FY 2020 DOI Annual Statement; it is due October 31st. One of the key components is the final audit. Susan Griffin stated that they will be filing for an extension of filing the audit, but the auditors have stated that there will be no changes to the police pension information.

A motion was made by Walter Kubalanza to table the approval of the FY2020 DOI Annual Statement until the January Board meeting; second by Terrence Daly. Roll call vote taken: Bill Golden - Aye. Joe Martin - Aye. Walter Kubalanza - Aye. Terrence Daly - Aye. Tim Foster - Aye. Motion carried.

A motion was made by Joe Martin to approve the 2020 Actuarial Statement, second by Bill Golden. Roll call vote taken: Bill Golden - Aye. Joe Martin - Aye. Walter Kubalanza - Aye. Terrence Daly - Aye. Tim Foster - Aye. Motion carried.

The review/approval of the GASB Report is tabled.

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

A motion was made by Joe Martin to certify \$1,027,128 as the Pension Fund tax levy request; second by Bill Golden. Roll call vote taken: Bill Golden - Aye. Joe Martin - Aye. Walter Kubalanza - Aye. Terrence Daly - Aye. Tim Foster - Aye. Motion carried.

IX. Attorney Report

Attorney Goodloe gave a brief overview of the Gliniewicz case for new Trustee Foster. As an update no formal action is to be taken and the case remains stayed. She reviewed the recent Consolidation for the new Trustee. She stated that a few public bodies are considering filing a lawsuit against the consolidation saying it is unconstitutional. She does not believe they will have a high likelihood of success on the merits; it will be difficult to identify an actual injury based upon the future movement of this money into a larger pot that is presumed to have a greater investment return. She stated that another lawsuit is being considered regarding the two provisions that would allow for the Investment Board to take out loans that each pension fund would be responsible to repay. This is something that the pension funds could prevail on. Attorney Goodloe recommended that her clients do not get involved in this litigation at this point in time.

Attorney Goodloe discussed a fee increase from her firm that would increase their hourly rate by \$15.00 and increase the quarterly retainer by \$75.00.

A motion was made by Joe Martin to approve the fee increase of Puchalski Goodloe Marzullo, LLP; second by Terrence Daly. Roll call vote taken: Bill Golden - Aye. Joe Martin - Aye. Walter Kubalanza - Aye. Terrence Daly - Aye. Tim Foster - Aye. Motion carried.

X. Old Business

The status and approval of the audit is tabled.

2020 Affidavits of Eligibility - Joe Martin stated that all of the Affidavits of Eligibility have been returned with the exception of Olson, Monsen, Baldowsky (deferred member) and Lewis (deferred member). Monsen, Baldowsky and Lewis were just sent out last week. A second notice will be sent to Olson.

Trustee Training - Walter Kubalanza and Terrence Daly attended the IPPFA Conference.

IPOPIF - Joe Martin and Carol McMullen worked on gathering all active and retired police officer information and provided it to IPOPIF. Attorney Goodloe explained that the Consolidated Investment Board was looking for all contact information so when nominations began people could send in their nominations. This is also going to be important because this will allow members to vote for the general election. There were three municipal trustee positions and only three ran so they won by acclamation. For the beneficiary trustees only two individuals ran and they won by acclamation. The active participant election is taking place so all active participants

in the police pension funds will get to vote. There are three positions for active members with six individuals running. (Lee Catavu from Aurora PD, Shawn Curry from Peoria PD, Art Holecek from Hinsdale PD, Aaron Porter from Willowbrook PD, Paul Swanlund from Bloomington PD and Steve Witnik from Franklin Park PD.) The contact information that was requested will be useful for sending out ballots for the election of these positions to the active board. Finally, the IML will be appointing one individual.

XI. Officer Status

Patrick Caputo resigned 11-12-2019; no paperwork has been received regarding disposition of his pension contributions at this time. This is tabled.

Meagan M. Blue resigned 06-08-2020; no paperwork has been received regarding disposition of pension contributions at this time. This is tabled.

A motion was made by Joe Martin to approve the pension application of Christopher M. Dudek, date of hire 06-29-2020, Tier II, second by Bill Golden. Roll call vote taken: Bill Golden - Aye. Joe Martin - Aye. Walter Kubalanza - Aye. Terrence Daly - Aye. Tim Foster - Aye. Motion carried.

A motion was made by Joe Martin to approve the pension application of Kyle Lemmer, date of hire 09-01-2020, Tier II, second by Bill Golden. Roll call vote taken: Bill Golden - Aye. Joe Martin - Aye. Walter Kubalanza - Aye. Terrence Daly - Aye. Tim Foster - Aye. Motion carried.

A motion was made by Joe Martin to approve the pension application of Cameron Risner, date of hire 09-01-2020, Tier II, second by Bill Golden. Roll call vote taken: Bill Golden - Aye. Joe Martin - Aye. Walter Kubalanza - Aye. Terrence Daly - Aye. Tim Foster - Aye. Motion carried.

XII. New Business

2021 Meeting dates - It was the consensus of the Board to approve January 18, April 19, July 19 and October 18 as the quarterly meeting dates for the Fox Lake Police Pension Fund.

Review & Discussion of Fox Lake PSEBA Ordinance - Attorney Goodloe reviewed the Municipality PSEBA (Public Safety Employees Benefit Act) Ordinance and stated it applies to us only to a minimal extent. If we were to have an individual file a line of duty disability claim before us and we were to adjudicate it favorably to that individual and award them a line of duty disability, then they have the opportunity to go to the municipality and file for health insurance under this act. She did not see any issues with the Ordinance and recommended that all active police officers know about this Ordinance if they are filing for a line of duty disability pension because there are timelines and deadlines that need to be met in order for them to move forward on that application.

Fiduciary Liability Insurance Renewal – The policy expires January 10, 2021, the last premium was \$2,710.

A motion was made by Walter Kubalanza to pre-approve the renewal of the Fiduciary Liability Insurance not to exceed an annual premium of \$3,000, contingent upon application review, further investigation of coverage issues and/or carrier change; second by Terrence Daly. Roll call vote taken: Bill Golden – Aye. Joe Martin – Aye. Walter Kubalanza – Aye. Terrence Daly – Aye. Tim Foster – Aye. Motion carried.

The Board discussed whether they will need to keep the fiduciary liability insurance coverage after the consolidation is complete. Attorney Goodloe stated that it will be up to the Board to decide. A huge component of duties as fiduciaries goes away; you'll no longer have a fiduciary duty with respect to the investment of the assets. We should see a change with respect to the policy premium, but you still could be sued for breach of fiduciary duty on other fronts. This will definitely be something to look into after the consolidation.

Pension Member File Review – Joe Martin sent a letter to all active members asking for any changes or updates to their information.

XIII. **Executive Session** - None.

XIV. **Action from Executive Session** – None.

XV. **Adjournment**

The next regular scheduled meeting will be in January 2021. With no further business, a motion was made by Joe Martin to adjourn at 11:00 a.m.; second by Walter Kubalanza. 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