

# **Fox River Grove Police Pension Board Meeting**

**January 8<sup>th</sup>, 2014**

**Fox River Grove Village Hall  
305 Illinois Street  
Fox River Grove, IL 60021**

## **MINUTES OF BOARD MEETING**

### **1. Meeting called to order at 5:32 p.m. by President Resseguie**

### **2. ROLL CALL**

Board members Dick Resseguie, Mark Slovacek, Mike Miller and Penny Toppel present, Matt Schumann not present. Also present was Village Treasurer Jennifer Menz.

### **3. APPROVAL OF MINUTES FROM SPECIAL MEETING OF NOVEMBER 6<sup>TH</sup>, 2013**

President Resseguie pointed out a “typo” from the minutes in roll call section of word from “persent” to “present”. Correction was made. Toppel made motion to accept minutes, seconded by Miller. Minutes approved with all voting aye.

### **4. FINANCE REPORTS**

#### **a. Village Report – Jennifer Menz:**

Menz gave board finance report starting from July 1<sup>st</sup>, 2013 through December 31, 2013. Starting balance on July 1<sup>st</sup>, 2013 was \$155,629.27 and ending balance on December 31<sup>st</sup>, 2013 was \$180,755.05. Menz explained the new format that she was using, separating each month. The highlighted amounts were permanent amounts of balance. Slovacek asked if a transfer from the Schwab account was included in this listing of deposits. Toppel explained that the transfer was made after speaking with Bill Yocius, but was not done in time to include it in this finance report. Toppel stated that the Village Treasurer would wait to do these reports until all checks have cleared. Toppel also reported that she received a bill for \$125,000.00. Slovacek asked if this bill was being paid from our Schwab account. Toppel reported that this was a bill that was being paid from the checking account and going into the Schwab account. Miller asked about two separate deposits being made on Dec. 6<sup>th</sup>, 2013 from McHenry Co. taxes. Menz explained that the deposit of \$2.16 was accrued interest. Resseguie asked about the allocation from property taxes of September 13<sup>th</sup> and what of from the Village? Toppel said that these were from McHenry Co. taxes received

deposited directly into the account with no funds coming directly from the Village. Lake Co. taxes go directly into the Village's general fund and then the Auditor determines the amount to transfer to the Pension Fund. This transfer will be listed as "Auditor Transfer" as shown for October 11<sup>th</sup>, 2013.

Miller asked about deposits listed for Officers Galiato and Bowers. Menz explained that it had to do with their retroactive pay versus their first hiring amount and that their contributions hadn't been calculated into the retroactive pay. Galiato has reimbursed the fund in full. Waitrovich still owes reimbursement to the Pension Fund. Toppel asked that we start getting Waitrovich to reimburse the fund as soon as possible. Menz said that she agreed with Bowers in making payments and is almost paid in full. Waitrovich apparently was still paying union dues, which he should have been doing and wished the reimbursement from the union to be applied to the reimbursement he owes to the Pension Fund. Menz said that she would address this request tomorrow, but she didn't wish to do this.

Menz asked if there were any suggestions as to her report. Slovacek stated that he liked how deposits and expenses were listed and had no issue with Menz's report format. Toppel said that Menz would be doing these reports from here on out on a three month basis.

Resseguie made a note about ratification for \$112.00 in November, 2013 for Fiduciary Insurance. As this expense was not approved previously, but was done by emails among board members, Resseguie asked for Board approval of having made this payment from July 1<sup>st</sup>, 2013 to December 31<sup>st</sup>, 2013. Toppel believed there was another bill received for this insurance. Miller made motion to approve the finance report, which was seconded by Toppel. All approved of accepting Village finance report.

**b. Investment Report – William Yocius – Mitchell, Vaught & Taylor:**

Yocius handed out to the board the quarterly report in booklet form, reporting that for the last quarter of 2013, there was an income from investments of \$10,149. However, the starting balance was \$1,304,851.00 and expenditures of \$77,357.00 left an ending balance of \$1,237,643. Yocius explained the strengths and weaknesses of the portfolio as it stood and the current trends of the market. Fixed income was -.43% for the quarter while the equities were +7.92%. Yocius reported a concern that a year ago, the portfolio had a value of 1.5 million dollars and now is currently at 1.2 million dollars. With payments every quarter of \$77,000+ to those receiving benefits, that the fund would be zeroed and not able to meet its obligations within four years. Yocius reported that the cumulative investments of officer contributions and from the Village have now gone down to below one million dollars and this was something that everyone has to watch.

Yocius reported on the various funds that are invested into and the trends. Slovacek asked if the deposits from taxes were a line item on residents' tax bills. Toppel reported that it was a line item on tax bills, but that the taxes received still went to general fund prior to being transferred to the Pension Fund. Toppel said that over half the Village's corporate tax goes to the Pension fund. Slovacek pointed out that years ago, it was the understanding that if the village population exceeded 5,000, that there would be a separate tax for the Pension Fund. Miller asked about a possible referendum. Toppel stated that there was no way for such a referendum to pass at this time. Toppel made a motion to accept the report, second by Miller. All voted aye to accept this report which was passed.

## **5. OLD BUSINESS**

- a. Attorney Cary Collins arrived at 5:59 p.m.
- b. Resseguie reported on the progress of meeting the Village Board on December 5<sup>th</sup> with a presentation regarding Pension Obligation Bonds. Resseguie said he went to this meeting and was told that they were looking at it and asked that the presentation be made on January 16<sup>th</sup>, 2014 in front of the Committee of the Whole. Presentation will be made by Thomas Gavin and Resseguie. Resseguie said that Village President Nunamaker was very open to this idea of overcoming a four million dollar obligation. Slovacek asked Yocius if a four million dollar bond being issued would make the fund's quarterly investment returns greater than what was being paid out. Yocius said that some quarters would be positive while other quarters could be negative, dependant on the market. Resseguie stated that the four million dollar figure was an estimate from Tim Sharp, the fund actuary.

It was discussed of changes in the state statutes that are forthcoming in 2015 or 2016 requiring the Village to fund the pension. Slovacek asked as to how well the Pension was funded at this point. Slovacek pointed out that a few years ago, the Pension was 23% funded and wished to know what it currently was. Toppel said that we would have to wait for the latest audit to be completed before we knew that percentage figure. If the Pension Fund were to receive the Pension Obligation Bond of four million dollars, this would make the Pension 90% funded.

Toppel reported that we received an extension for the Pension Fund report to that state. Yocius does not believe at this time that we could see a rate of return over 7% on investments with this influx from a bond being issued.

- c. Officer Pikrone's status of being a Tier I or Tier II employee still has not been determined as nothing has been received from the Village of Bellwood regarding Pikrone's participation there. Miller will send a certified letter to Bellwood requesting all information required so a final determination may be made by the Pension Board of Pikrone will be a Tier I or II participant.

- d. Regarding Officer Caselli's request to transfer his pension to the Village of Vernon Hills, Fox River Grove finally received word from the Actuary that the final amount to be transferred should be \$51,041.00. Miller made a motion to make this payment, second by Toppel. All approved this payment to be made to Vernon Hills for the transferring of Caselli's pension. Caselli's original contributions totaled \$20,997.00 according to Toppel, but that total was in fact the \$51K amount to be transferred per the Actuary. Slovacek to email the Vernon Hills H.R. Specialist that the transfer will be forthcoming.
- e. Training Update – Slovacek asked for copies of all training certificates to be kept on file. None of the new board members required to complete the 32 hours training have started the training yet. Attorney Collins reported that January started the year for Ethics training while August started the year for the 16 hours of required annual training. Collins reminded everyone that they had to complete the Open Meetings online training and asked who the Freedom of Information Act (FOIA) officer currently was. Domagala used to be the FOIA officer, but a new person must complete this training. Resseguie said that he would complete this training. It was reminded that Ethics training must be completed annually, but may be available online with Judson College.

## **6. NEW BUSINESS**

- a. There was discussion of the training session held by IPPAC during their Winter Conference in Hoffman Estates.
- b. Slovacek commented about the feasibility of adding into court costs \$25.00 to the Pension Fund. Collins said that this may be possible through the Village's Administrative Court.
- c. Slovacek again commented about the need for a larger file cabinet to keep all Pension Fund documents. Slovacek said that he still was willing to transport a cabinet that Collins is willing to donate to the Pension Board. However, Collins stated that the cabinet is not accessible at this time. Toppel and Slovacek are to go through all the documents and organize the files.
- d. Toppel reported she had a bill from Mr. Collins' service of \$525.00 which was an increase of \$25.00 from previous billings. Slovacek made a motion to make payment of this bill, second by Resseguie. All voted in favor to make payment to Mr. Collins for this retainer bill of \$525.00
- e. Slovacek reported that 3% Cost of Living increases were due this month to those receiving benefits. Toppel said that only 5 receive this COLA increase. Those on disability do not receive COLA increases until after age 60. Stensing is the only disability that currently is over the age of 60. Village Treasurer Menz has the worksheets already made as to the COLA increases starting during the month of January, 2014.

- f. Resseguie asked if the issue of those receiving benefits were now receiving pay stubs for their monthly electronic deposits which started in July, 2013. It was reported that those officers were now receiving their pay stubs.
- g. Attorney Collins asked if we needed any more of the booklets summarizing the Pension Statutes and benefits. Collins said that he could provide us with 25 booklets.
- h. There was discussion regarding Officer Bowers and her current status. It was reported that during her last pregnancy, she was granted disability pay. Now that she is currently pregnant again and on light duty assignment, whether she would be again applying for disability pay from the Pension Fund. Collins commented that the Pension Board should give a time limit of 4-12 weeks for disability and an examination from her physician as to her being fit to return to duty. Collins did not believe that Bowers had to use all benefit time from the Village first to apply for disability.

## **7. ATTORNEY REPORT**

- a. Collins again said that he would send 25 booklets to Toppel to be distributed to officers and Board members.
- b. Collins explained the purpose the Fiduciary Insurance coverage, which typically covers legal expenses in the event of wrongful acts by the Pension Board.

- 8. ADJOURNMENT** – Motion made by Resseguie, second by Slovacek. All approved. Next meeting to be at the Village Hall on April 2, 2014 5:30 p.m.