

Fox River Grove Police Pension Fund  
305 Illinois Street  
Fox River Grove, IL 60021

**MINUTES OF MEETING JULY 8<sup>TH</sup>, 2015**

1. President Dick Resseque called the meeting to order at 5:35 p.m. and noted the meeting was rescheduled to July 8<sup>th</sup> from July 1<sup>st</sup>, 2015
2. Roll Call – Present were Dick Resseque, Mark Slovacek, Penny Toppel and Mike Miller. Absent was Matt Schumann. Also present were Bill Yocius from Mitchell, Vaught & Taylor and Village Treasurer, Jennifer Menz.
3. Approval of Minutes from Meeting of April 1<sup>st</sup>, 2015. Toppel pointed a typo in the Roll Call. Resseque pointed out a date error for date ending in 2008. Slovacek pointed out under new business asking if we should leave it worded as it was regarding pending contract negotiations. Miller stated to leave the wording as it was as a new contract had been ratified. Miller and Slovacek pointed out that the contract will allow for the use of more part time officers which do not participate in the pension or contribute into the pension fund. Toppel made motion to approve the minutes, second by Miller. All voted to approve minutes with corrections of the typos pointed out.
4. Finance Report:
  - a. Village Treasurer Report – Jennifer Menz provided written reports (see attached) indicating that property taxes were beginning to come in during this second quarter of 4/1/15 to 6/30/15. Total deposits totaled \$185,038.95 including a beginning balance of \$31,520.82 and total disbursements of \$13,937.17 leaving a balance of \$202,622.60. Resseque made motion to approve the Village report, second by Toppel. All voted and approved report as given  

(At 5:45 p.m., Barbara Bell, Attorney arrived to cover meeting for Cary Collins)
  - b. Investment Report – William Yocius, Mitchell Vaught & Taylor provided quarterly report booklet (see attached). Yocius stated that investments for the second quarter ending June 30<sup>th</sup>, 2015 had a loss totaling \$7,152.00. Beginning value was reported as \$1,295,717.00 with withdraws of \$80,518.00 and a loss of \$7,152.00 leaving the ending balance for the quarter of \$1,208,046.00 Since full first quarter of 9/30/2008, the fund had a cumulative return of 23.65%, a net annualized return of 3.20% for a net investment gain of \$286,161.00.

Yocius reported that interest rates went up for the quarter which had a lot of volatility in the market. The shorter funds seemed to help versus the longer term funds. Equities still were the best performers giving a return of 5% for the quarter. Yocius also discussed that Greece had defaulted on their loans and how it affected the market in the U.S. Yocius showed the performance of the various funds that were invested into and the future strategies of the investments. Toppel made motion to accept this report, second by Miller. All accepted the report as given.

**5. Old Business:**

- a. Applications of Officers Mengz and Petronella. Slovacek reported that Petronella did not properly fill out the necessary application forms. Also, birth and marriage certificates needed to be attached if not included. There was a question regarding Petronella whether being a Tier I or Tier II. It is believed that she should be Tier I due to previous employment with Hillside P.D. Petronella did include birth and marriage certificates. The board will indicate in the application is that of being a Tier I employee. Attorney Bell recommended that the board rejects the application and have her file a new application. Slovacek made a motion to not accept her application, but that the Pension Board would hold her certificates. The application was given to Officer Miller to be returned to Petronella with instructions to file a new application with the corrected information and address it again at the October meeting. Slovacek reported that Officer Galiato sent a new marriage certificate (2<sup>nd</sup> marriage). Attorney Bell asked if a Quildro was filed. It is believed that a Quildro was not filed with the Pension Fund. Attorney Bell said that we would need a copy of the Dissolution of Marriage. Officer Miller contacted Galiato who delivered a copy to the board at 6:45 p.m. This was reviewed by Attorney Bell and determined that Galiato's previous marriage did not provide for a claim of his pension. Slovacek stated that he would contact Officer Sykes and obtain a copy of his wife's death certificate and his son's information as he may be entitled to a refund of any remaining funds of Officer Sykes' pension if something were to happen to Officer Sykes.
- b. Training was discussed. Miller said that he was told by IPPAC that the FRG Pension Fund's membership was expired which limited our ability to obtain the required training. Menz will follow up with our membership status and pay any necessary dues. Miller also reported of Officer Schumann's possibly resigning from the Pension Board as he may be accepting a new position with Batavia P.D. Slovacek provided information of further training opportunities through Judson College and IPPAC. A report was given by Toppel, Slovacek and Menz regarding the conference in Rock Island. Slovacek reminded everyone of the Winter Conference in Hoffman Estates.
- c. Regarding electronic filing of documents, Menz reported that the Pension Board would need to set up things. However, the Village will electronically file all documents once we have all papers in order.

- d. It was reminded that Village President Nunamaker needed to submit in writing his appointment of Dick Ressequie and Penny Toppel to the Pension Board. However, it was in the Village Board minutes, that a letter from Nunamaker was probably not needed.
- e. Election results – Ressequie reported that he and Toppel tabulated the ballots for both the active Officers’ and retired officer election. 6 ballots were received from the active officers, though 10 ballots were handed out. Results were Miller and Schumann to serve on the board. 5 ballots were returned out of 8 sent out for the retired officer position. Slovacek was the only retired that was running and elected to another term. Slovacek made motion to accept the election results, seconded by Miller. All approved the results of the election. Slovacek asked to dispose of the returned ballots. Since results were given in this meeting and included in the minutes, there was no reason to save the ballots and were disposed of.
- f. Miller brought up the Pension Board’s continued use of Cary Collins as the Board’s attorney due to an article that Collins was quoted in regarding pension reform. Collins reportedly stated that fire fighters and police should shoulder a 2% increase and also regarding officers participating in a 401K type plan rather than the current pension as suggested by Governor Rauner. Miller said that officers were concerned of Collins’ suggestions without first discussing these suggestions with the department. Miller was concerned that Collins may have not been adequately representing the best interests of the officers. Miller did report that the attorney for the IPPFA did charge a higher hourly rate. Toppel pointed out that the IPPFA has their conferences in Wisconsin and their conferences are more expensive. Miller stated in close that he did not want someone advocating for him if this person did not support the officers’ opinions or beliefs. Nobody has spoken with Mr. Collins regarding these comments that he reportedly made for this article. Miller said that the Board would have to join IPPFA in order to retain this other attorney. Attorney Bell recommended that in order to make it fair, to have other attorneys write the Board of how they could serve the FRG Pension Fund better than Mr. Collins. Miller agreed with Attorney Bell’s recommendation. Miller said that he would contact other attorneys for their response. Ressequie asked that we speak with Mr. Collins before we proceed with any further discussion regarding the retention of different counsel.

## 6. New Business:

- a. Discussion was held regarding the Pension Investment Policy. Ressequeie stated that it was last reviewed in 2010 and should be reviewed annually. This policy currently lists financial institutions we can use and investments that the Board can make. Miller made a motion to approve the current Investment Policy as written, second by Toppel. No further discussion was held and all voted aye in its approval. Yocius is to sign the fiduciary page and other pages to be signed by Ressequeie and Slovacek. Yocius will make necessary copies and mail them to the IL Dept. of Insurance.
- b. Ressequeie reported that there was no movement by the Village regarding a further contribution into the Pension Fund in order to bring the fund at the 2.5 million mark in order to change the fund's investment strategies. In speaking with the Village Administrator, Ressequeie said that the Village was still inclined to make the necessary contributions, but want to know what funds the money would be invested into. The Village wishes for Mr. Yocius and Ressequeie to appear at a Village Board meeting in the near future and make a presentation as to what is needed and how the funds would be utilized. It was reported that the Village would not consider a bond for the pension funding.
- c. Ms. Menz reported that she did not have the Auditor report with her and would email it to the members.
- d. Ressequeie reported that he received an email from Ms. Menz of Tim Sharpe's report. Ressequeie will email Sharpe's report to all members. Ressequeie said the report indicated that if the fund were at 2.5 million in value, that the fund would be 37% funded. Slovacek pointed out some of the reasons for the fund's lack of funding such as portability of officers leaving and due to disability claims.
- e. Toppel made motion that the Pension Board keeps the officers the same as this previous year (Ressequeie as President, Toppel as Vice President and Slovacek as Secretary with Miller being Asst. Secretary). Miller made second to Toppel's motion. All approved.

## 7. Attorney Report:

- a. Barbara Bell reported that Travis March from the IL Dept. of Insurance has left his position for another employment opportunity. Kevin Frey has now taken over Travis March's position. Frey is reportedly knowledgeable in investments and will be taking an active role in each fund's investments and compliance.

8. Treasurer Menz presented bills for approval of payment. \$525.00 to Cary Collins for services for the quarter. \$1,400.00 to IPPAC for membership and conference fees. Also, \$386.74 to Slovacek for reimbursements of mileage and lodging to attend the Rock Island Conference. Ressequie made motion for approval with Toppel seconding motion. All voted aye to approve and make payment of these bills.
9. Ressequie made motion to adjourn the meeting at 7:07 p.m., second by Miller. Next meeting scheduled for October 7<sup>th</sup>, 2015 @ 5:30 p.m.