

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

MINUTES OF PENSION BOARD MEETING JANUARY 8TH, 2020

1. Meeting called to order by President Dick Resseguie at 5:32 p.m.
2. Roll Call: Present were Dick Resseguie, Penny Toppel and Mark Slovacek (quorum met). Also Present was Attorney David Mejia, Dwight Ower from Mitchell, Vaught & Taylor and Nicole Kozlowski, Fox River Grove Village Treasurer. Mike Miller and Kira Berry arrived at 5:38 p.m. and Village President Robert Nunamaker arrived at 5:55 p.m.
3. Review of Minutes from the meeting of October 2, 2019 was made. Toppel made motion to Accept the minutes as written, seconded by Resseguie. All voted to approve.
4. FINANCIAL REPORTS:

a. Report from Mitchell, Vaught & Taylor, Dwight Ower:

Beginning portfolio value.....	\$3,261,074.00
Net investment gain.....	\$125,620.00
Ending value.....	\$3,386,694.00
Cumulative return since third quarter not reported	
NET annualized return not reported	
NET investment gain.....	\$968,369.00
IDOI Asset Allocation, 53,6% Fixed Income & 46.4% in Equities	

Mr. Ower reported that Jim Nowicki, who was assigned to the FRG Pension Account has retired. Mr. Ower explained the trends of the market and pointed to strengths and weaknesses of this portfolio (see report) Also, Mr. Ower explained the strategies they are planning for the first quarter of 2020.

information was that Charles Schwab cut their trading costs to no fee if the portfolio exceeds five million dollars. TD Ameritrade followed the same policy. This caused their stock prices of both to decrease at which point Schwab offered to buy out TD Ameritrade for twenty six billion dollars. It appears that this deal will go forward, and both will merge.

Slovacek made a motion to accept Mr. Ower's report, seconded by Resseguie. All accepted the Report from Mitchell, Vaught & Taylor.

Slovacek thanked Mr. Ower and the staff of Mitchell, Vaught & Taylor for all their years of service to maintaining the FRG Pension Fund and that the Board would miss them once the consolidation bill, which passed will cause the portfolio to be transferred to a Statewide pension fund.

b. Village Report: for 4th quarter of 2019:

Beginning balance.....	\$398,088.25
Deposits totaling.....	\$27,289.28
Withdrawals.....	\$146,264.91
Ending balance 12/31/19.....	\$279,112.62

Projected expenses for first Quarter, 2020.....	\$172,482.00
Projected ending balance as of 3/31/2020.....	\$106,630.38

Slovacek made a motion to accept the finance report as given, seconded by Toppel.
All approved the finance report.

Bills presented for authorization to pay:

Foster & Foster (calculate Fiore's transfer).....	\$300.00
IPPAC (training).....	\$350.00
Collins & Raja, Attorneys.....	\$525.00

Toppel made motion to accept and pay bills presented. Berry seconded motion. All approved.

5. OLD BUSINESS:

- a. Training Update: Resseguie reported to anyone with certificates of training, to please turn them in to Slovacek for filing.
Resseguie reported that there would be a decrease in the future of the requirements for training, but not aware when this would take place. The new requirement is for current trustees, that they only attend 8 hours annual training rather than the old requirement of 16 hours annual training. Slovacek pointed out that a letter he had received from another law firm regarding the consolidation, stated that there would be a mandatory 4 hours of training for current trustees covering the consolidation of pension funds.
- b. Resseguie asked Nicole Kozlowski of the boxes of files that she has in her office for filing. Kozlowski stated that she has boxes of files requiring filing. Resseguie said that the Board would follow up on this task and arrange for Board members to get together to sort through the files and get them into the Pension Board file cabinet.
- c. Transfer of funds from BMO Harris to Cary Bank & Trust was discussed. An email electronic vote was made with the Board not to open a money market account with Cary Bank & Trust, but to transfer from BMO Harris to Cary Bank for an interest bearing checking account.

6. NEW BUSINESS

- a. Resseguie brought up the annual three percent increase for retirees (compounded) and three percent (not compounded) for permanent disabled recipients. Slovacek made a motion to accept the annual 3% increase as stated beginning with the January, 2020 disbursement. Berry seconded motion. All approved annual increase.
- b. Resseguie brought up that Mike Miller's time in grade in the Pension Fund needed to be adjusted and another 4 years, 11 months be added to his credible service for the transfers of pension contributions that he made while employed with Downers Grove and North Lake. Toppel, who was Village Treasurer at the time confirmed that over \$101,000.00 has been deposited into the pension fund. However, the credible service had not been added by the Village. There was discussion of \$33,000.00 as reported by the IL Dept. of Insurance that may still need to be deposited into the FRG Pension Fund. The letter from IDOI wasn't clear on whether this \$33,000.00 still needed to be deposited and from where or if this was part of the \$101,000.00 deposit previously made.

Toppel made a motion to add 4 years and 11 months to Miller's credible service, back dating his start to April 6th, 2001 once clarification is received regarding the issue of the \$33,000.00 that IDOI was reporting. Slovacek seconded the motion. All voted aye.

- c. There was discussion of Senate Bill 1300 regarding that consolidation of all pension funds for Police and Fire into two separate State run Pension Funds. Mr. Mejia brought up that until a transition Board was in place and Rules and Regulations are promulgated and received by the FRG Board. Slovacek asked once the transfer of funds is completed, where will the checks to beneficiaries come from, the State or the Village? Slovacek pointed out that the letter he had from another law firm was that the State would send monthly funds to the Village, which would be re-distributed. Further, Slovacek said that it sounded as if the Village needed to maintain a separate checking account for this purpose and for operating expenses. Mejia believed that the Village would maintain its own checking account. At this time, the FRG Board would only be responsible to approving applications of new Officers, retirement and disability applications, but no longer be responsible for the investment of funds.
- d. It was reported that the Village has hired new officers. However, their applications to participate in the Pension Fund have not yet been received.

6. ATTORNEY REPORT:

- a. Mr. Mejia stated that there was a need for further clarification as to Miller's credible service. Mr. Mejia cited a state statute that time in grade of less than two years was not transferable. After further discussion, Mejia suggested to table the decision to add Miller's 4 years and 11 credible service until this statute can be further researched by Collins & Raja Law Office. Toppel requested Miller to obtain all documents from his previous departments regarding his credible time at each department and all documents pertaining to his transfer requests. In addition, the Village and Pension Board still will need clarification regarding the issue of what the IDOI was reporting regarding the issue of the \$33,000.00. The Board elected now not to change Miller's credible time until all items were addressed and clarified.

7. FUTURE MEETING DATES:

Resseguie related that meetings of April 1st, July 1st, and October 7th, 2020 may need to be changed in order to give the Village Treasurer and Mitchell, Vaught and Taylor time to compile their financial reports. It was elected to move the meeting dates to April 8th, July 8th and October 7th, 2020.

8. ADJOURNMENT:

Slovacek made a motion to adjourn the meeting at 6:52 p.m., seconded by Toppel. All voted to adjourn. NEXT MEETING SCHEDULE FOR APRIL 8TH, 2020 @ 5:30 P.M.

Minutes approved on _____, 2020

Mark Slovacek - Secretary