Foreign Fire Insurance Board

City of Crystal Lake
100 W. Woodstock St.
Crystal Lake, Il. 60014

Chair: Joseph Forsberg
Vice Chair: Chris Angelo
Treasurer: Brian Marino
Secretary: Michael Geyman

Trustee: Joseph Rosner
Trustee: Robert Seyl
Trustee: Chief Paul DeRaedt

Minutes for
January 10, 2017
6:30 P.M.
Room P105

I. Call to Order at 6:33 p.m. by Vice Chair Forsberg

II. Roll Call/Determination of Quorum
1. Vice Chair Forsberg
2. Treasurer Marino
3. Secretary Geyman
4. Trustee Rosner
5. Trustee Chief DeRaedt
6. Amanda Gundlach
7. Dave Kaltenbach
8. Bryan Kauke
9. Tim Kerley
10. John Ryan
11. Crystal Lake attorney Pickrell
12. Crystal Lake Finance Director George Koczwara
13. Mike Aiello (PC3)
14. Bob Brechbiel (PC4)
15. Adam Bucheger (PC4)
16. Casey Cork (PC3)
17. Kyle Kempe (PC4)
18. Ryan Muscavitch (PC3)
19. Tim Odishoo (PC4)
20. Jim Spivey (PC4)
21. Dane Szatkowski (PC3)
22. Matt Thuma (PC4)
23. Curt Walker (PC3)
24. Dan Williams (PC4)

III. Adoption of the Agenda

Motion made to adopt the agenda made by Vice Chair Forsberg and seconded by Trustee Rosner. 5 Yeas, 0 Nays. Agenda approved.

IV. Public Commentary

None

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V. Reading and Approval of the Minutes

Secretary Geyman presented the previous minutes with no discussion by membership. Vice Chair Forsberg made a motion to approve the reading of the previous minutes and was seconded by Treasurer Marino. 5 Yeas, 0 Nays. Motion approved.

VI. Report of Officers

None

VII. Report of Standing/Special Committees

None

VIII. Treasurer's Report

1. Treasurer Brian Marino to present the current budget for the Foreign Fire Insurance Board.
    a. Trustee Chief DeRaedt stated that he wanted it reflected that the city budget shows the difference of the $61,671.55 not shown in the budget produced by Treasurer Marino.
    b. Treasurer Marino stated that it was not reflected in the budget produced on behalf of the FFIB because he as Treasurer had never received the check to be deposited by the Treasurer of the FFIB.
    c. Motion made by Secretary Geyman to accept the Treasurers report as read and was seconded by Trustee Rosner. 5 Yeas and 0 Nays. Motion approved.

        i. Attorney Pickrell inquired why the FFIB had budgeted $57,026.51 for legal in the annual FFIB budget.
        ii. Attorney Pickrell commented that per the City Code 11-9 which was amended by the City of Crystal Lake on 01/03/2017 that the FFIB as an entity of the city was not allowed legally to have its own legal representation since it is an entity of the City of Crystal Lake.
        iii. Attorney Pickrell stated that the FFIB is not legally allowed to accrue debt or sign into any contracts without the permission of the City of Crystal Lake and that if it did the person or peoples responsible for the bill would be responsible for debt and not the City of Crystal Lake.
        iv. George Koczwara the City of Crystal Lake Finance Director stated that he warned against obtaining an attorney or acquiring legal fees since it is now illegal per City code 11-9.

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IX. Bills.
None

X. Correspondence
None

XI. Old Business

2. Results of the trustee election.
   a. Motion made by Vice Chair Forsberg to accept the election results for the 3 trustee positions and was seconded by Trustee Rosner. 5 Yeas and 0 Nays. Motion approved.
3. Nominations and voting on board positions.
   a. Vice Chair Forsberg nominated Chris Angelo for Vice Chair and was seconded by Treasurer Marino.
   b. Vice Chair Forsberg nominated Treasurer Marino for Treasurer and was seconded by Secretary Geyman.
   c. Vice Chair Forsberg nominated Secretary Geyman for Secretary and was seconded by Trustee Rosner.
   d. Treasurer Marino nominated Robert Seyl for Secretary and was seconded by Vice Chair Forsberg.
   e. Treasurer Marino nominated Vice Chair Forsberg for Chair and was seconded by Trustee Rosner.
   f. Trustee Chief DeRaedt made a motion to close the nominations and was seconded by Vice Chair Forsberg. 5 Yeas and 0 Nays. Motion approved.
   g. Trustee Chief DeRaedt made a motion to accept Vice Chair Forsberg as Chair, Treasurer Marino as Treasurer, and Chris Angelo as Vice Chair effective immediately since they were running unopposed for their positions. The motion was seconded by Trustee Rosner. 5 Yeas and 0 Nays. Motion approved.
   h. Chair Forsberg called for a 5-minute recess for the meeting at 1910.
   i. Chair Forsberg recalled the meeting to order at 1915.
   j. Chair Forsberg conducted a ballot vote for the position of Secretary to decide whether Secretary Geyman or Trustee Seyl would obtain the position of Secretary.
      a. Vote results were 4 for Secretary Geyman and 1 for Trustee Seyl.
      b. Secretary Geyman is appointed the Secretary through December 2018.

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c. Chair Forsberg will provide an electronic copy of Krehers resignation from the board to be attached to the minutes.
d. Paper ballots from the 01/10/2017 meeting will be retained for 1 year by Secretary Geyman.

4. Treasurer Marino to present the current standing of the dispute of finances and standing of the banking accounts between the City of Crystal Lake and the Foreign Fire Insurance Board.
    a. Treasurer Marino presented the budget for the year 2017 for the FFIB. An electronic copy of the budget will be attached to the minutes.
    b. Secretary Geyman made a motion to accept the FFIB budget as read and was seconded by Trustee Rosner. A roll call vote was requested by Trustee Chief DeRaedt. On roll call: Chair Forsberg Yea, Treasurer Marino Yea, Secretary Geyman Yea, Trustee Rosner Yea, and Trustee Chief DeRaedt Nay. Motion approved 4 to 1.
        i. Treasurer Marino stated that he is submitting a copy of the FFIB check to be electronically filed in the minutes.
        ii. Treasurer Marino stated that as Treasurer he never received the FFIB check from the IML.
        iii. Treasurer Marino referencing the FFIB bylaws stated that when he did not receive the check he spoke with the attorney previously acquired for guidance by the FFIB prior to the 11-9 code amendment by the City of Crystal Lake who directed him to speak with the McHenry County State's Attorney.
        iv. The McHenry County State's Attorney directed Treasurer Marino to speak with the Crystal Lake Police department to resolve the location of the missing finds.
        v. Treasurer Marino submitted a copy of the Illinois Municipal League documentation that outlines the procedure to be followed to accept the FFIB funds.
        vi. The Illinois Municipal League documentation states in bold underline that "Sate Law, 65 ILCS 5/11-10-1, requires that this check be turned over to the treasurer of your foreign fire insurance board."
        vii. Treasurer Marino stated that during communication with the City of Crystal Lake and Georg Koczwara in the

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Finance department that the Finance department stated that they had received and deposited the check on behalf of the FFIB into their determined banking account.

viii. Treasurer Marino stated that it was approximately three weeks before he received a copy of the check received from the IML.
ix. The copy of the check received by Treasurer Marino from the Finance department from the City of Crystal Lake is blacked out on the entire left side of the document.
x. Treasurer Marino stated the Finance department stated it was due to a water mark on the check that does not allow for coping of the check.
xi. George Koczwara stated to be cautious of accusations of theft towards him or the City of Crystal Lake.
xii. George Koczwara stated that the City budget and auditing accounts for the money and that he is unaware of how Treasurer Marino is not aware of the funds location.
xiii. Treasurer Marino stated that per IML the funds are to be received by the Treasurer of the FFIB. Since he has never received such funds they are not accounted for in the FFIB annual budget.
xiv. Attorney Pickrell stated that the funds for the FFIB are created by the City of Crystal Lake implementing the FFI tax. The city is accountable for the control of the funds, investment of the funds, and are legally obligated to take control of the funds.
xv. Attorney Pickrell stated that since the FFIB is a subsidiary of the City of Crystal Lake it has no legal authority to the funds per City code 11-9. That the city allows for the board to approve expenditures of funds based upon their opinion of the use, maintenance, and benefit of the fire department.
xvi. Chair Forsberg inquired to Attorney Pickrell and Finance Director Koczwara why the City of Crystal Lake took possession of the check, when the envelope was delivered it was clearly marked to be delivered to the Treasurer of the FFIB per the direction of the IML.
xvii. Attorney Pickrell restated code 11-9.

xviii. Tim Kerley inquired, why there is a perceived change of work conditions and hostile actions taken towards the members of the FFIB.

xix. George Koczwara stated that he oversees a city budget more than $100,000,000.00. He stated is legally obligated to take possession of and control of the monies for the FFIB by the IML.

xx. Tim Kerley and Dan Williams both inquired why the city refuses to pay for the approved items voted on by the FFIB and its membership.

xxi. George Koczwara and Attorney Pickrell both stated that the city deemed the expenditures as unlawful or inappropriate.

xxii. Tim Kerley inquires whether the approved items by the FFIB prior to the amendment of city code 11-9 were covered by the amendment retroactively.

xxiii. Attorney Pickrell stated that the code is not retroactive and does not apply to any items voted on and approved by the FFIB prior to the 01/03/2017 amendment of code 11-9.

xxiv. Attorney Pickrell stated that the cities stance on the previous items is that per their interpretation of the FFIB guidelines that they have the ultimate authority to say whether the expenditure is appropriate. That they remain with their previous stance that they are not appropriate or lawful in their opinion.

xxv. Tim Kerley inquired how a gym membership is not considered a benefit to the membership.

xxvi. George Koczwara stated that he interprets a gym membership as an individual benefit and that is why he says it is unlawful and will not be approved by the City of Crystal Lake.

xxvii. George stated that he interpreted the proposal by the FFIB in that a member could make money from the benefit.

xxviii. Chair Forsberg asked for explanation of this opinion and was given none by George Koczwara or Attorney Pickrell.

xxix. Attorney Pickrell stated that he believed maybe there was a non-legal resolution to the current problem between the FFIB and the City of Crystal Lake and Time Kerley agreed

with him at the possibility. No further discussion was had on that specific topic within the meeting.

xxx. George Koczwara asked Treasurer Marino and the FFIB how the FFIB has a bank account. George stated that he is unaware of how the FFIB could obtain such an account and that it was unlawful per city code 11-9.

xxxi. Treasurer Marino stated that he is not aware of how George Koczwara or the City of Crystal Lake could be unaware.

xxxii. Treasurer Marino stated that he had email and phone correspondence with George Koczwara and other employees of the finance department of the City of Crystal Lake. Instructing him on how to set up an account and where to obtain the information needed for the account such as a tax ID number.

xxxiii. George Koczwara again warned about acquiring debt as the FFIB without the consent of the City of Crystal Lake and as to what debt had been acquired.

xxxiv. Treasurer Marino stated that the attorney used for legal guidance and the fees for setting up the bank account had been acquired prior to the amendment of code 11- 9 by the City of Crystal Lake.

xxxv. Kevin Kownacki asked George Koczwara why he would instruct and guide Treasurer Marino on how to set up a bank account for the FFIB if he is saying to do so is illegal.

xxxvi. George Koczwara gave no response to Kevin Kownacki.

xxxvii. John Ryan inquired to Trustee Chief DeRaedt and George Koczwara and Attorney Pickrell why the City of Crystal Lake is willing to invest money into maintenance of fire equipment but then say preventive maintenance of employees is an individual benefit.

xxxviii. Secretary Geyman inquired to Trustee Chief DeRaedt why the membership isn't allowed to use the gym membership offered with the policy purchased for the membership by the city.

xxxix. Trustee Chief DeRaedt stated that since the gym membership isn't offered to all city employees it is considered a gift and not allowed under the Gift Band Act.

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xl. John Ryan inquired if the membership was excluded from the process of paying for the funds and if the city pays an approved gym directly would that still be considered an individual benefit.

xli. Attorney Pickrell stated that he was unable to answer that question and would have to speak with the City of Crystal Lake to obtain an answer.

XII. New Business

1. Discussion on the amendment to the city's code regarding the Foreign Fire Insurance Tax and possible action to be taken.
   None
2. Board to select 2017 dates- Additional Meeting in December for election results only.

a. Chair Forsberg made a motion to have the 2017 meetings on 03/01/2017, 05/03/2017, 07/12/2017, 09/06/2016, 11/01/2017, and 12/20/2017 for election results only if needed. The motion was seconded by Trustee Rosner. 5 Yeas and 0 Nays. Motion approved.

3. Deputy Chief Chris Olsen is requesting $30,000.00 to supplement the purchase and installation of the redundant system for the Crystal Lake Wireless Alarm Network (CLWAN). Request to be presented by Deputy Chief Chris Olsen.
   a. Trustee Chief DeRaedt made a motion to table the request by Deputy Chief Olsen and was seconded by Chair Forsberg. 5 Yeas and 0 Nays. Motion approved.

XIII. Other Business

1. Kevin Kownacki inquired if any maintenance was being approved for fixing the new ramping tones dispatching due to all the problems currently with the system. Trustee Chief DeRaedt stated that the vendor for the system was due in late January for regular maintenance and that the vendor would evaluate the system for problems at that time.

XIV. Closing
None

XV. Announcement of Next Meeting

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The next meeting will be held on 03/01/2017 in P105-106 at 100 West Woodstock Street Crystal Lake, IL 60014 at 6:30 P.M.

XVI. Motion to Adjourn

Motion to adjourn was made by Chair Forsberg at 8:32 p.m. and was seconded by Trustee Rosner. 5 Yea's and 0 Nays Motion approved.