

ST. CHARLES POLICE PENSION FUND

1515 West Main Street
St. Charles, Illinois 60174

MEETING MINUTES Wednesday, March 6, 2024 11:30 a.m. – St. Charles Police Department

NOTE: These minutes are not a word-for-word transcription of the statements made at the meeting, nor intended to be a comprehensive review of all discussions. They are intended to make an official record of the action taken by the Board and to include some discussion points as understood by the minute taker. They may not reference some of the individual attendee's comments nor the complete comments, if referenced.

MEETING CALLED TO ORDER

President Heike called to order the Regular Meeting of the St. Charles Police Pension Board at 11:35 a.m.

ROLL CALL

Members Present: Steve Heike, President; Ryan Carrigan, Secretary; Bill Hannah, Finance Director; and Tim Beam, Vice President

Members Absent: James Keegan, Trustee

Others Present: Brian LaBardi, Reimer Dobrovolny & LaBardi, PC; John Falduto, Sawyer Falduto; Amanda Secor, Lauterbach & Amen; Greg Kiesewetter, Cook Castle Associates, LLC; and Cheryl Shimp, Recording Secretary

APPROVE PREVIOUS MEETING MINUTES

Motion: To approve the minutes of the December 6, 2023 regular meeting as presented.

Maker: Beam

Second: Carrigan

Voice Vote: 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

Due to conflicting schedules, the Board went out of order of the agenda at this time.

NEW BUSINESS

Fiduciary Insurance – Kiesewetter presented the fiduciary liability insurance policy to the board members for review. Kiesewetter noted that those covered under the policy are the pension fund and trustees. The cost is \$7755.00 up \$94 from last year. The board reviewed the coverage. The policy is effective 04/01/2024 to 04/01/2025.

Motion: To approve the fiduciary insurance policy effective 04/01/24 – 04/01/25 for a \$2M policy in the amount of \$7755.00 as presented.

Maker: Beam

Second: Carrigan

Roll Call: Carrigan – Aye, Beam – Aye, Hannah – Aye, Heike – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

Crime Policy – Kiesewetter gave an overview of the crime renewal policy, which is now a separate component. The crime policy covers employee theft, depositor’s forgery, computer and funds transfer fraud, etc. Premium (3-year prepaid) is \$2541.00.

Motion: To accept the Crime Renewal Policy as presented in the amount of \$2541.00.
Maker: Hannah
Second: Carrigan
Roll Call: Carrigan – Aye, Beam – Aye, Hannah – Aye, Heike – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

INVESTMENT ACTIVITIES

Falduto distributed the quarterly report. The Schwab Account (Cash Account) began the quarter at \$502,783 and with interest ended the quarter at \$508,572. Falduto gave an overview of the performance of the indexes year to date noting that the investment returns were up 7.9%.

Motion: To accept the quarterly Sawyer Falduto report as presented.
Maker: Hannah
Second: Carrigan
Roll Call: Carrigan – Aye, Beam – Aye, Hannah – Aye, Heike – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

Falduto reported on the returns of the Consolidated Fund to include investment expenses, investment manager expenses, payouts, etc. As of 01/31/2024, the Consolidated Fund had over \$9B in assets. It was noted that there are currently 15 agencies that have not consolidated yet, as a result of the lawsuit. The total assets of these funds are a little over \$1B. The St. Charles Police Pension Fund as of 01/31/2024 started the year at \$49.556M and ending value is currently at \$49.352M down -.41%. It was noted that the market is currently on the rise. Falduto noted that the consolidated fund is moving to active management. Approximately 5% of the portfolio will be active management. Bank loan active managers were also approved at their February meeting and are currently searching for merging market debt managers.

IDOI Letter/Cash Management Policy – Hannah that the IDOI has issued an advisory reference money market accounts and the spirit of what the consolidation fund is. As a result of this, it is unsure if the board needs an extra money market account or if it is even allowed. Falduto stated that funds don’t want to keep a lot of money around that is not invested. Discussion continued on how much money to keep, when to rebalance, having access to funds, trust issues with the State, money in and out of the BMO account, etc.

Motion: To set the target balance in the Schwab account to \$365,000 with a maximum of \$375,000. Once the balance reaches the maximum, the difference will with be reinvested and remainder rebalanced back to \$365,000.
Maker: Hannah
Second: Beam
Roll Call: Carrigan – Aye, Beam – Aye, Hannah – Aye, Heike – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

OLD BUSINESS

None.

ACCOUNTANT'S REPORT/PRESENTATION OF BILLS FOR DISBURSEMENT

Motion: To approve Addendum A in the amount of \$150,012.87 as presented.
Maker: Beam
Second: Carrigan
Roll Call: Carrigan – Aye, Beam – Aye, Hannah – Aye, Heike – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

Accountant's Report – Hannah reported that the fund started the fiscal year (May 2023) with \$44.5M, with cash and investments, the fund has total assets of \$50.3M as of 01/31/2024. Hannah reported that they have had discussions with the City about unfunded pension liability and the City's contributing to this unfunded liability for both the fire and police pension funds. This would be a contribution to the unfunded liability only. It was recommended that the City contribute an additional 2% to the unfunded liability. This additional contribution based on 2% equates to an additional \$883,000. This transfer was completed in February and will be reflected on the next statement.

Motion: To accept the Accountant's report as presented.
Maker: Beam
Second: Carrigan
Roll Call: Carrigan – Aye, Beam – Aye, Hannah – Aye, Heike – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

APPLICATIONS FOR MEMBERSHIP

Heike reported that Officer Ray Garcia and Officer Dhaval Patel were hired by the St. Charles Police Department on 09/18/2023. They are both Tier II members. It was noted that both officers are lateral employees.

Motion: To accept Officers Garcia and Patel into the St. Charles Police Pension Fund effective 09/18/2023 as Tier II members.
Maker: Beam
Second: Carrigan
Voice Vote: 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

APPLICATIONS FOR BENEFITS

Anyon – LaBardi reported that a hearing has been scheduled for the disability hearing of Officer Anyon for May 21, 2024. As the board is in the process of holding elections, LaBardi asked to be informed of who the new board members are so notifications may be forwarded.

Woloszyk – All records have been received but one. Once the last set of records is received, will be able to set the IME's for the medical examinations. Unknown when a hearing will be set. Table to the next meeting.

Refund – Belanger – Heike reported on a request for refund from Andrew Belanger. Officer Belanger left the Department a few years ago and is now requesting a refund of his contributions. There is \$34,654.72 to be refunded.

Motion: To approve the request for refund for Andrew Belanger in the amount of \$34,654.72.
Maker: Beam
Second: Carrigan

Roll Call: Carrigan – Aye, Beam – Aye, Hannah – Aye, Heike – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

Schomer – Retirement still deferred. Schomer has approximately 3 years until eligible for retirement. Table to the next meeting.

ATTORNEY’S REPORT

LaBardi reported that the Supreme Court has ruled that the consolidation law is valid. IPOPIF will now work on transferring the monies from the funds involved in this lawsuit. An October date has been set to complete this process.

LaBardi reported there is pending legislation reference a COVID bill. A number of police officers and fire fighters have requested some sort of COVID bill wherein if you are disabled, due to COVID, it is presumed to be an act of duty. Will continue to monitor.

The other legislation talk is reference the Tier II benefits. This legislation proposes to eliminate the Tier II level of benefits converting everyone to a Tier I status. Nothing on the horizon as of yet, but has been discussed about 3-4 times already. Will continue to monitor.

LaBardi reported that it was proposed, again, to kick the 2040 funding date to 2050. Currently, pension funds are to be 90% funded by 2040. Will continue to monitor.

NEW BUSINESS

Proposed Meeting Date Times – A new oncoming trustee has requested that the meeting times be changed to noon, if possible, to accommodate their schedule. After a brief discussion, it was decided to change the meeting date time to 12:30 p.m.

Motion: To change the time of the meetings to begin at 12:30 p.m.
Maker: Carrigan
Second: Hannah
Voice Vote: 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

PSA Proposal – Amanda Secor, Lauterbach & Amen, presented a Service Proposal for Professional Services Administration (PSA), a service that Lauterbach & Amen offers to clients. This service was created to ease the burden on Trustees and includes some of the following:

- Preparing Meeting Agendas, Board Packets and Coordinating Information between Legal, Investment and other professional vendors
- Attend Board Meetings & Prepare Minutes
- Maintain Active Member Files
- Conduct Trustee Elections
- Coordinate & Track Trustee Training

Secor gave an overview of everything the service provides. Costs include a one-time set-up fee of \$2330, which includes scanning of all documents. There is a monthly fee of \$1205. The proposal for the first year of administration would cost \$16,790, \$14,460 for year 2 and \$14,880 for year 3.

Motion: To accept the proposal from L&A for PSA services as presented.
Maker: Hannah

Second: Beam

Roll Call: Carrigan – Aye, Beam – Aye, Hannah – Aye, Heike – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

Beam left the meeting at 12:20 p.m.

Closed Session Minutes – The Board discussed the bi-annual review of Closed Session Minutes for release to the public. As there was some questions reference the Churney hearing, table to the next meeting.

Statement of Economic Interest – Hannah reported that the annual Statement of Economic Interest Statements for Trustees are due May 1. These statements may be completed online.

2024 Trustee Elections – It was noted that both Beam (Retiree) and Heike (Active) members will not be seeking a new term. Nominations have been sent out and the election will be conducted in April. L&A to conduct the election.

Executive Session – None.

PUBLIC COMMENTS

None.

ADJOURNMENT

There being no further business to discuss, motion to adjourn by Trustee Hannah. Seconded by Trustee Carrigan.

Motion: To adjourn the meeting at 1:39 p.m.

Maker: Hannah

Second: Carrigan


Voice Vote: 3 Ayes, 0 Nays, 2 Absent. All in favor. Motion carried.

The meeting was adjourned at 1:39 p.m. The next regular meeting is scheduled for June 5, 2024.

Respectfully submitted,



President



Secretary