

ST. CHARLES POLICE PENSION FUND

1515 West Main Street
St. Charles, Illinois 60174

MEETING MINUTES Wednesday, December 7, 2022 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 actions taken by the Board and to include some description of 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 Boyce called to order the Regular Meeting of the St. Charles Police Pension Board at 11:33 a.m.

ROLL CALL

Members Present: Brooks Boyce, President; Tim Beam, Vice President; Steve Heike, Secretary; Bill Hannah, Trustee and James Keegan, Trustee

Members Absent: None

Others Present: Brian LaBardi, Reimer Dobrovoly & LaBardi PC; John Falduto, Sawyer Falduto (arrived 11:45 a.m.); Ed Lavin, Sawyer Falduto (via conference call); Cheryl Shimp, Recording Secretary

APPROVE PREVIOUS MEETING MINUTES

Motion: To approve the minutes of the September 7, 2022, regular meeting as presented.
Maker: Heike
Second: Beam
Voice Vote: 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

INVESTMENT ACTIVITIES

Falduto distributed the quarterly report. This report included all the transactions to the Consolidated Fund. The portfolio began the year at \$51.6M and had an ending market value of \$42,840,154, which a negative return of -15.4%. The portfolio, however, is up 7.1% since inception.

Falduto gave an overview of the equity market and noted that all stock benchmarks were down about -25% during the month of September. Fixed Income was down -8%.

Motion: To accept the Quarterly Investment Manager's Report as presented.
Maker: Keegan
Second: Heike
Voice Vote: 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

Falduto noted that the Board should be receiving statements from State Street. Recommended that the Board keep all these statements together for review at the next meeting. Verus Advisory is the consulting firm for the consolidated fund. Verus monthly report will be discussed at the next meeting. Cash Management Policy is still in good shape.

Falduto reported on the IPOPIF Report ending 09/30/2022 the beginning value of the investments was \$42.362M, \$0 withdrawals and \$0 transfers; Interest of \$35,000 and losses of approximately (\$2.9M) which equates to an ending value of \$39.488M or a loss of (6.78%). October's beginning value was \$39.488M; no contributions, withdrawals or transfers out; Interest of \$12,000; expenses, including borrowed monies to get the consolidated up and running should be forthcoming; ending balance \$40M and increase of 3.18%. It was noted that the eCFM is up and running.

OLD BUSINESS

Cyber Security – City of St. Charles has taken action to obtain Cyber Security insurance for the City. The City has in force Cyber coverage. Table this issue to the next meeting. Hannah will follow-up with Travelers Insurance (City Policy) to see about including the pension boards on the City policy. Need to investigate the risk of exposure for the pension boards.

Audit Report – Hannah presented the Auditor's Communication report to all members. This is the report from Sikich that discusses the audit process, how it went, whether or not there were any disagreements, etc. Sikich reported that everything went well with the audit process. They were very happy with the audit of the Police Pension Fund. No significant deficiencies were found.

The Final Audit Report has the auditor's opinion incorporated into the report. Hannah gave an overview of the final report. It was noted that the City hires the auditors to complete the work.

Motion: To acknowledge the City Audit Report from Sikich.
Maker: Beam
Second: Heike
Roll Call: Beam – Aye, Hannah – Aye, Keegan – Aye, Heike – Aye, Boyce – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

ACCOUNTANT'S REPORT/PRESENTATION OF BILLS FOR DISBURSEMENT

Motion: To approve Addendum A in the amount of \$136,315.35 as presented.
Maker: Heike
Second: Keegan
Roll Call: Beam – Aye, Hannah – Aye, Keegan – Aye, Heike – Aye, Boyce – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

APPLICATIONS FOR MEMBERSHIP

None. New lateral transfer from Evanston (Tier 2) to start 12/12/2022. Keegan gave a brief overview of the new transfer. Background investigations have begun on the last name on the original list. Department will be testing the end of December.

APPLICATIONS FOR BENEFITS

Boyce reported that monies from Evanston have been received reference Carl Witt. Ofc. Witt has notified the Board that he intends to buy back the difference, which is about \$17K for 8 months of service. To date, this has not occurred. Boyce did notify Witt that the numbers are time sensitive and the Board needs a response soon in order to proceed.

Pierce Retirement – Charles Pierce’s last day worked 11/23/2022 after 26 years as a Department Chief, 65% pension with a monthly benefit of \$9033.73 based on an annual salary of \$166,776.59. Original hire date of 03/06/1996. Date of pension 11/24/2022.

Motion: To approve the retirement pension of Charles Pierce as presented.
Maker: Heike
Second: Hannah
Roll Call: Beam – Aye, Hannah – Aye, Keegan – Aye, Heike – Aye, Boyce – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

Kern Annual Medical Examination – Kern is scheduled for his annual examination in January 2023.

Motion: To direct LaBardi’s Office to send Kern for annual examination.
Maker: Keegan
Second: Beam
Voice Vote: 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

Anyon Disability – Anyon attorney has asked to hold over the pension hearing until the Workman’s Comp case is settled. Table to the next meeting.

Churney Disability – Hearing to be held after this meeting.

ATTORNEY’S REPORT

LaBardi distributed the latest newsletter. Noted that the IPOPIF Actuarial Valuation is now available on their website. They will be using an assumption rate of 6.8% for police. Fire is using a rate of 7.125%.

Consolidation Unconstitutional Lawsuit is still pending. Just waiting to see if the court will hear arguments are just issue a ruling.

NEW BUSINESS

2023 Meeting Dates – Proposed 2023 Meeting Dates as follows: March 1, June 7, September 6 and December 6, 2023

Motion: To approve the 2023 Meeting Dates as presented.
Maker: Beam
Second: Heike
Voice Vote: 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

2023 COLA's – 2023 COLA's were presented to the Board for their review.

Motion: To approve the 2023 COLA's as presented.
Maker: Heike
Second: Keegan
Voice Vote: 4 Ayes, 0 Nays, 0 Absent, 1 Abstain (Beam). All in favor. Motion carried.

Closed Session Minutes – Discussion was held on Closed Session Minutes over the last year. Churney Hearing of 06/23/2022 should remain closed as the hearing is still ongoing.

Motion: That the Closed Session Minutes from the Churney Hearing of 06/23/2022 remain closed.
Maker: Beam
Second: Heike
Roll Call: Beam – Aye, Hannah – Aye, Heike – Aye, Boyce – Aye. 4 Ayes, 0 Nays, 0 Absent, 1 Abstain (Keegan). All in favor. Motion carried.

Executive Session – None.

PUBLIC COMMENTS

None.

ADJOURNMENT

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

Motion: To adjourn the meeting at 12:25 p.m.
Maker: Beam
Second: Hannah
Voice Vote: 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

The meeting was adjourned at 12:25 p.m. The next regular meeting is scheduled for March 1, 2023; at 11:30 a.m.

Respectfully submitted,



President


Secretary