

Minutes of the Regular Meeting
St. Charles Firefighter's Pension Board
Wednesday, June 2, 2021
City Training Room, Lower Level
112 N. Riverside Ave.
St. Charles, IL.
8:00 a.m.

1. Call to Order

The meeting was called to order by Steve Siwy at 8:03 a.m. with 3 members present.

Present: Steve Siwy, Chris Minick, Leo Veseling

Absent: Brad Wilton, Chief Scott Swanson

Also Present: Jon Willhite; UBS via Skype, Carole Murphy; Recording Secretary

2. Minutes of the Meeting

• **Review/Approve Minutes of the March 11, 2021 Special Meeting**

Steve Siwy reviewed the minutes of the March 11, 2021 meeting.

A motion was made by Chris Minick and seconded by Leo Veseling to accept the minutes of the March 11, 2021 meeting as presented.

A roll call vote was taken; all approved.

Motion carried

3. Old Business

a. Correspondence for FF/PM Kevin Kasperek

Mr. Siwy explained FF/PM Kevin Kasperek is still waiting for Riverdale to provide the information that he needs to buy back into the fund to make him whole so he may apply with St. Charles. As of now, he is not in a pension fund.

A motion has been tabled until the next meeting.

4. New Business

a. Review/Approve Investments

Mr. Willhite presented the 2021, 1st Quarter Investment Review. He first reviewed action items from last quarter.

Steve Siwy added the Trustee List needs to be adjusted to remove Lance Maxwell and to add Leo Veseling.

Mr. Willhite went on to review the Performance Report starting with account performance as compared to the actuarial performance stating a rate of return at 6.75% bringing the account about 7 million ahead for the fiscal year to date. The entire portfolio is just short of 50 million, then reviewing the latest quarter. Continuing with review of the various fund managers that included Chilton Real Estate and Janus Henderson.

Mr. Willhite is comfortable with the portfolio as it is, with the exception of making a recommendation on Janus Henderson Triton.

A large concern is the amount of money being printed and what that may create on an inflationary front.

Moving on to rebalancing, the following recommendation was advised. There is a cash deficiency of approximately \$612,000.00 to pay beneficiary payments and other expenditures coming due. There is a tax levy coming in at the end of the month.

After further discussion regarding the tax levy and rebalancing, Mr. Willhite made a recommendation to move funds from Janus Henderson Triton to Vanguard Small-Cap Index and to move \$612,000.00 into the UBS money market account with the rest of the proceeds transitioning over to Vanguard Small Cap Index fund.

A motion was made by Chris Minick and seconded by Leo Veseling to terminate the Janus Henderson Triton Fund, transfer \$612,000.00 to the UBS Money Market account, and the balance to the Vanguard Small Cap Index Fund.

A roll call vote was taken; all approved.

Motion Carried.

Mr. Willhite discussed the tax levy stating that approximately 1.2 million coming in within a few weeks. When looking at the total fixed income, we are still at roughly 2 million below the Department of Insurance regulations. Mr. Willhite recommended looking at C.S. McKee and Sage. Mr. Minick asked to review the differences before deciding. Mr. Willhite continued to revisit the differences of C.S. McKee and Sage stating there is a better opportunity with corporate bonds.

A motion was made by Steve Siwy and seconded by Chris Minick to allocate the entire tax levy for June into Sage Advisory under the recommendations of UBS.

A roll call vote was taken; all approved.

Motion Carried.

Mr. Willhite exited the meeting at 8:43 am.

A motion was made by Steve Siwy and seconded by Chris Minick to raise the transfer amount cap from \$165,000.00 to \$180,000.00.

A roll call vote was taken; all approved.

Motion Carried.

After consideration, an amended motion was made by Steve Siwy and seconded by Chris Minick to raise the amount of the transfer cap from \$180,000.00 to \$185,000.00.

A roll call vote was taken; all approved.

Motion Carried.

Mr. Willhite will adjust the cash flow policy, move the monthly payouts to approximately \$205,000.00, adjust the cap to \$185,000.00 and send the appropriate information for signature.

To generate the needed cash for beneficiary payments through June, Mr. Willhite proposed to use a portion of iShares Russell 1000 Growth and a portion from Chilton Real Estate.

A motion was made by Chris Minick and seconded by Steve Siwy to reallocate funds in the amount of \$255,000.00 from iShares Russell 1000 Growth and \$200,000.00 from Chilton Real Estate Manager and transfer those funds of \$455,000.00 to the UBS Cash Account for beneficiary payments through June.

A roll call vote was taken; all approved.

Motion Carried.

Mr. Willhite will construct an email to Chris Minick to confirm rebalancing and the discrepancy in the Sage Advisory Fund. Mr. Minick checked the September rebalance sheet that showed Sage had a balance of 6.7 million at the end of September allocating \$663,000.00 to bring the balance to 7.3 million. Reports will be re-run for accuracy.

Mr. Minick will also recheck the withholding amount of \$34,000.00 for the active Firefighter contribution to be sure it is still an accurate number.

b. Review/Approve Expenditures

Steve Siwy reviewed the current list of expenditures dated from March 1, 2021 – May 31, 2021 in the amount of \$83,735.33.

A motion was made by Chris Minick and seconded by Leo Veseling to approve the expenditures in the amount of \$83,735.33 as presented.

A roll call vote was taken of those present; all approved.

Motion Carried.

c. Election Results

Mr. Siwy explained an election took place early for the retired trustee to replace Lance Maxwell. Leo Veseling had won the election. Leo's elected term begins now and will end in 2023.

d. Officer Elections

The current officers are:

Steve Siwy; President

Brad Wilton; Secretary

Chris Minick made a motion to nominate and approve Steve Siwy to continue as Board President of the Fire Pension Fund and seconded by Leo Veseling.

Steve Siwy accepted the nomination.

With no other nominations, by acclamation, Steve Siwy will retain the position of Fire Pension Board President for the next year.

Steve Siwy made a motion to nominate Brad Wilton to retain his position as Fire Pension Board Secretary and seconded by Chris Minick.

With no other nominations, by acclamation, Brad Wilton will retain the position of Fire Pension Board Secretary for the next year.

5. Other Business

Tim McCarthy has applied for retirement deferring his pension. His last day for the application will be June 9, 2021. His 50th birthday will be August 20, 2021.

His application has been sent to Jill Ghiotto and Natalie Button in Finance along with a copy of his letter dated May 24, 2021.

Mr. Siwy reviewed Mr. McCarthy's pensionable salary. Mr. McCarthy will receive checks as of August 20, 2021 noting the holiday pensionable hours were calculated from last year because of the election year.

Mr. Siwy stated there are no issues with the totals and it all adds correctly.

No action will be taken at this time and a motion has been tabled until the September meeting.

This will be added to the September agenda for a motion and vote.

With no comments or concerns with the calculations, Mr. Siwy will sign the application.

Mr. Veseling asked why 88 hours was calculated for holiday hours, when the election was last year.

Mr. Siwy explained this was because last years full salary was considered.

Chris Minick suggested making 82 hours of holiday for everyone and removed the question.

Election day is every 4 years, giving 8 hours of holiday pay. 8 hours divided by four is 2 hours. Giving everyone 2 hours regardless of what year they actually retire. Attorney Atwell will be consulted.

Mr. Siwy will consult with the Attorney.

Mr. Siwy signed Tim McCarthy's retirement application and will forward to Finance. The final number will be available to approve at the next meeting.

6. Public Comment

None

7. Adjournment

A motion to adjourn was made by Steve Siwy and seconded by Chris Minick to adjourn the meeting at 8:58 a.m.

A roll call vote was taken; all approved.

Motion Carried.

Respectfully submitted by Carole Murphy; Secretary