

Minutes of the Regular Meeting
St. Charles Firefighter's Pension Board
Wednesday, June 3, 2020
112 N. Riverside Ave.
Fire Department Conference Room
St. Charles, IL.
8:00 a.m.

Call to Order

The meeting was called to order by Steve Siwy at 8:04 a.m. with 5 members present.

Present: Steve Siwy, Brad Wilton, Chris Minick, Chief Swanson, Lance Maxwell

Absent:

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

Minutes of the Meeting

- Steve Siwy reviewed the March 4, 2020 draft minutes of the regular meeting with the Board.

A motion was made by Chris Minick and seconded by Brad Wilton to accept the minutes of the March 4, 2020 meeting.

A roll call vote was taken; all approved.

Motion Carried.

Old Business

Discuss the Possibility of Changing the Dates of the Upcoming Meetings as Requested by Mr. Willhite

Mr. Siwy told the Board he had researched the requirements of changing the meeting dates. According to the Open Meetings Act, they may be changed by giving a 10-day notice with a publication in a local newspaper to change any previous chosen dates. It was decided to keep the scheduled dates as is and may look into the change of dates at the December meeting for next year. Mr. Willhite stated he is good with that decision.

New Business

- **Review/Approve Investments**

Mr. Willhite said there were 5 major topics he would like to review.

- History of recoveries
- Manager Reviews
- Document for the fixed income manager, CS McKee's management agreement
- First quarter of 2020 performance report

- Rebalancing and the tax levy money coming in in June

The first topic of history recoveries and the pandemic is unique. The pandemic created a disruption in the market place and the different types of recoveries. The “L” recovery goes on for a long time before the market bounces back. Our allocations are good and just need to be patient. Mr. Willhite went on to compare previous market recessions and the recovery rates as well as unemployment rates.

Mr. Willhite went on to review the investment portfolio beginning with core equities, bond managers and others that are between equity and fixed income. The asset class has not been performing as anticipated. A decision needs to be made whether to keep them, replace them or to consolidate.

The total portfolio was \$37,382,000.00 at the close on March 21, 2020. The portfolio has since gone up approximately \$4,000,000.00 since then.

Individual managers/funds were reviewed with iShares being down. Overall, this last quarter had been very detrimental to some of the fixed income managers. Mainly in Blackrock because of the dislocation in the credit markets. He also reviewed the performance managers return from the 4th quarter of 2019 to compare the numbers to show this should not influence current decisions based on the last 20-day time frame.

Mr. Willhite continued to review some of the equity managers starting with JP Morgan which is the current large cap manager. They are ranked in the 13th percentile against their large cap universe. iShares Russell is at the 38th percentile. He continued the review with the rest of the managers. Invesco Oppenheimer is the emerging markets manager on the risk return charts showing a better return. American Funds is doing well. Overall most managers are doing well. He went on to the Manager Comparison Report looking at Janus Henderson against their benchmark and against their peer group.

After further review, Mr. Willhite asked for any questions. Mr. Minick asked about the Carillon Scout risk and would like to consider reinvesting funds from Tortoise Cap. Discussions continued regarding options for Tortoise Cap as well as the performance of other fund managers and asset allocations.

A motion was made by Chris Minick and seconded by Brad Wilton to terminate the position with Tortoise MLP and reallocate those funds in the amount of approximately \$958,988.00 to AB, (Alliance Bernstein Select Longshort).

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

Motion Carried.

Mr. Willhite suggested that he and Mr. Minick work together to rebalance with the tax levy that comes in, in June. This will allow them the funds to pay beneficiary payments until the next meeting. Then reallocate to the managers staying within the statutory guidelines and the target allocations.

Mr. Minick agreed and mentioned there may be funds from the property tax revenue that come in, and were distributed by Kane County the first week of May. But the bulk of funds will come in approximately 2 – 3 weeks.

A motion was made by Steve Siwy and seconded by Lance Maxwell to allow Mr. Willhite and Mr. Minick to rebalance and disburse the tax levy's in accordance with the rebalancing spreadsheet and statutory requirements.

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

Motion Carried.

Mr. Minick stated that the CS McKee agreement went to Mr. Charles Atwell for review. Mr. Atwell made one suggestion that has not yet been incorporated regarding the merger document.

It was decided to revisit the CS McKee agreement at a later time.

Mr. Willhite exited the meeting at 09:44 am.

- **Review/Approve Expenditures**

Steve Siwy reviewed the current list of expenditures in the amount of \$85,301.57.

A motion was made by Chris Minick and seconded by Brad Wilton to approve the expenditures in the amount of \$85,301.57 as presented.

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

Motion Carried.

- **Election Results**

With the resignation of Tony Centimano from the Board, an election was held to fill the vacancy. Steve Rehak was elected and declined the position. A run off election was held and Brad Wilton had been elected.

Mayor Rogina appointed Chief Swanson to take the place of retired Chief Schelstreet.

Steve Siwy is looking into how the required training will take place with COVID19 measures.

- **Officer Elections**

Steve Siwy was nominated as President for the Pension Board.

A motion was made by Steve Siwy and seconded by Chris Minick to elect Steve Siwy as president of the Board.

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

Motion Carried.

Steve Siwy nominated Brad Wilton as secretary to the Board.

A motion was made by Steve Siwy and seconded by Chris Minick to elect Brad Wilton as secretary of the Board.

A roll call vote was taken; all approved.

Motion Carried.

- **Review/Approve Retirement Application of FF/PM Tim McCarthy**

FF/PM McCarthy had not submitted his paperwork for retirement as of yet.

No action taken.

- **Consideration of Approval of a Resolution Authorizing BMO Harris Bank as an Authorized Depository and Approving Authorized Signatures on the Account**

Mr. Minick explained; concurrent with the change of Board Officers changes need to be made with Harris Bank as to who can sign on the checking account. Currently, Steve Siwy is signing as the President, Brad Wilton as the Secretary, Chris Minick is an authorized signer as a Trustee/Finance Director for the City, and Jo Kreiger as the elected City Treasurer is also a signer. Battalion Chief Centimano has been removed from the authorized signatories.

A motion was made by Chris Minick and seconded by Brad Wilton to approve the resolution authorizing BMO Harris as an authorized depository and approving the authorized signers on the account as listed.

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

Motion Carried.

- **Other Business**

None

- **Public Comment**

None

Adjournment

A motion was made by Chris Minick and seconded by Lance Maxwell to adjourn the meeting at 9:51 a.m.

A roll call vote was taken; all approved.

Motion Carried.

Respectfully submitted by Carole Murphy; Secretary