

ST. CHARLES POLICE PENSION FUND

1515 West Main Street
St. Charles, Illinois 60174

MEETING MINUTES Thursday, April 14, 2022 11:00 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 descriptions 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 Special Meeting of the St. Charles Police Pension Board at 2:03 p.m.

ROLL CALL

Members Present: Brooks Boyce, President; Steve Heike, Secretary; James Keegan, Trustee and Bill Hannah, Finance Director

Members Absent: Tim Beam, Trustee

Others Present: Brian LaBardi, Reimer Dobrovolny & LaBardi PC; John Falduto, Sawyer Falduto; Ed Lavin, Sawyer Falduto (via phone); and Cheryl Shimp, Recording Secretary

Boyce reported that the purpose of the special meeting is to discuss personnel and consolidation issues.

PUBLIC COMMENTS

None.

NEW BUSINESS

Membership (Farfan) – Marco Farfan was appointed on 03/21/2022. He is a Tier 2 employee and currently in the Police Academy at SLEA.

Motion: To approve the membership of Marco Farfan into the St. Charles Police Pension Fund effective 03/21/2022 as a Tier 2 employee.

Maker: Keegan

Second: Hannah

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

Consolidation – LaBardi reported that, to date, there is still no ruling from the Circuit Court reference the consolidation lawsuit. Awaiting on a ruling since mid-November 2021. There were also 2 bills in legislation to extend the deadline, however, neither bill has been voted on. Therefore, the statute remains as enacted with a deadline of 06/30/2022. The Board currently has a 06/01/2022 transfer date. Assignments for 06/01/2022 have recently been sent out. The Board’s certified asset list is due 05/20/2022. The auto-process will begin on 05/13/2022. All documents need to be submitted on or before this date. Once the certified asset list is submitted on 05/20/2022, the Board will not be able to sell, trade, move securities to pay benefits, etc. Falduto stated that the Board needs to determine how much money they will need to hold back to pay benefits for several months, unknown how long it will take for the transfer process to conclude, and monies become available to the Fund. Discussion was held on later transfer dates, completing all paperwork and holding, funds not being reported to IDOI if they don’t comply, majority of fire pension funds have transferred, 06/01/2022 transfer date, etc.

Resolution 2022-001 – Appointing Authorized Agents – Exhibit A Resolution requires 2 authorized agents that have the authority to sign off on paperwork from IPOPIF to transfer the assets. It is recommended that these 2 people are trustees to the Fund as well as signers on the custody account.

Motion: To approve Resolution 2022-001 Appointing Brooks Boyce and Steve Heike as Authorized Agents to IPOPIF.
Maker: Keegan
Second: Hannah
Roll Call: Hannah – Aye, Heike – Aye, Keegan – Aye, Boyce – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

Formal Notice – Schwab – Exhibit B is Notice to the custodian (Schwab) of Transfer of Investment Assets to the Illinois Police Officer’s Pension Investment Fund (IPOPIF). This formal notice will be sent at such time the transfer of funds will be commencing. This letter should include the Schwab address as well as the Sawyer Falduto address. Once Exhibit A & B are received, the Board should receive an asset list. The asset list should include an order of direction from IPOPIF. Discussion was held on when to submit the Exhibits, what is needed to facilitate the transfer of funds, timeframe for transfer, order of direction, required contact information, documents to be included with asset list, etc. The Board also need to draft a resolution appointing authorized account representative. This would be someone who has authority to facilitate transfers between the Fund and IPOPIF. Hannah requested that additional Finance personnel be added as the Finance Department oversees the benefit payments.

Motion: To direct President Boyce to deliver Exhibits A & B no later than 05/05/2022.
Maker: Keegan
Second: Heike
Roll Call: Hannah – Aye, Heike – Aye, Keegan – Aye, Boyce – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

Falduto stated the aforementioned paperwork gives authorization to release information, however, it does not give Schwab direction to send the Fund’s assets anywhere. There are specific delivery

instructions on how to do this. The Board will need to present a letter of direction, addressed to Schwab, from the Board that states Schwab is hereby directed that on this date to move their assets and included are the delivery instructions. This should come from IPOPIF.

Local Account Collateralization – None.

Cash Management Policy – Table to the next meeting. Draft policies will be forwarded to board members.

Cash Reserve Balance – Falduto stated that other pension funds have continued to maintain the Schwab account and by the freeze date, possibly the middle of May, the Board needs to identify “x” amount of dollars to be held back, not invested, in a money market or cash account. These monies need to be transferred prior to the freeze date. Typically, other boards have been keeping 3 to 4 months of cash. The Board also considered that tax monies, which should be available in June. After a brief discussion, it was determined that the Board would hold back \$1.020M for benefit payments and expenses.

Motion: To set the cash target, as of the freeze date, at \$1.020M to be held between the Harris Bank account & Schwab as of 05/15/2022.

Maker: Heike

Second: Keegan

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

It was noted that during this “freeze period”, portability and transfers of funds to other agencies should be discouraged. Unsure of available funds, transfer of funds from other agencies, etc. It was noted that the Fund will not be able to request any monies within the first 60 days of the transfer.

OLD BUSINESS

Disability Hearing – Churney – Boyce reported that the Board is still attempting to schedule a date for the disability hearing for Officer Churney. The City of St. Charles has withdrawn its request to intervene in the hearing. Possible meeting dates of 06/01/2022 or 06/03/2022. This hearing would be held after the regular board meeting, possible start time of 1:30 p.m. Need to discuss potential dates with Churney’s attorney.

ADJOURNMENT

There being no further business to discuss, motion to adjourn by Keegan. Seconded by Heike.

Motion: To adjourn the meeting at 3:28 p.m.

Maker: Keegan

Second: Heike

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

The meeting was adjourned at 3:28 p.m. The next regular meeting is scheduled for June 1, 2022 at 11:30 a.m.

Respectfully submitted,

President

Secretary