

**ST. CHARLES POLICE PENSION FUND**  
211 North Riverside Avenue  
St. Charles, Illinois 60174

**MEETING MINUTES**  
**Wednesday, June 5, 2019**  
**11:30 a.m. – St. Charles Police Department**

**1. MEETING CALLED TO ORDER**

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

**2. ROLL CALL**

Members Present: Brooks Boyce, President; Stephen Heike, Secretary; Dave Jannusch, Trustee; Chris Minick, Finance Director; and James Keegan, Trustee

Members Absent: None

Others Present: Brian LaBardi, Reimer Dobrovolny & Karlson LLC; John Willhite, UBS; Cheryl Shimp, Recording Secretary

**3. APPROVE PREVIOUS MEETING MINUTES**

**Motion:** To approve the Regular Meeting Minutes of March 6, 2019 as presented.

**Maker:** Jannusch

**Second:** Minick

**Voice Vote:** 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

**Motion:** To approve the Special Meeting Minutes of March 15, 2019 as presented.

**Maker:** Minick

**Second:** Heike

**Voice Vote:** 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

**Motion:** To approve the transcript of the December 21, 2018 Shaw Disability Hearing as presented.

**Maker:** Heike

**Second:** Jannusch

**Voice Vote:** 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

At this time the Board went out of order on the agenda in order to certify the recent election. Brooks Boyce was the only active member running for trustee. No write-in candidates were received.

**Motion:** To certify the re-election of Brooks Boyce as Active Member Trustee of the St. Charles Police Pension Fund by acclamation for a 2-year term to expire on 04/30/2021.

**Maker:** Jannusch

**Second:** Keegan

**Roll Call:** Heike – Aye, Jannusch – Aye, Keegan – Aye, Minick – Aye, Boyce – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

#### **4. INVESTMENT ACTIVITIES**

Willhite gave a brief overview of his career and his career with UBS. Plans on working for another 5-6 years.

Willhite stated that the portfolio is very diversified to include MLP's, Bonds, Real Estate, etc. The marketplace is experiencing a more normal volatility, however, is experiencing trade issues with China. Willhite gave a brief overview of the current issues effecting the market to include oil prices.

The Board reviewed the portfolio for 1Q19. The portfolio began the quarter at \$32,948,129 and ended the quarter at \$35,549,888 up 9.10% with the benchmark up 8.96%. The one-year number, however, was up only 2.92%. American Beacon was part of the reason and as a result, a conference call was held with them. Willhite stated that although their numbers have been lower than their benchmark of late, their 5 and 10-year numbers put them in the top quartile percentile with their peers. They experienced a horrible stock selection in 2018. It was noted that 50% of all their profits go to charity. UBS is still confident that they are a strong performer. Questions arose as to what American Beacon is going to do to make improvements. Discussion continued. American Beacon will be closely watched over the next quarter. Blackrock Strategic Income was another topic of discussion. Blackrock's mandate is not to lose money for their clients. Long term numbers are very good. Discussion was held on the remaining money managers. Discussion was held on investments in the real estate market. Willhite will provide a study of Chilton REIT for the next meeting.

Approximately \$1M in tax levy money is due in June.

**Motion:** To take \$150,000 from American Beacon and allocate it to Chilton REIT.  
**Maker:** Minick  
**Second:** Keegan  
**Roll Call:** Heicke – Aye, Jannusch – Aye, Minick – Aye, Keegan – Aye, Boyce – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

**Motion:** To delegate discretionary authority to Chris Minick to reinvest the first installment of the property tax monies in accordance with the IPS, statutory guidelines and cash flow requirements.  
**Maker:** Keegan  
**Second:** Heicke  
**Roll Call:** Heicke – Aye, Jannusch – Aye, Keegan – Aye, Minick – Aye, Boyce – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

Discretionary Service Contract – UBS has hired outside counsel reference this issue. There is a law in Illinois, that states if an individual is the custodian, which is what UBS, you may not have discretion. The intent of this law was so that brokers, brokering product and making commissions, wouldn't be able to make a commission on the buy. For UBS to have discretion, UBS must hold custody. Discussion continued. Working to get an opinion from DOI on if someone isn't making a commission, are they allowed to have discretion. Will continue to monitor the situation.

Investment Policy Statement – None.

Cyber Security – UBS has provided the Board members with logins to monitor investments.

**Motion:** To approve the UBS 1Q19 report as presented.  
**Maker:** Minick  
**Second:** Jannusch  
**Roll Call:** Minick – Aye, Keegan – Aye, Jannusch – Aye, Heike – Aye, Boyce – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

## **5. OLD BUSINESS**

RFP (Request For Proposal) for Investment Consultant – Minick reported that he has two (2) RFP's; the first is for an Investment Consultant w/o discretion and the second is for an Investment Consultant with discretion. The Board needs to determine whether to go with a discretionary RFP or non-discretionary. If the Board does decide to go non-discretionary now, they may change over to discretionary, once the situation is cleared up. After a brief discussion, the Board chose to go with a non-discretionary RFP. RFP's will be sent to 5 firms. RFP's for Investment Consultants are required by statute every 5 years.

**Motion:** To authorize Chris Minick to send out up to 5 RFP's to Investment Consulting Firms to include UBS.  
**Maker:** Jannusch  
**Second:** Heike  
**Roll Call:** Minick – Aye, Keegan – Aye, Jannusch – Aye, Heike – Aye, Boyce – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

Police/Fire Retiree & Beneficiary Death Auditing Service – At the last meeting, concerns were raised on the possibility of a breach of Life Status 360 and IPPFA access to this data. It was noted that Life Status 360 does have insurance to cover any breach in their system and the IPPFA is only a partner in marketing the service and does not have access to this data nor are they a party to the contract. Lauterbach & Amen have hired Life Status 360 and bears all the cost for this service. L&A is providing this service free of charge to IPPFA members. Minick stated that this service would be very beneficial to a fund to protect it from overpayment of benefits. They have done a lot of research and due diligence on this subject and recommend the Board participate in the program.

**Motion:** To participate in the Police/Fire Retiree & Beneficiary Death Auditing Service.  
**Maker:** Jannusch  
**Second:** Keegan  
**Roll Call:** Heike – Aye, Jannusch – Aye, Keegan – Aye, Minick – Aye, Boyce – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

Election of Officers – It was recommended that the current officers remain as follows: Boyce – President; Jannusch – Vice President; Heike – Secretary. There will be no Second Secretary position.

**Motion:** To motion to keep all officers in their current position.  
**Maker:** Keegan  
**Second:** Jannusch  
**Voice Vote:** 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

Statement of Economic Interest – All Board members are required to complete this statement on an annual basis. All members have indicated they have completed this task.

Buy Back Military Time – Officer Coryell has resigned from the Department. This is no longer an issue. Officer Coryell has decided to keep his monies with the Fund.

## **6. PRESENTATION AND APPROVAL OF BILLS FOR PAYMENT**

**Motion:** To approve Addendum A in the amount of \$112,754.54 as presented.  
**Maker:** Keegan  
**Second:** Jannusch  
**Voice Vote:** 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

## **7. APPLICATIONS FOR MEMBERSHIP**

Boyce reported on one (1) new members to the Pension Fund; Joseph Bonifas. Officer Bonifas will be a Tier 2 member being hired on 03/27/2019. He is currently in the academy and will be graduating in July.

**Motion:** To accept Joseph Bonifas into the St. Charles Police Pension Fund as a Tier 2 Member.  
**Maker:** Keegan  
**Second:** Heike  
**Voice Vote:** 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

Keegan noted that another new hire is expected on June 17, 2019.

## **8. APPLICATIONS FOR BENEFITS**

Transfer of Service – Dony – Boyce reported that Joe R. Dony bought his time back from River Grove. The Fund has received a check from River Grove in the amount of \$42,472.96; which buys back 2 years, 10 months and 8 days.

**Motion:** To approve the Transfer of Service from River Grove of 2 years, 10 months and 8 days for Joe R. Dony in the amount of \$42,472.96.  
**Maker:** Minick  
**Second:** Jannusch  
**Roll Call:** Heike – Aye, Jannusch – Aye, Keegan – Aye, Minick – Aye, Boyce – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

Transfer of Service – Wessendorf – Boyce reported that Jason Wessendorf bought his time back from the Village of LaGrange. The Fund has received a check from the Village of LaGrange in the amount of \$71,554.00; which buys back 4 years, 6 months and 29 days.

**Motion:** To approve the Transfer of Service from the Village of LaGrange of 4 years, 6 months and 29 days for Jason Wessendorf in the amount of \$71,554.00.  
**Maker:** Keegan  
**Second:** Heike  
**Roll Call:** Heike – Aye, Jannusch – Aye, Keegan – Aye, Minick – Aye, Boyce – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

## **9. ATTORNEY'S REPORT**

Newsletter distributed to members. Most significant of interest is a PTSD police case. There has been an uptick in both police and fire PTSD cases. The interesting thing about this case is that it affirms that a fire PTSD or mental disability case is handled very differently than police. A police officer applied for a line-of-duty disability that he attributed to 2 separate instances of police response. After the hearing, it was determined to be more in the line of 4 separate instances of police response and the officer's prior military service in Iraq. The board gave the officer a non-duty related disability. The Appellate Court affirmed the board's decision. Per a Supreme Court ruling, for police, if you have a mental disability, you must have a single identifiable act of police duty in order to get line-of-duty. There are no accumulative effects resulting in a line-of-duty mental disability and there is no aggravation of pre-existing condition for mental disability. There is for a physical disability and if you are a firefighter, you can get a line-of-duty mental disability for accumulative acts. The Fire Code is written differently than the Police Code. Discussion was held on what the Board's options are when a military veteran applies that has PTSD on their DD214.

PSEBA – PSEBA is a health insurance benefit that is administered by the municipality. There is an interplay with PSEBA and disability pensions. There is a case wherein a police officer was doing riot control training. The officer got off their vehicle, fell and injured their knee. The officer was asked if they were okay to continue or did they require medical treatment; the officer stated they would finish the drill. The officer received a line-of-duty disability from the pension board. In order to get PSEBA you must be: 1) Catastrophically injured; and 2) In response to what is reasonably believed to be an emergency. The Appellate Court ruled that if the incident has been a real emergency, the officer would not have been given the option to continue. Therefore, the officer is not eligible for PSEBA.

There are several consolidation bills proposed, however, none have made it out of Committee. There is one bill, voluntary consolidation, which the Governor has formed a committee to study. The committee's report is due in July. The bill only applies to fire, at this time. The idea is that the local boards would vote to send all their monies to Springfield to be invested by, unknown. Will continue to monitor the situation.

## **10. NEW BUSINESS**

New Police Department – Boyce reported that the new police facility has a pension office. Need to determine what records will be transferring over to the new facility. The new facility is scheduled to open in September. Looking to move sometime after Labor Day. The new address is 1515 W. Main Street.

Minick reported that the auditors are beginning the audit process. Some board members may receive letters from the auditors reference this process. Please complete these documents and return them back to the auditors at your earliest convenience.

## **11. PUBLIC COMMENTS**

None.

## 12. ADJOURNMENT

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

**Motion:** To adjourn the meeting at 1:05 p.m.  
**Maker:** Keegan  
**Second:** Jannusch  
**Voice Vote:** 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

The meeting was adjourned at 1:05 p.m. The next regular meeting is scheduled for September 4, 2019 beginning at 11:30 a.m.

Respectfully submitted,



President



Secretary

6/4/2019

**CITY OF ST CHARLES  
EXPENDITURE APPROVAL LIST - DISTRIBUTION**

3/1/2019 - 5/31/2019

<u>VENDOR</u>	<u>VENDOR NAME</u>	<u>PO NUMBER</u>	<u>ACCT UNIT</u>	<u>ACCOUNT</u>	<u>AMOUNT</u>	<u>DATE</u>	<u>INVOICE</u>	<u>DESCRIPTION</u>
<b>1162</b>	<b>ILLINOIS STATE TREASURER</b>							
		1	400300	55245	6,793.33	05/14/2019	G51129	FY 2020 COMPLIANCE FEE
					<b>6,793.33</b>	<b>1162</b>	<b>ILLINOIS STATE TREASURER</b>	
<b>1276</b>	<b>DAVID JANNUSCH</b>							
		1	400300	51300	185.00	03/07/2019	HE019-201902-0255-01	REIMB FOR IPPFA SEMINAR
					<b>185.00</b>	<b>1276</b>	<b>DAVID JANNUSCH</b>	
<b>2212</b>	<b>CITY OF ST CHARLES</b>							
		1	400300	51300	185.00	04/02/2019	20190227	REIMB COSC - IPPFA SEMINAR
		1	400300	51300	215.00	04/23/2019	20190411	REIMB COSC IPPF =KEEGA
					<b>400.00</b>	<b>2212</b>	<b>CITY OF ST CHARLES</b>	
<b>2638</b>	<b>INTERNAL REVENUE SERVICE</b>							
		1	400900	20107	27,322.33	04/25/2019	FIT 190425092609300	Federal Withholding Tax
		1	400900	20107	27,922.33	05/24/2019	FIT 190524153000300	Federal Withholding Tax
		1	400900	20107	27,218.33	03/25/2019	FIT 190325104652300	Federal Withholding Tax
					<b>82,462.99</b>	<b>2638</b>	<b>INTERNAL REVENUE SERVICE</b>	
<b>2927</b>	<b>CHERYL A SHIMP</b>							
		1	400300	54399	150.00	05/09/2019	19-101	MINUTES 12/5/18 & 3/15/19
					<b>150.00</b>	<b>2927</b>	<b>CHERYL A SHIMP</b>	
<b>2940</b>	<b>COOK CASTLE ASSOCIATES LLC</b>							
		1	400300	54360	6,771.00	03/14/2019	1443	FIDUCIARY LIABILITY PREMIUM
					<b>6,771.00</b>	<b>2940</b>	<b>COOK CASTLE ASSOCIATES LLC</b>	
<b>3172</b>	<b>CITY OF ST CHARLES PP</b>							
		1	400900	20120	4,003.74	03/25/2019	MEBN190325104652300	Retiree Benefits
		1	400900	20120	4,153.85	05/24/2019	MEBN190524153000300	Retiree Benefits
		1	400900	20120	4,003.74	04/25/2019	MEBN190425092609300	Retiree Benefits
					<b>12,161.33</b>	<b>3172</b>	<b>CITY OF ST CHARLES PP</b>	
<b>3615</b>	<b>FOSTER &amp; FOSTER ACTUARIES INC</b>							
		1	400300	54131	300.00	04/11/2019	14382	PP TRUE COST = WESSEN

<u>VENDOR</u>	<u>VENDOR NAME</u>	<u>PO NUMBER</u>	<u>ACCT UNIT</u>	<u>ACCOUNT</u>	<u>AMOUNT</u>	<u>DATE</u>	<u>INVOICE</u>	<u>DESCRIPTION</u>
		1	400300	54131	300.00	03/14/2019	14173	PP TRU COST CALC = DIEI
					<b>600.00</b>	<b>3615</b>	<b>FOSTER &amp; FOSTER ACTUARIES INC.</b>	
<b>4062</b>	<b>REIMER &amp; DOBROVOLNY PC</b>							
		1	400300	54110	2,326.89	03/07/2019	2281-24701	LEGAL SVCS
		1	400300	54110	904.00	03/28/2019	2281-24834	LEGAL SVCS/QRTRLY RET
					<b>3,230.89</b>	<b>4062</b>	<b>REIMER &amp; DOBROVOLNY PC</b>	
			<b>Grand Total:</b>		<b>112,754.54</b>			