

# **ST. CHARLES POLICE PENSION FUND**

1515 West Main Street  
St. Charles, Illinois 60174

## **MEETING MINUTES Wednesday, September 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 Dobrovolny & LaBardi PC; John Falduto, Sawyer Falduto (arrived 11:45 a.m.); Ed Lavin, Sawyer Falduto (via conference call); Nick Meggos, Nyhart; Cheryl Shimp, Recording Secretary

### **APPROVE PREVIOUS MEETING MINUTES**

**Motion:** To approve the minutes of the June 3, 2022, regular meeting as presented.

**Maker:** Heike

**Second:** Hannah

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

**Motion:** To approve the minutes of the June 23, 2022, special meeting as presented.

**Maker:** Hannah

**Second:** Heike

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

Went out of order awaiting the arrival of Investment Manager.

### **OLD BUSINESS**

None.

### ACCOUNTANT'S REPORT/PRESENTATION OF BILLS FOR DISBURSEMENT

**Motion:** To approve Addendum A in the amount of \$715,060.23 as presented.  
**Maker:** Beam  
**Second:** Heike  
**Roll Call:** Heike – Aye, Hannah – Aye, Beam – Aye, Keegan – Aye, Boyce – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried

### APPLICATIONS FOR MEMBERSHIP

Two new applications for membership, which should be graduating from the academy on 09/23/2022.

**Motion:** To approve membership for Elias Jacobsen as a Tier 2 employee effective 06/13/2022.  
**Maker:** Heike  
**Second:** Hannah  
**Roll Call:** Hannah – Aye, Keegan – Aye, Heike – Aye, Beam – Any, Boyce – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

**Motion:** To approve membership for Ryan E. Ledebuhr as a Tier 2 employee effective 06/13/2022.  
**Maker:** Heike  
**Second:** Keegan  
**Roll Call:** Hannah – Aye, Keegan – Aye, Heike – Aye, Beam – Any, Boyce – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

It was noted that Officer Ledebuhr is still active in the National Guard.

### APPLICATIONS FOR BENEFITS

Anyon Disability – LaBardi reported that Officer Anyon has submitted an application for disability benefits. Her attorney, however, has advised that they do not want any action taken on the part of the Pension Board at this time, until the workman's comp matter is settled. All parties will advise the Board when they are ready to proceed. Discussion was held on the Board dealing with a similar situation that took over 2.5 years, gathering documents ahead of time, an officer being an active member in order to file for benefits, immediately starting the process, significant delays in getting records, recourse, etc. Will continue to monitor the situation.

Churney Disability – LaBardi report that a Decision and Order has been drafted. There is, however, an issue with the effective date of pension. LaBardi has been in contact with Churney's Attorney as well as the City Attorney. No additional evidence has been presented. No answer from the Churney party if they wish to reopen the hearing or not. Recommended that the Decision and Order not be approved at this time until the issue of the effective date is resolved. The current effective date of the Decision and Order is the October date.

### ATTORNEY'S REPORT

LaBardi distributed the latest newsletter. Noted that the Consolidation Lawsuit is on Appeal. No news from the Appellate Court. Will continue to monitor.

LaBardi reported that there are more IMRF transfer opportunities. Several other windows have now been opened. The shortest deadline is November 13, 2022; to transfer IMRF time as a County Corrections Officer or a person employed by an IMRF municipality to perform administrative duties related to law enforcement. Any employees wishing to transfer IMRF time should contact IMRF directly to start the process. The second deadline is for IMRF for sheriff's employees or law enforcement administrative duties, which has a deadline of 09/30/2023. SURS (State University Retirement System) participants have until 06/30/2023 to transfer any time.

LaBardi reported on Surviving Spouses. The current rule states that if a pensioner is married after retirement, the surviving spouse is not eligible to receive benefits. Effective January 1, 2023, or upon the death of beneficiary, the surviving spouse may be eligible for benefits, even if they married after the officer's retirement. Surviving spouse must have been married for at least 5 years and be at least 62 yoa. Said surviving spouse would be eligible for benefits for up to 15 years. Discussion was held on required documentation (marriage certificate, death certificate, etc.), retro pay, eligible after January 1, notification, etc.

Discussion was held on the City being in possession of detailed invoices from the law firm. Legal advice is that it is strongly advised that this should never occur as these documents are considered attorney/client information and should never be distributed to anyone outside of a Trustee. Discussion continued on how to submit requests for payment, what information is required, FOIA requests, City Finance Department paying invoices, invoices on a go forward basis, etc.

### NEW BUSINESS

IPPPFA Conference – Scheduled for beginning of October. Registrations have been paid. Discussion held on Per Diem expenses. It was determined that the members would use \$74 per day and checks will be provided before the conference.

**Motion:** To approve a Per Diem rate of \$74/day x 3 days x 3 attendees for the IPPFA Conference.  
**Maker:** Beam  
**Second:** Hannah  
**Roll Call:** Hannah – Aye, Keegan – Aye, Heike – Aye, Beam – Any, Boyce – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

Audit Report – Hannah reported that the Audit Report is in draft form and is being conducted by Sikich. Final report should be available by the next meeting.

Actuarial Report – Meggos reported that Nyhart was retained to perform the actuarials for both police and fire pensions. A summary as well as a full report was distributed to all trustees. Meggos gave an overview of the reports. Hannah noted that there is a 7.7% increase in the recommended tax levy over last year. Recommended tax levy of \$4,170,718.

**Motion:** To approve the Actuarial Report as presented and recommend a tax levy of \$4,170,718.  
**Maker:** Hannah  
**Second:** Keegan  
**Roll Call:** Hannah – Aye, Keegan – Aye, Heike – Aye, Beam – Any, Boyce – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

Municipal Compliance Report – Hannah presented the Municipal Compliance Report for approval. The MCR is required by State Statute.

**Motion:** To approve the Municipal Compliance Report as presented.  
**Maker:** Hannah  
**Second:** Keegan  
**Roll Call:** Hannah – Aye, Keegan – Aye, Heike – Aye, Beam – Any, Boyce – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

Executive Session – None.

### INVESTMENT ACTIVITIES

Falduto distributed the 06/30/2022 quarterly report. It was noted that with the recent consolidation, the Board no longer has an Investment Policy Statement (IPS). The portfolio began the year at \$51.6M and as of 06/30/2022 it was \$41.6M down \$9M with \$925,000 transferred to the Fund's checking account for benefit payments and expenses. Benchmark was down -16.4%. Stock Market was down -22.8%. Falduto noted that when interest rates go up, the value of bonds goes down. Bonds were down -7.6%. Long term, the stock portion of the portfolio was up 11.4% with the bond portion up 3.5%. Total growth from investments was \$6.5M since inception. Lavin gave an overview of the current market/economy status, which included interest rates, volatility, positive 3<sup>rd</sup> quarter numbers, Federal Reserve, etc.

Falduto reviewed the transactions with the members to include the transitions of assets to the consolidation fund. Falduto noted that there were discrepancies with the transitions of assets to include assets that were sent and never recognized received, assets received that were never sent, etc. Sawyer Falduto followed up on all these discrepancies to make sure they were resolved. Requested that all emails received from the consolidated fund be forward to their firm for follow up.

**Motion:** To accept the Quarterly Investment Manager's Report as presented.  
**Maker:** Keegan  
**Second:** Heike  
**Roll Call:** Hannah – Aye, Keegan – Aye, Heike – Aye, Beam – Any, Boyce – Aye. 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

Falduto noted that the Board should receive a statement from State Street sometime later in September. 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. No statements/paperwork have been received.

Falduto recommended that the Board complete the eCFM Access Forms for electronic fund transfers. Boyce voiced his appreciation for Sawyer Falduto and all the work they have done. Not happy with the consolidation and thanked Sawyer Falduto. Falduto reported that they will continue to work with the Board through the end of the consolidation process.

### PUBLIC COMMENTS

None.

**ADJOURNMENT**

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

**Motion:** To adjourn the meeting at 1:00 p.m.  
**Maker:** Keegan  
**Second:** Hannah  
**Voice Vote:** 5 Ayes, 0 Nays, 0 Absent. All in favor. Motion carried.

The meeting was adjourned at 1:00 p.m. The next regular meeting is scheduled for December 7, 2022.

Respectfully submitted,

  
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President  
  
\_\_\_\_\_  
Secretary

8/29/2022

CITY OF ST CHARLES  
EXPENDITURE APPROVAL LIST - DISTRIBUTION

6/1/2022 - 8/31/2022

<u>VENDOR</u>	<u>VENDOR NAME</u>	<u>PO</u> <u>NUMBER</u>	<u>ACCT UNIT</u>	<u>ACCOUNT</u>	<u>AMOUNT</u>	<u>DATE</u>	<u>INVOICE</u>	<u>DESCRIPTION</u>
1162	ILLINOIS DEPT OF INSURANCE	1	400300	55245	8,000.00	07/22/2022	H13878	FY 2023 COMPLIANCE FEE
					<u>8,000.00</u>	1162		ILLINOIS DEPT OF INSURANCE
2212	CITY OF ST CHARLES	1	400300	51300	1,700.00	08/26/2022	20220629	COSC CC FOR POLICE PEI
					<u>1,700.00</u>	2212		CITY OF ST CHARLES
2638	INTERNAL REVENUE SERVICE							
		1	400900	20107	38,298.11	07/25/2022	FIT 220725080459300	Federal Withholding Tax
		1	400900	20107	38,554.11	06/24/2022	FIT 220624122012300	Federal Withholding Tax
		1	400900	20107	37,304.53	08/25/2022	FIT 220825092713300	Federal Withholding Tax
					<u>114,156.75</u>	2638		INTERNAL REVENUE SERVICE
3172	CITY OF ST CHARLES PP							
		1	400900	20120	4,533.38	08/25/2022	MEBN220825092713300	Retiree Benefits
		1	400900	20120	5,331.13	06/24/2022	MEBN220624122012300	Retiree Benefits
		1	400900	20120	5,331.13	07/25/2022	MEBN220725080459300	Retiree Benefits
					<u>15,195.64</u>	3172		CITY OF ST CHARLES PP
4062	REIMER DOBROVOLNY & LABARDI P							
		1	400300	54110	2,557.46	08/15/2022	2281-28498	LEGAL SERVICES QTR FEI
		1	400300	54110	354.00	06/15/2022	2281-28345	LEGAL SERVICES QUARTE
					<u>2,911.46</u>	4062		REIMER DOBROVOLNY & LABARDI P
9990012:	CAMPTON HILLS POLICE PENSION							
		1	400900	10245	573,096.38	06/28/2022	ROLLOVER	ROLL OVER - S. CORYELL
					<u>573,096.38</u>	999001289		CAMPTON HILLS POLICE PENSION
					<u>715,060.23</u>			Grand Total: