

ST. CHARLES POLICE PENSION FUND

1515 West Main Street
St. Charles, Illinois 60174

MEETING MINUTES Wednesday, September 6, 2023 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 action taken by the Board and to include some 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 11:32 a.m.

ROLL CALL

Members Present: Steve Heike, President; Ryan Carrigan, Secretary; Bill Hannah, Finance Director; Tim Beam, Vice President

Members Absent: James Keegan, Trustee

Others Present: Brian LaBardi, Reimer & Dobrovolny, PC; John Falduto, Sawyer Falduto; and Cheryl Shimp, Recording Secretary

APPROVE PREVIOUS MEETING MINUTES

Motion: To approve the minutes of the June 6, 2023 regular meeting as presented.

Maker: Beam

Second: Carrigan

Voice Vote: 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

Motion: To approve the transcript of the open session of the December 7, 2022 special meeting as presented.

Maker: Beam

Second: Carrigan

Voice Vote: 3 Ayes, 0 Nays, 1 Absent, 1 Abstain (Carrigan). All in favor. Motion carried.

INVESTMENT ACTIVITIES

Falduto distributed the quarterly report. The Schwab Account (Cash Account) began the quarter at \$493,958 and with interest ended the quarter at \$498,066. Falduto gave an overview of the performance of the indexes year to date noting that the S&P 500 was up 16.9%. Bonds were up 2.4%.

Motion: To approve the Sawyer Falduto report as presented.

Maker: Beam

Second: Carrigan

Voice Vote: 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

Falduto reported on the returns of the Consolidated Fund to include investment expenses, investment manager expenses, payouts, etc. As of 07/31/2023, the Consolidated Fund had \$9.64B in assets. It was noted that there are currently 15 agencies that have not consolidated yet, as a result of the lawsuit. The total assets of these funds are a little over \$1B. The St. Charles Police Pension Fund is currently at \$46.18M up 9.9% YTD. The Fund's portion of the loan repayment was \$33,000.

Falduto reported that the Schwab account requires updated signatures. Carrigan and Hannah to be added to the Schwab account. Brooks to be removed as a signer.

Motion: To update the signatures on the Schwab account as discussed.
Maker: Hannah
Second: Carrigan
Voice Vote: 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

Cash Management Policy – No changes required.

OLD BUSINESS

None.

QUARTERLY FINANCIAL REPORT/PRESENTATION OF BILLS FOR DISBURSEMENT

Motion: To approve Addendum A in the amount of \$141,777.61 as presented.
Maker: Beam
Second: Carrigan
Roll Call: Heike – Aye, Beam – Aye, Hannah – Aye, Carrigan – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

Hannah reported that the first round of tax monies was received along with employer/employee contributions, the Ending Net Position after expenses is \$48,585,067.59.

APPLICATIONS FOR MEMBERSHIP

Heike reported that the Department hired Thomas Coffield. Coffield was hired on 07/31/2023 as a Tier 2 employee. Ofc. Coffield comes to St. Charles as a lateral transfer from Elgin.

Motion: To accept the application for membership for Thomas Coffield into the St. Charles Police Pension Fund as a Tier 2 employee.
Maker: Beam
Second: Carrigan
Voice Vote: 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

APPLICATIONS FOR BENEFITS

Anyon/Woloszyk – LaBardi reported that they are currently gathering records. Waiting on 4 reports for Anyon and 3 reports for Woloszyk. Once all the reports are received, they will be forwarded to IME to select 3 doctors. Upon completion of exams and receipt of reports, hearings will be scheduled.

Schomer – Table to the next meeting.

ATTORNEY'S REPORT

LaBardi reported that the Supreme Court has agreed to hear the Consolidated Fund lawsuit case. It is anticipated that a ruling will be sometime the beginning of 2024.

LaBardi reported on City of East Peoria v. Board of Trustees of the Police Pension Fund of the City of East Peoria. The case is centered on the calculation of retirement benefits using the salary attached to rank for an officer demoted during their last year of service. There have been various interpretations on how to calculate the salary attached to rank. The pension board assessed the greatest salary attached to rank earned by the officer during their first year of service. The City disagreed. The Appellate Court rejected the City's interpretation requiring an average of salaries. However, the Appellate Court also found that the pension board's interpretation did not follow the plain language of the statute and interpreted the language to be a proration of both salaries. The pension board and the officer have filed a petition to appeal to the Illinois Supreme Court.

Discussion was held on a designated OMA/FOIA officer for the police pension board. In the past, the Secretary of Fund has always been the OMA/FOIA officer. This training may be done online with the Illinois Attorney General's Office. Table to the next meeting.

NEW BUSINESS

Actuarial Valuation/Tax Levy Recommendation – Hannah reported on the NIHART performed the City's Actuarial Valuation Report. The recommended total pension contribution for 2024 is \$4,467,238. Market value of assets was \$45.2M. Discussion continued on with a 5-year history of the valuation of the fund, assumption is 6.75%, rate of returns, development of contribution, participant information, 3.5% payroll growth assumption, etc. GASB, pension liability of the fund, increased from \$44.7M to \$47.3M. Discussion continued.

Motion: To recommend a tax levy amount of \$4,467,238 to the City of St. Charles.
Maker: Beam
Second: Carrigan
Roll Call: Heike – Aye, Beam – Aye, Hannah – Aye, Carrigan – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

Transfer of Funds – Gaske – Gaske was a lateral transfer from Winfield, Gaske completed 5 years of payments for the transfer of service. Completed payment for transfer, adjusted hire date of 01/04/2010.

Motion: To accept/approve the transfer of service as presented with an adjusted hire date off 01/04/2010.
Maker: Hannah
Second: Carrigan
Roll Call: Heike – Aye, Beam – Aye, Hannah – Aye, Carrigan – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

Pension Conference – The annual IPPFA Pension Conference is scheduled for October and will be held in Lincolnshire. All trustees are required by statute to complete 8 hours of trustee training annually. Discussion was held on hotel accommodations, registration, meals, travel expenses, who should attend, etc. Trustees not attending the conference will need to obtain training online. The IPPFA website has alternative training options.

Motion: To approve pension conference expenses incurred for Heike and Carrigan.
Maker: Beam
Second: Hannah
Roll Call: Heike – Aye, Beam – Aye, Hannah – Aye, Carrigan – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

Executive Session Review – None.

Municipal Compliance Report – Table to the December meeting.

Annual Audit – Hannah reported that the final audit should be completed and available for review/approval at the next meeting.

PUBLIC COMMENTS

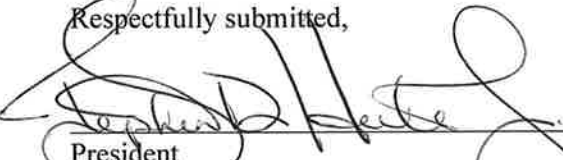
None.


ADJOURNMENT

There being no further business to discuss, motion to adjourn by Vice President Beam. Seconded by Trustee Carrigan.

Motion: To adjourn the meeting at 12:40 p.m.
Maker: Beam
Second: Carrigan
Voice Vote: 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

The meeting was adjourned at 12:40 p.m. The next regular meeting is scheduled for December 6, 2023.

Respectfully submitted,


President


Secretary