

# **ST. CHARLES POLICE PENSION FUND**

1515 West Main Street  
St. Charles, Illinois 60174

## **SPECIAL MEETING MINUTES**

**Friday, February 7, 2020**

**8:00 a.m. – St. Charles Police Department**

### **MEETING CALLED TO ORDER**

President Boyce called to order the Special Meeting of the St. Charles Police Pension Board at 8:11 a.m.

### **ROLL CALL**

Members Present: Brooks Boyce, President; Steve Heike, Secretary; Dave Jannusch, Trustee; and James Keegan, Trustee

Members Absent: Chris Minick, Finance Director

Others Present: Brian LaBardi, Reimer & Dobrovolny, PC

The sole purpose of this meeting is to hire a consultant for the St. Charles Police Pension Fund. The Board recently sent out RFP's for consultant and held a special meeting for presentations. Heike reported that he did contact another fund (Grays Lake) reference their opinions of Sawyer Falduto and their performance. Grays Lake had Sawyer Falduto in the early 2000's through Oakbrook Bank and MB Financial. When Sawyer Falduto went on their own, Grays Lake remained with MB Financial. This went on for a few years and Grays Lake were not happy with MB. They went back with Sawyer Falduto in 2011 and have been very happy with the results. Their fund is approximately \$25M, which is an increase of approximately \$9M from 2011. Unknown how well funded Grays Lake is but they highly recommend Sawyer Falduto.

Jannusch noted that the advantage of Sawyer Falduto is the fact that they are close, and they run their asset program basically the same for all their clients, which has been successful. Everyone contacted recommends Sawyer Falduto. Does not get the same feeling with UBS. Recommends changing to Sawyer Falduto.

Discussion continued on having a consultant nearby that is able to attend all meetings, transparency of Sawyer Falduto, sincerity, the fact that there is no extra fee for managers with Sawyer Falduto, Sawyer Falduto is a discretionary manager, UBS cannot use discretion, funds highly recommend Sawyer Falduto, fiduciary responsibility to maximize returns and minimize taxes to the people, Sawyer Falduto has never loss a client, etc.

**Motion:** To approve an Investment Management Agreement with Sawyer Falduto subject to attorney review and approval.

**Maker:** Jannusch

**Second:** Heike

**Roll Call:** Keegan – Aye, Jannusch – Aye, Heike – Aye, Boyce – Aye, Minick – Absent/Abstain. 4 Ayes, 0 Nays, 1 Absent/Abstain. All in favor. Motion carried.

**Motion:** To enter into a custody agreement with Schwab subject to attorney review and approval and to move the assets from UBS to Schwab for investment by Sawyer Falduto.  
**Maker:** Heike  
**Second:** Jannusch  
**Roll Call:** Keegan – Aye, Jannusch – Aye, Heike – Aye, Boyce – Aye. 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

LaBardi reported that the new law states that assets need to be transferred to the consolidated state fund within 30 months. That could mean that it occurs within 30 months or occurs sooner. Everything is unknown currently. It will depend on how soon the state will be able to get everything up and running. The Governor appointed trustees to both the police and fire last week. These trustees have not been confirmed by the Senate. The fire trustees have already met at least once. Unknown if the police trustees have met. It is believed that assets will not be moving until 2021, however, that could change. This is a mandated transition. It is possible that the larger funds will move first, but, again, it is unknown how the entire process will progress. Audits of the various funds will be conducted before any monies move.

Agreements will be forwarded to the Board's attorney for review. Sawyer Falduto will handle the entire process of transferring all the assets from UBS to Schwab. The transfer of funds shouldn't take any longer than a week so that all transactions are complete before the end of the fiscal year.

### ADJOURNMENT

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

**Motion:** To adjourn the meeting at 8:26 a.m.  
**Maker:** Boyce  
**Second:** Jannusch  
**Voice Vote:** 4 Ayes, 0 Nays, 1 Absent. All in favor. Motion carried.

The meeting was adjourned at 8:26 a.m.

Respectfully submitted,

  
President  
Secretary