

**MINUTES OF A REGULAR MEETING OF
THE CARPENTERSVILLE POLICE PENSION FUND
BOARD OF TRUSTEES
JANUARY 17, 2023**

A regular meeting of the Carpentersville Police Pension Fund Board of Trustees was held on Tuesday, January 17, 2023 at 10:30 a.m. in the Carpentersville Village Board Room located at 1200 L.W. Besinger Drive, Carpentersville, Illinois 60110, pursuant to notice.

CALL TO ORDER: Trustee Nilles called the meeting to order at 10:36 a.m.

ROLL CALL:

PRESENT: Trustees Richard Adams, Jason Nilles and Carl Sebastian

ABSENT: Trustees Jennifer Merritt and Kevin Stankowitz

ALSO PRESENT: Attorney Vince Mancini, Reimer Dobrovolny & LaBardi PC (*arrived at 10:39 a.m.*); Bill Yocius, Shield Capital; Derek Flessner and Jessica Foust, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *November 1, 2022 Special Meeting:* The Board reviewed the November 1, 2022 special meeting minutes. A motion was made by Trustee Sebastian and seconded by Trustee Adams to approve the November 1, 2022 special meeting minutes as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Meeting Minutes: There were no closed session meeting minutes for review.

Attorney Mancini arrived at 10:39 a.m.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the eleven-month period ending November 30, 2022 prepared by L&A. As of November 30, 2022, the net position held in trust for pension benefits is \$57,620,552.08 for a change in position of (\$7,159,608.99). The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal and the Vendor Check Report for the period September 1, 2022 through November 30, 2022 for total disbursements of \$167,051.10. A motion was made by Trustee Nilles and seconded by Trustee Sebastian to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$167,051.10. Motion carried by roll call vote.

AYES: Trustees Adams, Nilles and Sebastian

NAYS: None

ABSENT: Trustees Merritt and Stankowitz

Additional Bills, if any: The Board reviewed the L&A three-year engagement letter. A motion was made by Trustee Adams and seconded by Trustee Sebastian to engage L&A in the annual amounts as follows: \$5,820 for the year ended December 31, 2022; \$5,990 for the year ended December 31, 2023; and \$6,170 for the year ended December 31, 2024. Motion carried by roll call vote.

AYES: Trustees Adams, Nilles and Sebastian

NAYS: None

ABSENT: Trustees Merritt and Stankowitz

Review/Update Cash Management Policy: The Board reviewed the Cash Reserve Guidelines provided by L&A. A motion was made by Trustee Adams and seconded by Trustee Nilles to set a minimum target balance in the BMO Harris account of \$375,000 and a maximum target of \$400,000 and once the balance

exceeds the maximum target balance L&A will transfer the excess amount to IPOPIF for investing. Motion carried by roll call vote.

AYES: Trustees Adams, Nilles and Sebastian
NAYS: None
ABSENT: Trustees Merritt and Stankowitz

The Board discussed the TD Ameritrade and Schwab operating accounts. A motion was made by Trustee Adams and seconded by Trustee Nilles to authorize the Board to move any remaining funds in the TD Ameritrade and Schwab operating accounts to the BMO Harris operating account. Motion carried by roll call vote.

AYES: Trustees Adams, Nilles and Sebastian
NAYS: None
ABSENT: Trustees Merritt and Stankowitz

INVESTMENT REPORTS: *Post Consolidation Services Proposal – Shield Capital:* Mr. Yocius presented an overview of post-consolidation services offered by Shields Capital. A motion was made by Trustee Nilles and seconded by Trustee Adams to retain Shields Capital for post-consolidation services at a rate of \$200 an hour. Motion carried by roll call vote.

AYES: Trustees Adams, Nilles and Sebastian
NAYS: None
ABSENT: Trustees Merritt and Stankowitz

IPOPIF – Versus Advisory, Inc: The Board reviewed the IPOPIF Investment Performance Review prepared by Verus Advisory, Inc. for the period ending September 30, 2022. As of September 30, 2022, the one-month total net return is (5.4%) and the year-to-date total net return is (14.1%) for an ending market value of \$5,725,892,654.

State Street Statements: The Board reviewed the IPOPIF Market Value Summary and Statement of Transaction Detail for the period ending November 30. The beginning value was \$44,652,150.86 and the ending value was \$51,850,184.66. The net return was 5.68%.

COMMUNICATIONS AND REPORTS: *Statements of Economic Interest:* The Board noted that the List of Filers must be submitted to the County by the Village by February 1, 2023. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2023.

TRUSTEE TRAINING UPDATES: The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities. Trustees were reminded to submit any certificates of completion to L&A for recordkeeping.

Approval of Trustee Training Registration Fees and Reimbursable Expenses: There were no trustee training registration fees or reimbursable expenses presented for approval.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: There were no applications for membership or withdrawals from the Fund.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Deceased Pensioner – Donald Azarela/Approval of Surviving Spouse Benefits – Grace Azarela:* The Board noted that Donald Azarela passed away on December 20, 2022. The Board reviewed the surviving spouse benefit calculation for Grace Azarela with an effective date of December 21, 2022 for a monthly benefit of \$5,155.74 with no additional increases. A motion was made by Trustee Adams and seconded by Trustee Nilles to approve the surviving spouse benefit of Grace Azarela calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Adams, Nilles and Sebastian
NAYS: None
ABSENT: Trustees Merritt and Stankowitz

OLD BUSINESS: *IDOI Compliance Audit:* The Board noted the IDOI compliance Audit has been completed. No further action is needed.

NEW BUSINESS: *Transfers of Creditable – Juan Cisneros, Jason Nilles, Todd Shaver and Kevin Stankowitz:* The Board noted that Todd Shaver has decided to decline his transfer of creditable service from IMRF to the Carpentersville Police Pension Fund. No further action is needed.

The Board discussed Jason Nilles' transfer of creditable service. A motion was made by Trustee Adams and seconded by Trustee Sebastian to accept Jason Nilles' transfer as paid in full in the amount of \$1,349.03 from IMRF to the Carpentersville Police Pension Fund and to revise Jason Nilles' hire date from December 27, 2001 to August 27, 2001. Motion carried by roll call vote.

AYES: Trustees Adams, Nilles and Sebastian
NAYS: None
ABSENT: Trustees Merritt and Stankowitz

The Board discussed Kevin Stankowitz' transfer of creditable service. A motion was made by Trustee Adams and seconded by Trustee Nilles to accept Kevin Stankowitz' transfer as paid in full in the amount of \$2,253.06 from IMRF to the Carpentersville Police Pension Fund and to revise Kevin Stankowitz' hire date from July 8, 2004 to September 8, 2003. Motion carried by roll call vote.

AYES: Trustees Adams, Nilles and Sebastian
NAYS: None
ABSENT: Trustees Merritt and Stankowitz

Approve Annual Cost of Living Adjustments for Pensioners: The Board reviewed the 2023 Cost of Living Adjustments (see attached) calculated by L&A. A motion was made by Trustee Nilles and seconded by Trustee Sebastian to approve the 2023 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Adams, Nilles and Sebastian
NAYS: None
ABSENT: Trustees Merritt and Stankowitz

Review Trustee Term Expirations and Election Procedures: The Board noted that the appointed member position held by Trustee Sebastian is expiring in May 2023. The Board will contact the Village and seek appointment of a new Trustee to the Board.

Updated Local Bank Account Collateralization Agreements: The Board reviewed the memorandum prepared by L&A regarding the successor of the third-party custodian from Bank of America to The Bank of New York Mellon to continue collateralization of the BMO Harris Bank operating account. Further discussion will be held at the next regular meeting.

ATTORNEY'S REPORT – REIMER DOBROVOLNY & LABARDI PC: *Legal Updates:* The Board reviewed the *Legal and Legislative Update* quarterly newsletter.

Review/Approve – Board Rules & Regulations: The Board reviewed the updated Board Rules and Regulations. Further discussion will be held at the next regular meeting.

NEW BUSINESS (CONTINUED): *Transfers of Creditable – Juan Cisneros, Jason Nilles, Todd Shaver and Kevin Stankowitz (Continued):* The Board discussed Juan Cisneros’s transfer of creditable service. A motion was made by Trustee Nilles and seconded by Trustee Adams to accept Juan Cisneros’s transfer as paid in full in the amount of \$31,554.28 from IMRF to the Carpentersville Police Pension Fund and to revise Juan Cisneros’s hire date from May 29, 2006 to November 29, 2003. Motion carried by roll call vote.

AYES: Trustees Adams, Nilles and Sebastian

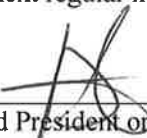
NAYS: None

ABSENT: Trustees Merritt and Stankowitz

CLOSED SESSION, IF NEEDED: There was no need for closed session.

ADJOURNMENT: A motion was made by Trustee Adams and seconded by Trustee Nilles to adjourn the meeting at 12:10 p.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for April 18, 2023 at 10:30 a.m.



Board President or Secretary Name

Minutes approved by the Board of Trustees on 4/18/2023.

Minutes prepared by Jessica Foust, Pension Services Administrator, Lauterbach & Amen, LLP