

Pension Board Meeting Minutes

CARPENTERSVILLE POLICE PENSION BOARD SPECIAL MEETING

January 19th, 2021

10:50 am

Zoom

Roll Call

John Galason, Carl Sebastian, and Kevin Stankowitz were present. Scott Adams joined meeting at 10:58 am.

In Attendance

Bill Yocius from Shields Capital (Board consultant), Derek Flessner from Lauterbach & Amen (L&A), Amy Cramer from Segall, Bryant & Hamill (SBH) and Robert Osanski from Mitchell, Vaught & Taylor (MVT), Richard Reimer (Attorney),

Approval of Minutes

- Kevin Stankowitz made motion to approval of minutes from October 27th 2020 minutes. A roll call vote was taken: John – yes, Carl- yes, Kevin- yes Motion Carries
- Kevin Stankowitz made motion to approval of minutes from December 10th 2020 minutes. A roll call vote was taken: John – yes, Scott – yes, Carl- yes, Kevin- yes Motion Carries

Public Discussion

None.

Approval of Bills- 4th Quarter

- Village of Carpentersville Insurance- October (\$13,449.45), November (\$13,449.45), and December (\$12,745.03)- \$40,296.91
 - Kane County Teachers Credit Union- Elgin Branch- \$300.00
 - Collins & Radja – Q4 2020 Retainer - \$900.00
 - Lauterbach & Amen Accounting and benefits fees for Q4 2020 (\$1,145/month) & FYE20 IDOI - \$4,940.00
 - Integrated Advisors Network, LLC- Investment Consulting Services: Shields Capital Advisors- \$7,962.87
 - IRS – 4th Quarter - \$90,136.21
- Total Bills for 3rd Quarter – \$144,535.99**
- Carl Sebastian motioned to approve the 4th Quarter bill list, John Galason 2nd. Discussion: None. A roll call vote was taken: John – yes, Carl-yes, Kevin- yes. Motion carries.

Old Business

- Passing of Theresa M. Jersky - Derek has reached out several times and has not been able to make contact. \$2,137,65 is the amount of overpayment. Richard suggest Derek send one more letter but then let it be. Due to the small amount, it wouldn't be worthwhile to continue with legal services to obtain the overpayment.

New Business

- Cmd. Galason bought back 2 years, 9 months and 4 days from his prior department, the Round Lake Beach Police Department. His start date is changed to September 27th, 1996. The Round Lake Beach Police Pension fund issued a check of \$114,443.40 to the Carpentersville Police Pension Fund. Everything was received and the board approved. Kevin make a motion to change hire date. Scott Adams seconds. A roll call vote was taken: John - yes, Carl- yes, Kevin- yes, Scott- yes Motion Carries.
- Ofc. Edward Acot completed paper work with L&A electing to purchase his credible military service time. His annual pension is \$97,131.64. He elected to purchase 2 years of military service. He is reviewing the information from L&A and has not yet made a decision to purchase.
- John Steinhable's Quildro was filed incorrectly when it was completed years ago. His ex-wife reached out to the department when she heard that Steinhable retired because she was not receiving payment. L&A, Brian Labardi and Richard Reimer reviewed the updated paperwork and it was corrected. Quildro is effective of January 1st, 2021. Kevin Stankowitz makes motion to accept Quildro, Carl Sebastian seconds. A roll call vote was taken: John - yes, Carl- yes, Kevin- yes, Scott- yes Motion Carries.
- John Galason suggest that the board leaves Illinois Public Pension Advisory Committee (IPPAC) and to join the Illinois Public Pension Fund Association (IPPPFA) because of the board's new legal consul is part of IPPFA and not IPPAC. John Galason makes motion to join IPPFA and pay annual fees. Kevin Stankowitz seconds. A roll call vote was taken: John - yes, Carl- yes, Kevin- yes, Scott- yes Motion Carries. Carl asked if he could get information regarding IPPFA and the trainings. Richard Reimer gives information regarding IPPFA.

- **Accountant's Report** - Derek from Lauterbach & Amen provided a written report for the month ended 11/30/2020. **Assets:** Total Assets: \$55,219,116.82. **Additions:** Member Contributions: \$796,544.14 and total contributions are \$3,194,746.57. Total Additions are \$8,961,546.10. **Deductions:** Pension Benefits and Refunds: \$3,055,971.74 and total deductions: \$3,122,746.26. Change in position is \$5,838,799.84. Cola increase for eligible members at the beginning of 2021.

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- Motion made to accept account's report by Scott Adams, second by Carl Sebastian. A roll call vote was taken: John – yes, Carl- yes, Kevin- yes, Scott- yes Motion Carries.
- Motion made to accept statutory Cola raises by John Galson, second by Kevin Stankowitz. A roll call vote was taken: John – yes, Carl- yes, Kevin- yes, Scott- yes Motion Carries.
- **Investment Report** – Amy Cramer from SBH shares reports. Market shows resilience and employment numbers continue to rise. Continue to invest in high quality growth names. Portfolio continues to be highly invest at 98.2%. Invested heavy in technology including Microsoft and amazon. Equities performed at 28.2%. Total portfolio value is \$23,260,811.00.
- **Investment Report-** Robert Osanski from MVT shares reports. Annual GDP is 33.4% however this is lower than pre-pandemic levels. \$350,000,000,000 will be going to municipalities from the government relief bill that Joe Biden just passed. Beginning value: \$19,990,905. Contribute & Withdraw \$329,809. Net Investment Gain: \$3,846. Ending value: \$19,665,942. Management Fee is \$16,119, Income is \$106,051. Total Fund: \$3,846 (.02%). 68% of fund is in U.S. Treasury and 27.6% is Corporate Bonds. This quarter showed an actual return of 84.92% and an annualized return of 3.38%. Robert shared information regarding bonds purchases.
- Motion made to accept MVT investment reports by John Galson, second by Kevin Stankowitz. A roll call vote was taken: John – yes, Carl- yes, Kevin- yes, Scott- yes Motion Carries.
- **Investment Consultant Report** – Bill from Shields Capital provided an in-depth overview of the total portfolio asset allocation, fund quarterly performance and economic outlook. Asset allocation: Domestic is \$33,297,159 with a portfolio weight of 58.7% (target 55%). International is \$3,349,303 with a portfolio weight of 5.9% (target 10%) and Fixed Income is \$20,079,422 with a portfolio weight of 35.4% (target 35%). **Total Assets** – \$56,725,884 **Cash Flow** Starting Value: \$52,346,357 Ending Value: \$56,725,884 Net Flows: 329,902
- Motion made to accept Shields Capital reports by John Galson, second by Kevin Stankowitz. A roll call vote was taken: John – yes, Carl- yes, Kevin- yes, Scott- yes Motion Carries.

Other Business

- Laptop was purchased for Administrative Assistant. This was purchased on the same order at the Police department.

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- Motion made by John Galason to purchase wireless mouse, monitor, and wireless keyboard for pension administrative assistant. Second by Scott Adams. Roll Call vote John - yes, Carl- yes, Kevin- yes, Scott- yes Motion Carries.
- Richard Reimer asked about data stored on laptop and if the board has cyber security insurance. He said it would be something to think about.

Executive Session

- None

Adjournment

- Scott Adams made a motion to adjourn regular meeting at 11:54 a.m. Kevin Stankowitz seconds. A roll call vote was taken: Russ - yes, Scott - yes, Kevin - yes, Carl- yes, Kevin- yes