

Pension Board Meeting Minutes

CARPENTERSVILLE POLICE PENSION BOARD SPECIAL MEETING

April 20th, 2021

10:30 am

Zoom

Roll Call

John Galason, Scott Adams, Carl Sebastian, and Kevin Stankowitz were present.

In Attendance

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

Approval of Minutes

- Scott Adams made motion to approval of minutes from January 19th 2021 minutes and Kevin Stankowitz second. No discussion. A roll call vote was taken: John - yes, Carl- yes, Kevin- yes, Scott- yes, Motion Carries

Public Discussion

None.

Approval of Bills- 1st Quarter

- Village of Carpentersville Insurance- January (\$12,745.03), February (\$12,745.03), and March (\$12,745.03)- \$38,235.09
- Kane County Teachers Credit Union- Elgin Branch- \$300.00
- Reimer Dobrovolny & Labardi, PC - Q1-2021 Legal Services - \$750.00
- Lauterbach & Amen Accounting and benefits fees for Q1 2021 (\$1,145/month) & FYE20 1099s- \$3,860.00
- Integrated Advisors Network, LLC- Investment Consulting Services: Shields Capital Advisors- \$7,962.87
- IRS - 1st Quarter - \$92,165.71
- Sarah Jo Neuman- Secretarial Services- \$1,330.00
- Total Bills for 1st Quarter - \$136,640.80**
- Bill Yocius's standard quarterly bill \$8,346.39. This was not on the Bill list but will be paid along with the 1st quarter bills.
- John Galason motioned to approve the 1st Quarter bill list, Kevin 2nd. Discussion: None. A roll call vote was taken: John - yes, Carl-yes, Kevin- yes, Scott- 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. Nothing has been heard since then. With the advice of consul, Kevin made a motion to remove this item off agenda and to waive the recoupment of over payment with the advice of Rick

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Reimer's office. Carl seconds. Roll call vote- Scott- yes, Carl-yes, John- yes, Kevin- yes. Motion carries.

New Business

- Chief Michael Kilbourne retired on April 2nd, 2021 after 31 years of creditable service. His annual pension is \$111,876.00. His effective date is April 3rd, 2021. Kevin made motion to accept Chief Kilbourne's retirement. Second by John Galason. Roll call vote- Scott- ye, Carl-yes, John- yes, Kevin- yes. Motion carries.
- Officer Barbra Rowley retired on March 30th, 2021 after 28 years of creditable service. Her annual pension is \$97,131.64. Her effective date is April 1st, 2021. John made motion to accept Officer Rowley's retirement. Second by Carl. Roll call vote- Scott- yes, Carl-yes, John- yes, Kevin- yes. Motion carries.
- Officer Nathan Hartley retired on February 24th, 2021 after 22 years of service. He will not be eligible to collect his pension until he turns 50 years old on 06-21-2025. Prior to Nathan Hartley filling for his pension he also filed for a duty and non-duty related pension. No action done by the board. He cannot collect pension and disability so no action is needed due to pending disability application. Lauterbach and Amen did not receive a retirement application so they cannot calculate his benefit. Hartley is no longer working at the police department.
- Status of Nathan Hartley disability application. Motion needed to authorize attorney to take any necessary steps to adjudicate the disability claim. Rick said he has begun ordering medical records, and subpoenaed records from the village and comp carrier. He said once he has all the records he will use a third party group called INSPE to pick three doctors for Hartley to see. Scott Adams inquired about the timing of disability application. Hartley filed for disability before February 24th, 2021. He did not complete his pension application. Galason made motion for Rick Reimer and associates to move forward with Hartley's disability claim. Scott Seconds. Roll call vote- Scott- yes, Carl-yes, John- yes, Kevin- yes. Motion carries.
- Angel Figueroa's QILDRO is being reviewed by Richard Reimer's office. Rick's associate Brian Labardi is handling the QILDRO. He has had contact with Figueroa's attorney. The board should be expecting a letter from Brian Labardi with the QILDRO calculation order. No more questions.
- Galason looked into PTO time when retiring and noticed that the most recent retirees have been overpaying to the village for vacation payouts and the following amounts should be reimbursed to the following members:

John Steinhable $\$15,669.44 * 9.91\% = \$1,555.81$

Victor Lizotte $\$10,500.49 * 9.91\% = \$1,040.59$

Carl made motion to issue refund of overpaid pension contributions erroneously withheld on lump sum payment of accrued benefit time for John Steinhable for \$1,555.81 and Victor Lizotte for \$1,040.59. John seconds it. Roll call vote- Scott- yes,

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Carl-yes, John- yes, Kevin- yes. Motion carries. Derek from Lauterbach and Amen will make those payments for the members.

- New hire Angel Quezada was hired on March 9th, 2021 needs to be accepted into the pension fund. Kevin made motion to accept Angel into the pension fund as a tier two employee. John seconds it. Roll call vote- Scott- yes, Carl-yes, John- yes, Kevin- yes. Motion carries.
- New hire Brett Peters was hired on March 9th, 2021 needs to be accepted into the pension fund. Kevin made motion to accept Brett into the pension fund as a tier two employee. John seconds it. Roll call vote- Scott- yes, Carl-yes, John- yes, Kevin- yes. Motion carries.
- IPPFA Illinois Pension Conference dates
 - May 5th - 7th at Marriott Lincolnshire Hotel - Galason is attending
 - Sept 29th - Oct 1st at Oak Brook Hills Resort - Kevin, Carl, and Scott are planning to attend.John makes motion to pay for all four members to attend the conference. Kevin seconds. Roll call vote- Scott- yes, Carl-yes, John- yes, Kevin- yes. Motion carries.

- **Accountant's Report** - Derek from Lauterbach & Amen provided a written report for the month ended 03/31/202. **Assets:** Total Assets: \$57,722,361.54. Cash and Investments: \$10,080.35, Fixed Income: \$19,092,281.74, Stock Equities: \$24,023,491.47, Mutual Funds: \$13,638,994.35. **Additions:** Member Contributions: \$124,347.04. Ending balance as of 03/31/2021 is \$57,722,361.54.
- **Investment Report** - Jeff Slepian and Amy Cramer from SBH shares reports. Market shows resilience. Last March markets were down 34%, and now they are up 28%. We continue to outperform all benchmarks. We continue to sell things that are high and buy things that are cheap. We own technology and healthcare

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stocks. Industry growth stocks continue to grow. For the Quarter the stocks are up 6.5%, SMP is up 6.2%, and the Russel is up 6.4%. Moving forward, the firm wouldn't be surprised if we saw all the gains for the year considering the fund is up 10%. The feds have said they are not raising rates; therefore, we will have an extended period of low interest rates. Planning to continue to have high quality returns and will not invest in high risk items like bitcoin or marijuana sales.

- **Investment Report-** Tom Dugan from MVT shares reports. Annual GDP is 33.9%. Loss of 1.29% which is about \$254,000. Target rate is 1.72%. Lower duration with higher quality. We are at a 1.29% versus 1.72% fees. We're playing defense. Despite the fact that we had stimulus measures come in, that would make rates higher and be good for the stock market. The economic recovery is based on solving Covid. Tom suggest buying more on the corporate bond market. Looking forward to buying some variables with the defensive mode in mind.
- **Investment Consultant Report** – Bill Yocius from Shields Capital provided an in-depth overview of the total portfolio asset allocation, fund quarterly performance and economic outlook. Asset allocation: Domestic is \$34,760,994 with a portfolio weight of 60.2% (target 55%). International is \$3,384,566 with a portfolio weight of 5.9% (target 10%) and Fixed Income \$19,565,886 with a portfolio weight of 33.9% (target 35%). **Total Assets** – \$57,711,446 **Cash Flow** Starting Value: \$56,389,197, Ending Value: \$57,892,138, Net Flows: \$642,503, Investment Gain: \$2,145,444. The number of people collecting unemployment is concerning. Return for Equity over the last 12 months is 61% almost 15 million dollars. No Changes in what is recommended. MVT and SBH both beat their targets.
- John Galason made motion to accept Lauterbach & Amen Accountants report, SBH and MVT investment reports, and Shields Capital consultant reports. Second by Kevin Stankowitz. A roll call vote was taken: John – yes, Carl- yes, Kevin- yes, Scott- yes, Motion Carries.

Other Business

- John Galason stated that the July meeting will be his last meeting. He is retiring on October 2nd so he won't be here for the October meeting. At the July meeting, an election will be set up. Once a person is elected, Galason will no longer be on the board.
- Next meeting is July 20th, 2021. This meeting may be in person or on Zoom.
- John has still not heard from the Mayor regarding replacing the fifth member. He will reach out again.
- Rick gave an update regarding consolidation. The fire is much further ahead than Police. Rick explained the steps that will be taken when the consolidation begins. He predicts that the money won't be transferred until after the first of the year.

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Public Comment

- None

Executive Session

None

Adjournment

- Kevin made a motion to adjourn regular meeting at 11:47 a.m. John Galason seconds. A roll call vote was taken: Russ - yes, Scott - yes, Kevin - yes, Carl-yes, Kevin- yes