

## Pension Board Meeting Minutes

# CARPENTERSVILLE POLICE PENSION BOARD SPECIAL MEETING

August 10<sup>th</sup>, 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), Amy Cramer from Segall, Bryant & Hamill (SBH) and John Mitchell from Mitchell, Vaught & Taylor (MVT), Richard Reimer (Attorney),

## Approval of Minutes

- Scott Adams made motion to approval of minutes from April 20<sup>th</sup> 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- 2<sup>nd</sup> Quarter

- Village of Carpentersville Insurance- April (\$12,143.89), May (\$12,367.72), and June (\$12,914.70) - \$37,426.31
  - Kane County Teachers Credit Union- Elgin Branch- \$300.00
  - Lauterbach & Amen Accounting and benefits fees- \$1,180.00
  - Integrated Advisors Network, LLC- Investment Consulting Services: Shields Capital Advisors- \$7,962.87
  - IRS - 2nd Quarter - \$100,357.10
  - John Galason- IPPFA reimbursement- \$301.05
  - Integrated Advisors Network, LLC- \$8,586.61
  - Illinois Department of Insurance- \$8,000.00
  - Howard E. Nyhart Company, Inc- \$4,000.00
- Total Bills for 2<sup>nd</sup> Quarter - \$160,151.07**
- Scott Adams motioned to approve the 2nd Quarter bill list, Carl 2<sup>nd</sup>. Discussion: None. A roll call vote was taken: John - yes, Carl-yes, Kevin- yes, Scott- yes, Motion carries.

## Old Business

None.

## New Business

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- **Accountant's Report** – Derek Flessner from Lauterbach & Amen was not present at the meeting but provided a written report for the month ended 07/31/2021. **Assets:** Total Assets: \$62,377,068.69. Total cash and investments: \$62,273,221.35, Money Market Mutual Funds: \$2,094,719.06 Fixed Income: \$19,370,669.21, Stock Equities: \$26,789,624.10, Mutual Funds: \$14,003,822.85. **Additions:** Municipal Contributions \$1,454,629.51, Member Contributions: \$308,778.82. Ending balance as of 07/31/2021 is \$62,377,068.69.
- **Investment Reports** – Amy Cramer from Segall, Bryant & Hamill shared report ending 07/31/2021. Equity for account is 97.8% with \$25,348,926 and cash is 2.2% with \$568,126. Equity markets are at all-time highs currently. Number of buys is significantly less than the number of sells. Financials and energy are looking up compared to last year. Total return is \$24,535,489 since July 2002. YTD performance is 15.9% with the last 12 months is 44.5%. Average annual rate of return is 14.9% per year. Informational technology and Health Care is doing well. Discussed relative weights by sector.
- **Investment Reports** - John Mitchell from Mitchell, Vaught & Taylor shares report from MVT shares report for second quarter. Beginning Value: \$19,534,835 with contributions and withdraws of \$288,708, a net gain of \$69,513 and ending value of \$19,893,056. Most of the investments are with U.S. Treasury Bonds at 66.1%. Net performance this quarter has a total fund of 0.36% with \$69,513 and the target is at 0.62% with \$121,116. John discusses the US Fixed Income Maturity and Quality Returns. Government year-to-date is down .24% for short, down .62% for intermed. and down 5.48% for long. Municipal high yield bonds were up 6.94% for long term. John discussed strategies moving forward with the portfolio. Bonds with maturities between 3 and 5 years are providing opportunities to enhance yield without incurring excessive risk. Rick and John discussed the transition due to the state consolidation.
- **Investment Consultant's Report** – Bill Yocius from Shield Capital shared his report for the 2<sup>nd</sup> quarter. Domestic totals \$37,103,592 with 55%, International totals \$3,124,955 with 10%, Fixed Income totals \$19,928,852 with 35% with a grand total of \$60,157,399. Starting value \$57,740,110 and ending value \$60,157,399. Account return (gross) is 5.48% and Account return (net) 5.40%. All equities are beating the target for the quarter and year-to-date. Overall, it is a good report and both managers are beating the target.
- Carl Sebastian 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.
- Angel Figerora's QUILDRO has been set up and will start to be paid out at the end of this month in the amount of \$2,083.33. John Galason asked who should be handling the QUILDRO information. They should be referred to their own attorney.
- Sgt. Mark Brandts retired on May 8<sup>th</sup>, 2021 after 26 years of creditable service. His applicable salary is \$124,554.16 with his monthly pension granted at \$6,746.68. His effective date is May 9<sup>th</sup>, 2021. The village continued to pay Mark Brandts for

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six weeks after his retirement that. They are asking him to pay them back the money however; he does not want it to look like income on his W2 at the end of the year. They paid his pension contributions as well. At some point, there will be a refund to the village.

- New hires- On June 14<sup>th</sup>, 2021 the department hired three new officers;
  - Evelyn Salas-Hernandez
  - Charles Heintzeman
  - Nicholas Wilson

They need to be accepted into the Pension Fund.

- Kevin Stankowitz made motion to accept all three new hires into the Police Pension. Carl seconds the motion. A roll call vote was taken: John - yes, Carl- yes, Kevin- yes, Scott- yes, Motion Carries.
- Kevin Stankowitz completion of a 16 hour IPPFA certified trustee program on 07/03/2021. Certificate is on file. Kevin said it is very informative and Carl and Scott are signing up to attend. Julie Guy has will be able to give Scott and Carl our account number in order to sign up.
- Reimer's office produced a draft of a Rules and Regulations book. Rick has a hard copy. Members should look over the draft and make changes as they see fit.
- Adoption of recommended tax levy from actuarial valuation and forward request to Municipality. Nyhart was hired for an audit originally. Rick explained the options for an actuarial report. Rick suggest either hiring Nyhart or using the Actuary that the Village of Carpentersville uses. Rick will write the letter and use their report.
- Carl made motion to hire Lauterbach and Amen to do the Police Pension Actuarial report. Kevin seconds the motion. A roll call vote was taken: John - yes, Carl- yes, Kevin- yes, Scott- yes, Motion Carries.
- Letter received from Illinois Police Officers' Pension Investment Fund: "Appointment of Authorized Representative rule # AR-2-21-01". Rick explains what this mean for the pension fund. The fund needs to choose two people who will be authorized to communicate with the Illinoi Pension fund to share information. Kevin Stankowitz and the new member from the PD should be one.
- John Galason will be retiring in October.
- John Galason reached out to the village to fill the fifth member position. The position is posted so they are hoping to get some applicants. Kevin said he received three applications.

### Other Business

- None.

### Public Comment

- None

### Executive Session

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None

### Adjournment

- Kevin made a motion to adjourn regular meeting at 12:08 p.m. Carl Sebastian seconds. A roll call vote was taken: Russ - yes, Scott - yes, Kevin - yes, Carl-yes, Kevin- yes