

Pension Board Meeting Minutes

**CARPENTERSVILLE POLICE PENSION BOARD SPECIAL MEETING**

October 19<sup>th</sup>, 2021

10:30 am

Zoom

Roll Call

Jason Niles, 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), John Mitchell from Mitchell, Vaught & Taylor (MVT), Richard Reimer (Attorney) and James Ritchie (Lauterback and Amen).

**Approval of Minutes**

- Scott Adams made motion to approval of minutes from August 10<sup>th</sup>, 2021 minutes and Kevin Stankowitz second. No discussion. A roll call vote was taken: Jason - yes, Carl- yes, Kevin- yes, Scott- yes, Motion Carries

**Public Discussion**

None.

**Approval of Bills- 3<sup>rd</sup> Quarter**

- Village of Carpentersville Insurance-\$37,300.69
- Kane County Teachers Credit Union- \$200.00
- Lauterbach & Amen Accounting and benefits, FYE20 IDOI-\$2,730.00
- IRS - 3<sup>rd</sup> Quarter-\$102,817.74
- Sarah Neuman- Secretarial Service- \$1,540.00
- Reimer, Dobrovlny, & Labardi, PC- Legal Service-\$2,469.46
- Gilberts Police Pension Fund- \$429,616.86
- Total Paid - 3<sup>rd</sup> Quarter- \$576,674.75
- Scott Adams motioned to approve the 3<sup>rd</sup> Quarter bill list, Jason 2<sup>nd</sup>. Discussion: None. A roll call vote was taken: Jason - yes, Carl-yes, Kevin- yes, Scott- yes, Motion carries.

**Old Business**

None.

**New Business**

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- **Investment Reports** - John Mitchell from Mitchell, Vaught & Taylor shares report from MVT shares report for third quarter. Beginning Value: \$19,888,419 with contributions and withdraws of \$2,145,101, a net gain of \$3,631 and ending value of \$22,029,889. The fund beat their target. John explained how as interest rates rise the portfolio would fall. Portfolio shows that short-term bonds helped the portfolio while long-term bonds did not. John discussed points of the portfolio and target. End of quarter 3 Portfolio was at 0.09 and the target was 0.00. Year to date the portfolio is at -0.69 and the target was -1.12. The portfolio holds 54 bonds with most of them being corporate bonds.
- Board discussed with Bill the change of authorized agent signatures. Motion to authorize Jason Niles and Kevin Stankowitz to execute any and all documents necessary for to change all signatures on the Ameritrade, Harris and Schwab custodial accounts. Motion made by Carl and Kevin Seconds. Carl-yes, Jason-yes, Kevin-yes, Scott-yes. Motion passes.
- 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: Jason - yes, Carl- yes, Kevin- yes, Scott- yes, Motion Carries.
- Motion to designate Kevin and Jason as authorized signers for the consolidated board and execute the resolution. Kevin make motion and Carl seconds. A roll call was taken. Jason - yes, Carl- yes, Kevin- yes, Scott- yes, Motion Carries.
- **Investment Reports** - Amy Cramer from Segall, Bryant & Hamill shared report ending 09/30/2021. Equity for account is 99.2% with \$26,378,686 and cash is 0.8% with \$212,658. They are being cautiously optimistic with the delta variant and reopening. Overall, they are seeing solid activity and a broad market without doom and gloom ahead. Leave the cash amount as is right now. More transition from goods to services. YTD equity is up 19.9% S7P is 15.9% and Russell is 15%. Since inception, the portfolio has been ahead. Total return is \$25,553,187 since July 2002. Discussed the performance and holdings.
- **Investment Consultant's Report** - Bill Yocius from Shield Capital shared his report for the 3<sup>rd</sup> quarter. The last couples of months have been phenomenal. Domestic totals \$26,623,467 with 43%, Tactical totals \$8,207,277 with 13.26%, International totals \$4,852,168 with 7.84%, Fixed Income totals \$22,232,323 with 35%. Starting value \$60,157,297 and ending value \$61,915,234. Account return (gross) is 1.31% and Account return (net) 1.23%. Domestic holds \$37,331,730 and International is \$2,566,284. When looking at the v. Asset Class Benchmark, every manager added value except for the Vanguard High Dividend and the Oppenheimer Developing Market. He anticipates 4<sup>th</sup> quarter growth should show improvement even if inflation is here to stay.
- Kevin makes motion to accept the investment reports, Scott Adams seconds. A roll call vote was taken: Jason - yes, Carl- yes, Kevin- yes, Scott- yes, Motion Carries.
- **Accountant's Report** - James Ritchie from Lauterbach & Amen shares report from L & A. 08/31/2021. **Assets:** Total Assets: \$63,490,028.29. Total cash and investments: \$63,379,147.13, Money Market Mutual Funds: \$2,246,708.85, Fixed Income: \$19,276,654.50, Stock Equities: \$27,796,827.43, Mutual Funds:

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\$14,040,465.02. **Additions:** Municipal Contributions \$1,494,758.37, Member Contributions: \$349,250.79, Net Investment Income \$7,699,595.07. Ending balance as of 08/31/2021 is \$63,490,028.29. Pension Benefits paid out \$2,427,249.63 with refunds of \$2,596.40. Discussed the recommended contributions and funded status. Current Valuation is \$3,285,746, which is an increase of \$568,084 from Nyhart's prior valuation. Discussed the recommended contribution reconciliation. Expected Changes of \$88,530, Actuarial Experience \$345,405. Rick Reimer and James Ritchie discussed an adopted recommended Levy.

- Scott Adams makes motion to adopt the actuarial recommended tax levy of \$3,285,746.00, Jason Niles seconds. A roll call vote was taken: Jason - yes, Carl- yes, Kevin- yes, Scott- yes, Motion Carries.
- James explains there is a \$500.00 annual fee for L&A to prepare a yearly MCR (Municipal Compliance Report).
- Kevin makes motion for L&A to make a MCR (Municipal Compliance Report) at the cost of \$500.00 annually, Jason seconds. A roll call vote was taken: Jason - yes, Carl- yes, Kevin- yes, Scott- yes, Motion Carries.
- Kevin makes motion to authorize Officer Acot's transfer of military time to change his start date to July 3<sup>rd</sup>, 2004, L & A received check and amount is paid in full, Jason seconds. A roll call vote was taken: Jason - yes, Carl- yes, Kevin- yes, Scott- yes, Motion Carries.
- Kevin makes motion to authorize Officer Drews' buy back 2 years, 3 months and 14 days of service, L & A received the check and is paid in full, his new start date is September 28<sup>th</sup>, 1998 with a break in service from January 2001 to June 2003, seconds by Scott Adams. A roll call vote was taken: Jason - yes, Carl- yes, Kevin- yes, Scott- yes, Motion Carries.
- Kenneth Cram elected to have his credit transferred from Carpentersville to Gilberts Police pension. Lauterbach and Amen issued payment in the amount of \$429,616.86 to the Gilberts Police Pension Fund. Kevin makes motions that Cram no longer has any benefits in the Carpentersville Police Pension Fund, Jason seconds motion. A roll call vote was taken: Jason - yes, Carl- yes, Kevin- yes, Scott- yes, Motion Carries.
- Kevin makes motion to terminate retired member, John Skillman's, benefits leaving no surviving spouse effective date of death, Scott seconds motion. A roll call vote was taken: Jason - yes, Carl- yes, Kevin- yes, Scott- yes, Motion Carries.
- Kevin makes motion to pay L & A \$3050.00 for actuarial report for the fiscal year 2020, Carl seconds. A roll call vote was taken: Jason - yes, Carl- yes, Kevin- yes, Scott- yes, Motion Carries.
- Received receipts and certificates from Scott Adams and Carl Sebastian for attending the IPPFA conference.
- Kevin makes motion to approve the following board meeting dates of January 18<sup>th</sup>, 2022, April 19<sup>th</sup>, 2022, July 19<sup>th</sup>, 2022, October 18<sup>th</sup>, 2022 at 10:30 am, Scott seconds. Motion Carries.
- Rick explains that moving forward with Hartley's case the board needs to choose a date for the hearing. It's important for the board to have a 5<sup>th</sup> member. Tentative hearing date is January 18<sup>th</sup> at 12:00 pm.

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### Other Business

- None.

### Public Comment

- None

### Executive Session

None

### Adjournment

- Kevin made a motion to adjourn regular meeting at 12:00 p.m. Carl Sebastian seconds. A roll call vote was taken: Jason - yes, Scott - yes, Kevin - yes, Carl-yes, Kevin- yes