

Pension Board Meeting Minutes

**CARPENTERSVILLE POLICE PENSION BOARD SPECIAL MEETING**

March 1<sup>st</sup>, 2022

10:30 am

Police Conference Room

Roll Call

Jason Nilles, Scott Adams, Jennifer Merrit and Kevin Stankowitz were present.

In Attendance

Bill Yocius from Shields Capital, Richard Reimer, and Derek Flessner from Lauterback and Amen.

**New Business**

- Derek Flessner is here to discuss the recommended cash on hand amount to comply with the state's money consolidation. The set date for consolidation is May 2<sup>nd</sup>, 2022.
- Rick states that there is no update for the lawsuit. The judge has not done anything. He said there is a bill that is moving through the house that will give the fund a six month extended. He has been told that they will probably get a six-month extension. He suggested that the board does that.
- Derek continues with the cash on hand discussion. He says that two weeks before the consolidation date, all assets will be froze. In the cash management policy, the police pension funds are suggested to hold at least three months of expenses. After the consolidation is complete, they should have one month of expenses on hand. Derek discusses how this is different from the fire funds. Derek gave the board the January report and led the discussion of the amount of cash on hand. He discussed the month of January expenses. All current retirees and reetires up to July 2022, should be taken into account. He also discussed all fees with SB&H and MV&T. The board discusses their comfortability in respects to the amount of cash on hand. Derek explains different options on how the fund gets their cash on hands: whether it be recurring or individual monthly transfers. He discusses that recurring transfer seems to be the easiest way and the way that the fire pension has chosen to go. Rick explained that it is important to keep a reasonable amount of cash on hand and not too much. Rick continues to discuss the lawsuit and how it will impact the cash on hand and the transfer date. The latest day that Derek needs to know regarding the amount is the first of the month before the transfer. It all depends on if the extension date gets approved. The amount needs to be decided two weeks before the assets get froze. Kevin asked how often the numbers would change. Derek said that it will determine on how many members retire. The board needs to decide on how much and where they want to keep the funds.
- The board discusses an appropriate amount to keep on hand. \$328,000 for regular benefit expenses, \$71,000 for advisor expenses, about \$40,000 in employs additions. \$350,000 for each month seems to cover all expenses as of now. The board suggests reevaluating the amount of cash on hand every three months. Kevin brings up the fact of the sergeants test that is coming up and

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speaks about the retro pay that would happen once the shifts happen at the department. Rick suggests putting in for the extension and the board agrees. If the extension is granted it would move the timeline to the June, July, August timeline. Board agrees that \$350,000 for three months will be transferred to their Harris account.

- Scott Adams makes motion to contact Rich White and ask for an extension. Kevin seconds. A roll call vote was taken: Jason – yes, Kevin- yes, Scott- yes, Jennifer-yes. Motion Carries.
- Derek presents the board with the paperwork they need to sign to continue the process.
- Kevin makes motion to enter into the collateralization agreement with BMO Harris and Bank of America. Scott Seconds. A roll call vote was taken: Jason – yes, Kevin- yes, Scott- yes, Jennifer-yes. Motion Carries.
- Kevin makes motion to transfer three months at \$350,000 per month into the Harris account only in the event that the May 2<sup>nd</sup> 2022 transfer date precedes. Jason Seconds. A roll call vote was taken: Jason – yes, Kevin- yes, Scott- yes, Jennifer-yes. Motion Carries.
- Derek explained the process and timeline with the Harris account.
- Rick asked if they adopted the IPOPIF certified asset list. Kevin and him discuss how they are one of three funds that have not received the letter that specifies their transfer date. Rick suggests that Kevin write to Rich White regarding the missing letter and the extension.
- Kevin continues the conversation regarding the Lauterbach and Amen PSA service. Derek covers everything the PSA services will take care of. This was already explained in detail at the last meeting. He explains what the portal service does along with the PSA. Each member received a booklet of all the detailed information. Derek walks the members through each page and describes what service the PSA offers.
- Derek describes that they come out and take boxes at a time and scan them.
- Rick asks the board if they want the portal and Derek says that it's standard in the price. The cost is \$1,000.00 per month so the board discussed how that would affect the budget.
- Scott makes motion to enter into the agreement with LB&A PSA services at the cost of \$1,000 per month for fiscal years 2022 and 2023. Kevin seconds. A roll call vote was taken: Jason – yes, Kevin- yes, Scott- yes, Jennifer-yes. Motion Carries.
- Derek tells Kevin that he will get in contact with him regarding the PSA services.
- Bill Yocius gives the board a mid-quarter report. He states that the fund is not as bad as the market. SB&H are active and making live decisions to see where they want the money to be. The feds meet in the middle of March and are expected to limit inflation by raising rates. They cannot control wages and price of energy. He talks about the effects of raising and lowering interest rates.

## Other Business

- None.

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### Public Comment

- None

### Executive Session

None

### Adjournment

- Next meeting is April 19<sup>th</sup>, 2022 at 10:30 am.
- Kevin made a motion to adjourn regular meeting. Scott Adams seconds. A roll call vote was taken: Jason - yes, Scott - yes, Kevin - yes, Carl- yes, Jennifer- yes, Kevin- yes