

SOUTH BARRINGTON POLICE PENSION FUND

30 S. Barrington Road, South Barrington, Illinois 60010

SOUTH BARRINGTON POLICE PENSION FUND BOARD OF TRUSTEES REGULAR MEETING MINUTES

TUESDAY, JULY 19, 2022 AT 4:30 P.M.

A meeting of the Board of Trustees of the South Barrington Police Pension Fund was held on Tuesday, July 19, 2022 at 4:30 p.m. at the South Barrington Village Hall, 30 S. Barrington Road, South Barrington, Illinois, 60010, for the purpose of conducting regular business.

TRUSTEES PRESENT: Joseph Abbate
Edgar Alvarado
Ray Cordell

TRUSTEES ABSENT: Sam Lopez
Jason Axelrod

OTHERS PRESENT: Thomas Hartwell, Collins & Radja
Mike Stafford, ASB Capital Management (*via telephone*)
Paula McCombie, Mayor
Allie Rysell, Foster & Foster, Inc.

- 1. CALL THE MEETING TO ORDER:** Trustee Cordell called the meeting to order at 4:38 p.m.
- 2. ROLL CALL:** As reflected above.
- 3. PUBLIC COMMENT:** There were no members of the public and no comments.
- 4. MEETING MINUTES:** *Review/Approve Regular Board Meeting Minutes – April 19, 2022:* The Board reviewed the draft minutes from the April 19, 2022 regular board meeting. A motion was made by Trustee Abbate and seconded by Trustee Alvarado to approve the April 19, 2022 regular board meeting minutes. Motion carried unanimously by voice vote.
- 5. INVESTMENT ADVISOR:** *Review/Accept Quarterly Investment Report – ASB Capital Management:* Mr. Stafford presented the Quarterly Investment Report for the period ending June 30, 2022. The ending portfolio value for the period ended June 30, 2022 was \$14,194,984 with a return of (10.41%). The Asset Allocation for the portfolio for the period ended June 30, 2022 was as follows: 61.1% Equity, 36.7% Fixed Income, and 2.2% in Cash. Mr. Stafford reviewed the Performance Summary, Historical Returns, Capital Market Review, and Portfolio Appraisal. He answered questions from the Board regarding the market volatility, fed rates, and inflation. The Board indicated that their asset transfer date has moved. Trustee Alvarado indicated that the Fund is currently scheduled to transfer assets on November 1st, and they would be discussing this item further later in the meeting. The Board discussed increasing cash reserves to cover upcoming pension payments with Mr. Stafford. Trustee Alvarado recommended that the Board maintain a cash balance at 4%. Mr. Stafford would connect with Trustee Alvarado offline to provide clarification on several investment related questions and to discuss pre-consolidation matters.

Mr. Stafford ended the telephone call with the Board at 5:03 p.m.

A motion was made by Trustee Alvarado and seconded by Trustee Abbate to accept the Quarterly Investment Report. Motion carried unanimously by voice vote.

Review Investment Policy and Approval of Revisions, if necessary: No changes were needed to the Investment Policy.

6. **TREASURER'S REPORT:** *Review/Approve Fiscal Year-to-Date Financial Report:* Due to Treasurer Bodie's absence, a report was not available for review.

Review/Approve Actuarial Assumptions for May 1, 2022 Report: Trustee Alvarado provided introductory remarks and background information on the actuarial assumptions for the 2022 year-end reporting. Attorney Hartwell informed the Board that the Illinois Police Officers' Pension Investment Fund's (IPOPIF's) expected rate of return on investments assumption has not yet been established. The Board reviewed the actuarial documents provided by Treasurer Bodie to review in advance of the meeting. A motion was made by Trustee Alvarado and seconded by Trustee Abbate to adjust the investment rate of return from 6.5% to 6.75%. Motion carried by roll call vote.

AYES: Trustees Abbate, Alvarado, and Cordell

NAYS: None

ABSENT: Trustees Lopez and Axelrod

7. **ATTORNEY'S REPORT:** *Robert Rycraft Appeal Update:* Attorney Hartwell provided an update to the Board on Mr. Robert Rycraft's appeal. An update would be provided at the next meeting.

Illinois Police Officers' Pension Investment Fund Litigation Update: Attorney Hartwell provided an update on the consolidation lawsuit, Arlington Heights PPF v. Pritzker. A written decision was issued on May 25th ruling in favor of the Defendant (Governor JB Pritzker) by rejecting the Plaintiffs' (Arlington Heights Police Pension Fund) constitutional challenges to the statute. The Plaintiffs' cross motion for summary judgment was denied and an appeal was filed. He provided background information on a new/separate argument that is being considered by local pension boards and inquired if the Board would like to discuss this matter further in closed session later in the meeting. All Trustees agreed to discuss this matter in closed session later in the meeting.

Attorney Hartwell discussed the Board's fiduciary obligations for transferring pension fund investment assets to the IPOPIF, along with the potential penalties. He advised the Board of several operational logistical issues that the IPOPIF is working through and advised the Board that the transfer process should not be rushed to ensure a smooth transfer of investment assets. He indicated that a special meeting may be scheduled prior to the October 18, 2022 regular board meeting if needed to discuss these matters further.

Other Legal Updates: Attorney Hartwell reviewed various cases and rulings with the Board. All questions were answered by Attorney Hartwell.

MEMBERSHIP UPDATES: *Review/Approve Employment Termination and Deferred Pension Benefit for Jeffrey Lang:* Treasurer Bodie worked with the Jeffrey Lang to complete the Application for Retirement Benefits Form for his deferred pension benefits. The Board reviewed the application for retirement benefits submitted by Sergeant Lang with a date of hire of May 9, 2002, retirement date of May 10, 2022, 20 years of creditable service, salary attached to rank of \$120,169.07, and effective

date of pension of October 14, 2026. The Board accepted the application and acknowledged that Jeffrey Lang is eligible for deferred retirement benefits.

Affidavit of Pension Eligibility – Stephen Dorgan: The Board reviewed the affidavit for Stephen Dorgan. Trustee Cordell provided background information on the matter. All questions were answered by Attorney Hartwell. A motion was made by Trustee Abbate and seconded by Trustee Alvarado to accept the affidavit as submitted. Motion carried unanimously by voice vote.

8. **COMMUNICATIONS:** *Discuss Trustee Training and Opportunities:* The Board discussed upcoming training opportunities with Attorney Hartwell and the Plan Administrator.
9. **OLD BUSINESS:** *IPPAC Spring Conference Trustee Training Certificates:* The Board acknowledged receipt of the certificates of attendance from the May 2022 IPPAC Seminar for Trustees Abbate, Alvarado, Axelrod and Cordell. Further discussion will be held at the next meeting to ensure Trustee Lopez has completed his required 8-hours of annual training.

Illinois Police Officers' Pension Investment Fund: Attorney Hartwell reviewed IPOPIF documents that the Board would need to complete to prepare for the transfer of investment assets on November 1st. All questions were answered by Attorney Hartwell. The Board tabled action due to the absence of Trustees Lopez and Axelrod.

10. **NEW BUSINESS:** *Election of Board Officers: President, Vice President, Secretary, and Assistant Secretary:* Attorney Hartwell opened the floor for nominations for Board President, Vice President, Secretary, and Assistant Secretary. Trustee Cordell suggested that the slates remain the same. He informed the Board that he spoke with Trustee Lopez prior to the meeting, and Trustee Lopez agreed to continued serving as the President if desired by the Board. A motion was made by Trustee Alvarado and seconded by Trustee Abbate to close nominations. Motion carried unanimously by voice vote.

A motion was made by Trustee Alvarado and seconded by Trustee Abbate to maintain the slate of officers, and reelect Trustee Lopez as President, Trustee Cordell as Vice President, Trustee Axelrod as Secretary, and Trustee Abbate as Assistant Secretary. Motion carried unanimously by voice vote.

Appointment of OMA Designee, FOIA Officer, and Security Officer: Trustee Cordell was appointed to serve as the Board's Open Meetings Act Designee and Freedom of Information Act Officer. Trustee Lopez will remain as the Security Officer for the Board.

Approve Bank Corporate Resolutions and Bank Signers, if needed: Action was not needed.

Discuss Amendments to and/or Termination of Investment Professionals and Custodial Agreements related to Pension Consolidation: The Board discussed their current contract agreement with ASB. The Board determined to delay action until the transition of assets to IPOPIF is complete. The Board will inquire if ABS offers post-consolidation services to ensure a smooth post-consolidation transition to IPOPIF. Further discussion would be held at the next meeting.

Discuss Cash Management Needs: The Board reviewed IPOPIF's Cash Management Policy. The Board acknowledged that a "blackout period" would commence prior to the transition and pension fund assets would be frozen. The local pension boards are encouraged to retain sufficient cash in their

local account to issue approximately three months of pension benefit payments and administrative costs prior to the transition. The Board discussed the Fund's cash needs to cover pension benefit payments and administrative expenses during the transition phase. All questions were answered by Attorney Hartwell and the Plan Administrator. A motion was made by Trustee Abbate and seconded by Trustee Alvarado to maintain six months of cash reserves leading up to the transition. Motion carried by roll call vote.

AYES: Trustees Abbate, Alvarado, and Cordell

NAYS: None

ABSENT: Trustees Lopez and Axelrod

Establish Cash Management Policy for the South Barrington Police Pension Fund: The Board established interim cash to prepare for the transition. Further discussion regarding the development of a formal Cash Management Policy would be held at a future meeting.

11. EXPENDITURES: *Review/Approve Quarterly Transactions:* Trustee Cordell reviewed the Quarterly Transactions dated July 19, 2022 with the Board:

- ASB Capital Management Invoice #SBARRE-2022Q2 in the amount of \$9,079.39 for investment services;
- Reimbursement to Jason Axelrod for reimbursement for mileage for attending the May IPPAC Seminar totaling \$211.86;
- Collins, Radja & Hartwell PC Invoice #437 in the amount of \$750 for hourly legal services pertaining to the Rycraft matter;
- Collins, Radja & Hartwell PC Invoice #476 in the amount of \$800.00 for the second quarter 2022 retainer fee for legal services;
- Foster & Foster Invoice #24170 in the amount of \$960.00 for administrative services for the period April-June 2022;
- IDOI Invoice #H13870 in the amount of \$3,163.74 for the annual compliance fee;
- IPPAC Invoice #2514 in the amount of \$1,025 for spring conference training;
- IPPAC Invoice #2593 in the amount of \$500 for the annual membership fee for the period 7/1/22-6/30/23

Review/Approve Additional Invoices, if necessary: There were no additional invoices presented.

A motion was made by Trustee Abbate and seconded by Trustee Alvarado to approve the quarterly transactions presented in the amount of \$16,488.99. Motion carried unanimously by roll call vote.

AYES: Trustees Abbate, Alvarado, and Cordell

NAYS: None

ABSENT: Trustees Lopez and Axelrod

12. CLOSED SESSION: A motion was made by Trustee Abbate and seconded by Trustee Alvarado to enter closed session in accordance with 5 ILCS 120(c)11 to discuss pending or probable litigation. Motion carried by roll call vote.

AYES: Trustees Abbate, Alvarado, and Cordell
NAYS: None
ABSENT: Trustees Lopez and Axelrod

The Board entered closed session at 5:38 p.m.


A motion was made by Trustee Alvarado and seconded by Trustee Cordell to resume open session at 6:07 p.m. Motion carried by roll call vote.

AYES: Trustees Abbate, Alvarado, and Cordell
NAYS: None
ABSENT: Trustees Lopez and Axelrod

Trustee Cordell stated that the Board met in closed session. No final votes or determination was taken in closed session.

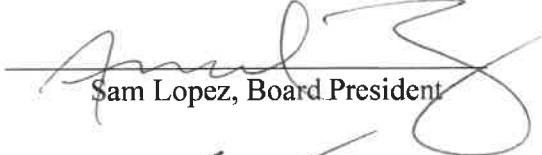
- 13. ADJOURNMENT:** With no further business to discuss, a motion was made by Trustee Abbate and seconded by Trustee Alvarado to adjourn the meeting at 6:11 p.m. Motion carried unanimously by voice vote.

Respectfully submitted by:




Allie Rysell, Plan Administrator
Foster & Foster, Inc.

Approved by:



Sam Lopez, Board President



Jason Axelrod, Board Secretary

Date Approved by the Board of Trustees: 10/18/22