

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, OCTOBER 18, 2022 AT 4:30 P.M.

A meeting of the Board of Trustees of the South Barrington Police Pension Fund was held on Tuesday, October 18, 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: Sam Lopez
Joseph Abbate
Edgar Alvarado
Jason Axelrod

TRUSTEES ABSENT: Ray Cordell

OTHERS PRESENT: Michelle Bodie, Treasurer
Kevin Cavanaugh, Lauterbach & Amen, LLP (L&A)
Paula McCombie, Mayor
Mike Stafford, ASB Capital Management (*via teleconference*)
Thomas Hartwell, Collins & Radja (*arrived at 5:23 p.m.*)
Allie Rysell, Foster & Foster, Inc.

1. **CALL THE MEETING TO ORDER:** Trustee Lopez called the meeting to order at 4:31 p.m.
2. **ROLL CALL:** As reflected above.
3. **PUBLIC COMMENT:** There were no comments.
4. **MEETING MINUTES:** *Review/Approve Regular Board Meeting Minutes – July 19, 2022:* The Board reviewed the draft minutes from the July 19, 2022 regular board meeting. A motion was made by Trustee Abbate and seconded by Trustee Alvarado to approve the July 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 September 30, 2022. The ending portfolio value for the period ended September 30, 2022 was \$13,611,712 with a return of (13.93%). The Asset Allocation for the portfolio for the period ended September 30, 2022 was as follows: 60.2% Equity, 37.1% Fixed Income, and 2.7% in Cash. All questions were answered by Mr. Stafford.

Mr. Stafford ended the telephone call with the Board at 4:41 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. ACTUARIAL VALUATION:** *Presentation of Pension Fund Actuarial Valuation for FYE April 30, 2022 by Kevin Cavanaugh, Lauterbach & Amen, LLP:* Mr. Cavanaugh presented the summary of the pension fund's actuarial valuation and tax levy results for the fiscal year ended April 30, 2022. The recommended contribution was \$704,513, which decreased \$204,783, or 22.52% from the prior year. He reviewed the recommended contribution reconciliation and breakdown, demographic changes, expected benefit payments, assumption changes, risk management comments, alternative contribution, five-year employer contribution history, GASB solvency test, and actuarial certification. All questions were answered by Mr. Cavanaugh and Treasurer Bodie.

Review/Approve Actuarial Valuation and Tax Levy Request: A motion was made by Trustee Abbate and seconded by Trustee Alvarado to accept the actuarial valuation. Motion carried by roll call vote.

AYES: Trustees Lopez, Axelrod, Abbate, and Alvarado

NAYS: None

ABSENT: Trustee Cordell

A motion was made by Trustee Alvarado and seconded by Trustee Abbate to request a tax levy of \$704,513 from the Village, as recommended by the actuary. Motion carried by roll call vote.

AYES: Trustees Lopez, Axelrod, Abbate, and Alvarado

NAYS: None

ABSENT: Trustee Cordell

Mr. Cavanaugh left the meeting at 5:12 p.m.

- 7. TREASURER'S REPORT:** *Review/Approve Fiscal Year-to-Date Financial Report:* Treasurer Bodie reviewed the fiscal year-to-date financial report with the Board. All questions were answered by Treasurer Bodie. A motion was made by Trustee Alvarado and seconded by Trustee Axelrod to approve the financial report. Motion carried by roll call vote.

AYES: Trustees Lopez, Axelrod, Abbate, and Alvarado

NAYS: None

ABSENT: Trustee Cordell

- 8. EXPENDITURES:** *Review/Approve Quarterly Transactions:* Trustee Lopez reviewed the Quarterly Transactions dated October 18, 2022 with the Board:

- ASB Capital Management Invoice #SBARRE-2022Q3 in the amount of \$8,899.36 for investment services;
- Collins, Radja & Hartwell PC Invoice #864 in the amount of \$625.00 for hourly legal services pertaining to the Rycraft matter;
- Collins, Radja & Hartwell PC Invoice #543 in the amount of \$800.00 for the third 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;
- Foster & Foster Invoice #25040 in the amount of \$960.00 for administrative services for the period July-Sept. 2022;
- IPPAC Invoice #2612 in the amount of \$300 for Trustee Axelrod's training registration fees;

- Lauterbach & Amen, LLP Invoice #69706 in the amount of \$960 for the preparation of the April 30, 2022 IDOI Annual Statement

Treasurer Bodie indicated that Lauterbach & Amen's invoice will not be paid until the report is finalized. A motion was made by Trustee Abbate and seconded by Trustee Alvarado to approve the payment of invoices totaling \$13,504.36. Motion carried by roll call vote.

AYES: Trustees Lopez, Axelrod, Abbate, and Alvarado

NAYS: None

ABSENT: Trustee Cordell

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

9. **ATTORNEY'S REPORT:** Trustee Lopez stated that the Attorney's Report will be discussed later in the meeting, upon Attorney Hartwell's arrival.

10. **MEMBERSHIP UPDATES:** *Applications for Membership/Withdrawals from the Fund:* Treasurer Bodie informed the Board that the Village recently hired a new Deputy Chief. She indicated that he intends on waiving his application for membership into the pension fund in favor of a new 401(a) plan that went into effect for his position. All questions were answered by Treasurer Bodie. No action was taken by the Board.

Applications for Retirement/Disability Benefits: The Board did not receive any applications for retirement or disability benefits to review.

11. **COMMUNICATIONS:** *Trustee Training Updates:* The Board was informed that Trustee Axelrod completed his required 16 hours of new trustee training. The certificate of completion was filed for recordkeeping.

Attorney Hartwell arrived to the meeting at 5:23 p.m.

9. **ATTORNEY'S REPORT (CONTINUED):** *IPOPIF (Illinois Police Officers' Pension Investment Fund) Litigation Update:* Attorney Hartwell provided an update on the pending lawsuit and the transfer of local pension fund assets to IPOPIF. He reviewed the paperwork that would be required for the Fund to proceed with the transfer of South Barrington Police Pension Fund's investment assets to the IPOPIF by the end of the year. All questions were answered by Attorney Hartwell.

Robert Rycraft Appeal Update: Attorney Hartwell advised the Board that an appeal was not filed, so no further action is required. Treasurer Bodie advised the Board that Mr. Rycraft will be a deferred pensioner. No action was requested by the Board at this time.

Other Legal Updates: There was nothing new to discuss.

12. **OLD BUSINESS:** *Adopt IPOPIF Resolution Appointing Authorized Agents and Secretary's Certificate:* The Board reviewed the Resolution Appointing Authorized Agents and Secretary's Certificate with Attorney Hartwell and Treasurer Bodie. A motion was made by Trustee Abbate and seconded by Trustee Axelrod to adopt the Resolution Appointing Authorized Agents and the

Secretary's Certificate, and to appoint Trustee Lopez and Treasurer Bodie as the Fund's Authorized Agents. Motion carried by roll call vote.

AYES: Trustees Lopez, Axelrod, and Alvarado

NAYS: Trustee Abbate

ABSENT: Trustee Cordell

Execute IPOPIF Exhibit B Documents: The Board reviewed the Exhibit B document with Attorney Hartwell and Treasurer Bodie. A motion was made by Trustee Alvarado and seconded by Trustee Axelrod to approve and send the Exhibit B Form of Notice to the Investment Manager. Motion carried by roll call vote.

AYES: Trustees Lopez, Axelrod, and Alvarado

NAYS: Trustee Abbate

ABSENT: Trustee Cordell

Review Cash Flow, Discuss Cash Management Needs, Establish Cash Reserve Balance to Prepare for Transfer of Assets: The Board discussed the cash management procedures and reviewed the eCFM (Enterprise Cash Flow Module) Form with Treasurer Bodie and Attorney Hartwell. A motion was made by Trustee Axelrod and seconded by Trustee Abbate to appoint Treasurer Bodie as an Initiator, Trustees Lopez, Axelrod, and Cordell as Initiators and Approvers, and Trustees Abbate and Alvarado with viewing access on the eCFM Form. Motion carried by roll call vote.

AYES: Trustees Lopez, Axelrod, Abbate, and Alvarado

NAYS: None

ABSENT: Trustee Cordell

Treasurer Bodie recommended that the Board reserve approximately six months of cash reserves to prepare for the transfer of investment assets. All questions were answered by Attorney Hartwell and Treasurer Bodie. A motion was made by Trustee Alvarado and seconded by Trustee Axelrod to maintain a cash reserve balance to cover approximately six months of pensioner benefits and administrative expenses. Motion carried by roll call vote.

AYES: Trustees Lopez, Axelrod, Abbate, and Alvarado

NAYS: None

ABSENT: Trustee Cordell

Approve Bank Corporate Resolutions and Bank Signers: Board action was not needed.

Discuss Amendments to and/or Termination of Investment Professionals and Custodial Agreements related to Pension Consolidation: The Board acknowledged that services with ASB Capital Management will cease upon the transfer of investment assets to IPOPIF. No action was required.

- 13. NEW BUSINESS:** *Approve IDOI Annual Statement for the FYE April 30, 2022:* Treasurer Bodie advised the Board that the report has been reviewed and corrections were provided to Lauterbach & Amen to incorporate into the updated report. She indicated that the report needs to be filed by October 31, 2022. The Board directed Trustee Lopez to work with Treasurer Bodie to review and finalize the report on behalf of the Board by the October 31, 2022 due date.

Consider proposal by Lauterbach and Amen to provide Pension Benefits Administration and Accounting Services for the Pension fund: Treasurer Bodie informed the Board that she will be retiring

from her position in the near future, and the Village is looking at potentially outsourcing some of this work. Treasurer Bodie contacted Lauterbach & Amen prior to the meeting to request a proposal for accounting and benefits administration for the pension fund. The proposed services and fees were reviewed with the Board. The proposed fees for services were as follows: \$11,500 for fiscal year 04/30/2023; \$11,500 for fiscal year 04/30/2024; and \$11,725 for fiscal year 04/30/2025. All questions were answered by Treasurer Bodie. A motion was made by Trustee Abbate and seconded by Trustee Axelrod to approve Lauterbach & Amen's proposal for accounting and benefits services as proposed, beginning January 1, 2023. Motion carried by roll call vote.

AYES: Trustees Lopez, Axelrod, Abbate, and Alvarado

NAYS: None

ABSENT: Trustee Cordell

Approve Municipal Compliance Report for the FYE April 30, 2022: The Board reviewed the Municipal Compliance Report for the fiscal-year-ended April 30, 2022. A motion was made by Trustee Abbate and seconded by Trustee Alvarado to approve the Municipal Compliance Report reflecting the tax levy request of \$704,513. Motion carried by roll call vote.

AYES: Trustees Lopez, Axelrod, Abbate, and Alvarado

NAYS: None

ABSENT: Trustee Cordell

Establish Board Meeting Dates for the 2023 Calendar Year: The Board discussed establishing their 2023 meetings on January 17th, April 18th, July 18th, and October 17th at 4:30 p.m. A motion was made by Trustee Abbate and seconded by Trustee Axelrod to establish the meetings as discussed. Motion carried unanimously by voice vote.

14. CLOSED SESSION: Closed session was not needed.

15. ADJOURNMENT: With no further business to discuss, a motion was made by Trustee Axelrod and seconded by Trustee Alvarado to adjourn the meeting at 6:34 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: January 17, 2023