Carbondale Police Pension Fund

Board Meeting Minutes

Carbondale Civic Center

October 15th, 2019

1. Call to Order/Roll Call

Mark Goddard called the meeting to order at about 1:30 PM. Present were board members Mark Goddard, Don Priddy, Paul Echols, Jeff Davis and Tony Williams. Board attorney Dennis Orsey and financial advisor Patrick Donnelly of Greystone Consulting were also present.

2. Public Comments

N/A

3. Minutes

Echols moved, Davis seconded, to approve the minutes from the September 15th board meeting. Motion carried.

4. Correspondence

Attorney Orsey told board members that he had received a request to file a letter with the IDOI regarding information on pending litigation. He has responded with that letter.

5. Bills

-Williams moved, Priddy seconded, to pay Dennis Orsey $661.90 for fees above the quarterly retainer fee. Roll call vote: all voted yes.

-Priddy moved, Williams seconded, to pay $2,900 to Tepfur Consulting (half of total bill, split with CFD pension fund) for the most recent independent audit of the fund. Roll call vote: all voted yes.

6. Treasurer's Report

Jeff Davis presented the treasurer's report. The fund currently sits at about 28.6 million. Payroll is at about $215,000 per month. The fund recently took on about $151,000 from the food and Beveridge tax and about $1.1 million from the Real Estate tax. Williams moved, Echols seconded, to approve the treasurer's report. Motion carried.

7. Investment Report

Patrick Donnelly presented the investment report. The fund is performing well, and is in a solid position, given the shift to more aggressive buying in market downturns. Given the relative uncertainties caused by pending legislation regarding pension consolidation, Donnelly did not recommend any new purchases at this time. Williams moved, Priddy seconded, to approve the investment report. Motion carried.

8. Old Business

A. The board reviewed the revised investment policy guidelines with one revision; the first page alters the assumed rate of return from 6.75% to 6.5%. Echols moved, Williams seconded, to approve the revised investment policy. Motion carried. Patrick Donnelly will arrange to have the form signed as soon as possible and provide signed copies to the board.

B. The annual disability review for Daniel Rice is underway and awaiting a report from Dr. Yazdi's office.

C. The board reviewed the audit by Tepfur Consulting, which recommended the city's contribution for the next tax year to be $3,744,652 in order to meet the state statutory requirements described in 40 ILCS 5/3.

D. Submissions have been made for the annual statement, interrogatories and audit have been submitted, and we are awaiting any requests for follow up that may be requested.

E. Excluding Davis who has acquired the 16 hours already, all board members are signed up for the IPPFA seminar at John A. Logan on November 13th.

9. New Business

A. The following dates were proposed as meeting dates for 2020:

1/21, 2/18, 3/17, 4/21, 5/19, 6/16, 7/21, 8/18, 9/15, 10/20, 11/17, 12/15.

All meetings will continue to occur at City Hall, room 103, at 1:30 PM.

Williams moved, Davis seconded, to approve the dates. Motion carried.

B. A discussion occurred among board members and Dennis Orsey regarding the proposed legislation that seeks to consolidate article 3 funds during the pending veto session using a bill that is as yet unseen. Board members brought up concerns about the feasibility of such an undertaking. Among others, some board members referenced the following concerns:

-The figures used to make comparisons between IMRF and Downstate funds by the committee proposing the legislation.

-The burden on the fund and the city to have to fund other article 3 funds that are in much worse financial shape than our fund.

-The lack of a known firewall to keep the state from leveraging article 3 funds for other uses, enjoyed by IMRF funds.

-The timing of the legislation that does not allow for a thorough review of how consolidation will work.

-The fact that the Fraternal Order of Police did not endorse this legislation.

-The lack of any due process by the state to take control of money that was submitted by fund members and tax payers.

A resolution regarding consolidation that indicates our board requests the legislature not enact any consolidation during the 2019 veto session was introduced by Orsey. Priddy moved, Williams seconded, to sign and submit the resolution. Roll call vote: Goddard: yes, Echols: yes, Priddy: yes, Williams: yes, Davis: no. Motion carried. The resolution was signed by Goddard and Williams and was later submitted to the IPPFA via e mail by Williams.

C. The annual disability review for Christine Snyder will be underway soon.

D. The board directed attorney Orsey to submit the yearly demand letter to the city for next year's contribution based on the report from Tepfur Consulting.

E. A discussion occurred regarding the IRS fine discussed in last month's meeting. Davis received word from Gallagher and Associates that the fine was not covered by the fiduciary liability insurance policy. Echols moved, Williams seconded, to have Attorney Orsey investigate the matter and determine with the company if that was accurate and if so, why. Roll call vote: all voted yes.

10. Application for Membership

N/A

11. Application for Benefits

N/A

12. Next Meeting/Adjournment

-The next meeting will be on 11/19/19 at 1:30 PM. Echols moved, Echols seconded, to adjourn. Motion carried.

Respectfully submitted,

Anthony Williams

Board Secretary