Prospect Heights Police Pension Board

PENSION BOARD MEETING MINUTES
City Hall Council Chambers
8 North Elmhurst Road
Prospect Heights, IL 60070
Tuesday
January 10, 2017

4:00 PM Police Pension Board Regular Meeting

1. **Call to Order –** At 4:00 PM, President Coglianese called to order the January 10, 2017 Police Pension Board Meeting at the City Hall Council Chambers at 8 North Elmhurst Road, Prospect Heights, IL 60070.

2. **Roll Call –** President Coglianese called roll. A quorum was present.

COMMISSIONERS IN ATTENDANCE - Coglianese, Suerth, Palazzolo, Brophy, Morris (arrived at 4:12 PM)
COMMISSIONERS ABSENT - None
OTHER OFFICIALS PRESENT – David Wall, Wall and Associates, Financial Advisor
Officer Michael Smith – Prospect heights Police Department
Brian LaBardi – Reimer Dobrovolny & Karlson LLC, Legal Counsel
Steve Earnhardt –Lauterbach and Amen, LLC
Rich Tibbitts – City of Prospect Heights Treasurer
Karen Schultheis – City of Prospect Heights Deputy Clerk

3. **Approval of Minutes**

A. October 11, 2016 Minutes – **Commissioner Coglianese moved to approve the October 11, 2016 Minutes; seconded by Commissioner Suerth.**

VOICE VOTE: All ayes, no nays

Motion carried 4- 0 (Commissioner Morris was not present for the vote)

4. **Public Comments -** None

5. **Approval of Expenditures**
    a. **Richard Reimer Pension Board Legal Counsel** **$ 922.92**
    b. **Karen Schultheis, Recording Secretary**
    January 2017 Quarterly Meeting **$ 125.00**
    c. **Approve IPPFA Membership** **$ 705.00**

Commissioner Coglianese moved for omnibus approval of Items 5 a, b, and c as amended to show IPPFA Membership amount of $795.00; seconded by Commissioner Suerth. There was unanimous approval.

ROLL CALL VOTE:	AYES –	Suerth, Brophy, Morris, Coglianese, Palazzolo
	NAYS -	None
	ABSENT-	None

Motion carried 5 - 0

6. **Pension Board Investment Report –** David Wall went over the Fourth Quarter Financial Report. He noted that 54.5% of the plan was invested in equities. Of that, 9% was non-US stock. The plan is within the statutes policy. He noted that it was a challenging quarter for the bond market. Mr. Wall said that the stock market was reasonably valued, with earnings coming back, consumer confidence higher, but business confidence not as high. **Commissioner Palazzolo moved to accept the Investment report as presented; seconded by Commissioner Morris. There was unanimous approval.**

ROLL CALL VOTE:	AYES –	Suerth, Brophy, Morris, Coglianese, Palazzolo
	NAYS -	None
	ABSENT-	None

Motion carried 5 - 0

7. **Pension Board Legal Counsel Report –** Legal Attorney Brian LaBardi discussed:

- Municipality Sanctioned for deliberately choosing to underfund Police and Fire pension funds
- there was discussion as to whether funding at 7% was a hardline number for the Department of Insurance. It was noted by Legal Attorney LaBardi that the independent actuary Timothy Sharpe had used the 7% rate and that could be re-evaluated and modified. David Wall noted that even 6.75% would be aggressive – he stated that all big plans across the country had dropped their percentage rate of return.

It was noted that based upon Timothy Sharpe's report the City's contribution was $820,079.

8. **Pension Board Lauterbach and Amen Monthly Financial Report –** Steve Earnhardt discussed the Monthly Financial Report for the Month ended December 31, 2016. He noted that the Net Position Held in Trust for Pension Benefits was $13,534,794.96 – **Commissioner Coglianese moved to Approve the Monthly report as presented; seconded by Commissioner Suerth. There was unanimous approval.**

ROLL CALL VOTE:	AYES –	Suerth, Brophy, Morris, Coglianese, Palazzolo
	NAYS -	None
	ABSENT-	None

Motion carried 5 - 0

a. Approval of COLA increase for retired officers – Commissioner Coglianese moved to approve the COLA increase for retired officers; seconded by Commissioner Suerth. There was unanimous approval.

ROLL CALL VOTE:	AYES –	Suerth, Brophy, Morris, Coglianese, Palazzolo
	NAYS -	None
	ABSENT-	None

Motion carried 5 - 0

9. **Old Business**
   a. **Policy regarding Travel and Meal Reimbursement – approval to adopt City's Ordinance on the same –** Attorney LaBardi said that the statute does not apply to an independent fund as Police Pension Fund is not a municipality. It was noted that any amount above the per diem should be brought before the Commissioners for approval. A statute for a municipality being different from a the Police Pension Board; the Board had the option to adopt the City's Ordinance O-16-38 or no adoption. **The general consensus of the Board was to maintain its own policy as is, and that all reimbursement requests should be sent to Steve Earnhardt at Lauterbach and Amen, LLC.**

   b. **Update on Annual Exam for Scott Wagner –** It was noted that nothing had been done as of yet, and that an address was needed. Steve Earnhardt would follow up with Brian LaBardi for the next meeting – **no action was taken.**

   c. **Discussion and vote to approve/disapprove videotaping meetings –** It was noted by Attorney LaBardi that videotaping was not required. It was also noted that if a record is created it must be saved. There was concern by Commissioner Suerth that phones and police alerts were not working in the City Hall Chambers. There was a need to make certain that the Commissioners were being able to get alerts in the basement. – **The general consensus was to pass on being recorded. No Vote was needed.**

   d. **Motion to adopt and publish the decision and order on Whowell – Commissioner Coglianese moved to adopt and publish the decision and order on Whowell; seconded by Commissioner Brophy. . There was unanimous approval.**

ROLL CALL VOTE:	AYES –	Suerth, Brophy, Morris, Coglianese, Palazzolo
	NAYS -	None
	ABSENT-	None

Motion carried 5 - 0

Attorney LaBardi requested signatures from all of the Board members including Treasurer, President and Secretary.

10. **New Business**
    a. **Approval of Officer Alan Thibeault buying two (2) years of police pension time**
       i. **Officer Thibeault had over two years in the military and is eligible**
       ii. **The cost to purchase is $25,752.18 –** There was discussion regarding military purchase. It would need to be put in a written agreement – **Deferred until Next Meeting. Actual amount to purchase is $29,912.13. Agreement to be drafted by Attorney.**

    b. **Semi-annual Review of Closed Executive Session Minutes to determine if the Minutes need to remain confidential – DEFERRED**

    c. **Determine the need for election of beneficiary and active Trustees and/or re-appointment of Appointed Trustees- request for re-appointment of Appointed Trustees –** It was noted by

Steve Earnhardt that there have not been any responses to Commissioner Morris election. It was noted that the election would need to be sent in the January mailers, and then ballots would need to be sent out. There would be an additional cost of $175 to run the election and process the affidavits. **Commissioner Coglianese moved to approve the additional $175 for the election and the processing of affidavits; seconded by Commissioner Suerth. There was unanimous approval.**

ROLL CALL VOTE:	AYES –	Suerth, Brophy, Morris, Coglianese, Palazzolo
	NAYS -	None
	ABSENT-	None

Motion carried 5 - 0

d. Schedule of annual examinations for disabled police officers under age 50 – The Board was awaiting a reply from Scott Wagner. – **No action was taken.**

e. Annual verifications of eligibility for beneficiaries - This process is being handled by Steve Earnhardt – **No action was taken.**

f. Review/update contracts with vendors (accountants, actuaries, attorneys, investment managers/advisors or consultants) – Attorney LaBardi said that noted that there had to be an RFP for the firms hired to consult on the fund every five years. David Wall noted that he has discretionary powers with the Fund, and therefore, is not in a consulting role. His role allows him to trade and manage the assets without the permission of the Board; so he does not have to be taken out to bid every five years. The Board noted that they had executed a Management Agreement with David Wall not a consulting agreement – **No action was taken.**

g. Obtain predatory lending certification forms from Illinois regulated banks. – It was noted that the Board does not have any Illinois Chartered Bank connections – **No action was taken.**

11. Next Meeting Date – July 11, 2017

12. Adjournment – At 5:15 PM, Commissioner Coglianese moved to Adjourn; seconded by Commissioner Brophy. There was unanimous approval.

VOICE VOTE: All Ayes, No Nays.

Motion carried 5 – 0

Approved by the Prospect Heights Police Commission on the 11th of April, 2017

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President Jerry Coglianese Secretary William Suerth