Prospect Heights Police Pension Board

Prospect Heights Police Pension Board
PENSION BOARD MEETING MINUTES
City Hall Council Chambers
8 North Elmhurst Road
Prospect Heights, IL 60070
Tuesday
April 11, 2017

4:00 PM Police Pension Board Regular Meeting

1. Call to Order – At 4:05 PM, President Coglianese called to order the April 11, 2017 Pension Board Regular Meeting at 8 North Elmhurst Road, Prospect Heights, IL 60070.

2. Roll Call – Secretary Suerth called roll. There was a quorum present.
COMMISSIONERS PRESENT: Commissioner Coglianese, Suerth, Brophy
COMMISSIONERS ABSENT: Commissioner Morris, Palazzolo
OTHER OFFICIALS PRESENT: Officer Kevin Lange, Officer Mike Smith, Deputy Clerk Schultheis, Evan Haim of Reimer Dobrovolny & Karlson LLC, David Wall of Wall and Associates, Treasurer Tibbits, Kevin Lange (Commissioner candidate), Mike Smith (Commissioner candidate)

3. Approval of Minutes
A. January 10, 2017 Regular Meeting Minutes – **Commissioner Coglianese moved to approve Item 3A as presented; seconded by Commissioner Brophy.**

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

Motion carried 3 – 0, Commissioners Morris, Palazzolo absent

4. Public Comments – Treasurer Tibbits made an appeal to have the Meetings recorded to conform with other Commissions and Committees, which are taped.

5. Approval of Expenditures
A. Richard Reimer Pension Board Legal Counsel Payment – **Commissioner Coglianese**

moved to approve Item 5A not to exceed $1500and to be submitted to Lauterbach and Amen; seconded by Commissioner Suerth.

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

Motion carried 3 – 0, Commissioners Morris, Palazzolo absent

B. Karen Schultheis, Recording Secretary
April 2017 Quarterly Meeting $ 125.00 – **Commissioner Suerth moved to Approve Item 5B; seconded by Commissioner Brophy.**

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

Motion carried 3 – 0, Commissioners Morris, Palazzolo absent

6. Pension Board Investment Report – David Wall of Wall and Associates updated the Pension Board on the status of the portfolio. He noted that Bonds made a comeback in the second half of the month. The current plan is 56% invested in equities. As the plan has more than $10,000,000 in assets, the State will allow up to 65% in equities. The portfolio showed a rate of return for the first Quarter of 3.21 percent. It was noted that the plan was invested 10% in foreign funds. Mr. Walls stated that there was a lot of optimism in the stock market. There is still some possible correction because the current Administration may still make tax law changes. **Commissioner Brophy moved to accept the Pension Fund updates as presented; seconded by Commissioner Suerth.**

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

Motion carried 3 – 0, Commissioners Morris, Palazzolo absent

7. Pension Board Legal Counsel Report – Evan Haim of Reimer Dobrovolny and Karlson gave the legal update. He discussed the legal cases:

- Board of Trustees of Harvey Police Pension Fund v Village of Harvey – regarding the decision that Funds cannot sue municipalities for underfunding unless they can't make payments.
- House Bill 618 – House Bill proposes transfer of creditable service from police to firefighter pension funds. Proposes to allow a member of an Article 4

pension fund to transfer up to 6 years from an Article 3 fund administered by the same government.

Mr. Haim noted that the Pension Board was holding election on April 17, 2017. The new members would be seated on the Board for the July 11, 2017 Regular Quarterly Meeting.

Mr. Haim noted that as of April 1, 2018, there would be New Trust Training for four days and a test. There would be a 16 hour training per year requirement. The IEPA in St. Louis would not count toward the 16 hours.

Commissioner Suerth asked what the procedure would be if the municipality wanted to be part of the Disability Hearing. Mr. Haim noted that the Pension Board was the judge and jury.

Commissioner Suerth noted that the new commissioners were also need OMA/FOIA training.

8. Pension Board Lauterbach and Amen Monthly Financial Report- Not present.

9. Old Business

A. Approval of written agreement for Officer Alan Thibeault's use military time to purchase police pension time – There was discussion regarding what amount of interest should be charged. He said that the standard amount was 6% annually. It can be a payroll deduction or it can be a monthly, written check. The numbers will be put together and a draft agreement will be constructed. – **To be kept as OLD BUSINESS for the July 11, 2017 Regular Quarterly Meeting. No action taken.**

10. New Business

A. Accept New Officer Mitchell Webber into the Pension Fund – **Commissioner Suerth moved to accept Officer Mitchell Weber as a new Tier 2 member of the Pension Fund with a hire date of March, 2017; seconded by Commissioner Brophy.**

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

Motion carried 3 – 0, Commissioners Morris, Palazzolo absent

B. Election of active/retired/disabled Trustees – It was noted that Lauterbach and Amen would put out a ballot for the Disable and Retired representative. Current Representative Bruce Morris was not interested in another term. – **No action was taken.**

C. RFP for actuarial services – Attorney Haim said that there might need to be a New Board Special Meeting before the July meeting to have the actuarial services updated. Lauterbach does the accounting and Dave Wall will provide information to the auditor. **Commissioner Coglianese moved to request for preparing to hire Lauterbach and Amen for the preparation of the Police Pension Tax Levy Actuarial Valuation with a three year contract – 2017, 2018 and 2019 for $2500 per annum; seconded by Commissioner Suerth.**

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

Motion carried 3 – 0, Commissioners Morris, Palazzolo absent

D. Rebalance portfolio to conform with statutory asset allocation prior to close of the fiscal year - Covered by Dave Wall in his report. **No action was taken.**
E. Review and/or modification of Board's investment policy – Covered by Dave Wall in his presentation – **No action was taken**
F. Authorize preparation of annual Department of Insurance Report – Lauterbach and Amen will be handling the preparation of the Department of Insurance Report. – **No action was taken.**
G. Status of Independent Audit Report. (Due within 6 months of close of fiscal year beginning with FY2016) – It was noted that the Pension Board would be piggybacking off of the audit report of the municipality. – **No action was taken.**
H. Review and/or modification of Board's Administrative Rules and Regulations – There was nothing to report or update. – **No action was taken.**
I. Annual filing of statement of economic interest statements for each Trustee – This was covered previously – **No action was taken.**

11. Next Meeting Date - July 11, 2017 at 4:00 PM. –
For the next meeting –

1. Keep "Approval of written agreement for Officer Alan Thibeault's use military time to purchase police pension time" under **Old Business**
2. Make certain that all new members of the fill out their Statement of Economic Interest
3. Every April need to prepare Illinois Department of Insurance report

12. Adjournment – At 5:13 PM, Commissioner Coglianese moved to Adjourn; seconded by Commissioner Brophy.

ROLL CALL VOTE:	AYES –	Brophy, Coglianese, Suerth
	NAYS –	None

ABSENT - Morris, Palazzolo

Motion carried 3 – 0, Commissioners Morris, Palazzolo absent

Approved by the Police Pension Board on this the 11th day of July, 2017

_____

Secretary