



Prospect Heights Police Pension Board

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PENSION BOARD MEETING MINUTES

City Hall Council Chambers

8 North Elmhurst Road

Prospect Heights, IL 60070

Tuesday

July 11, 2017

4:00 PM Police Pension Board Regular Meeting

1. Call to Order – At 4:05 PM, Trustee Palazzolo called to order the Regular July 11, 2017 Police Pension Board Meeting at City Hall, 8 North Elmhurst Road, Prospect Heights, IL 60070.

2. Roll Call – Police Pension Board Secretary Schultheis called roll.

A quorum was present.

TRUSTEES IN ATTENDANCE – Trustees – Kearns, Palazzolo, Smith, Lange

OTHER OFFICIALS IN ATTENDANCE – Pension Board Legal Counsel Labardi, Pension Board Invest Advisor Wall, Pension Board Financial Advisor Earnhardt, Police Department Retired/Disability Representative Candidate Minniear, Treasurer Tibbits, and Police Pension Board Secretary Schultheis.

Trustee Kearns moved to certify the election of results of Officer Kevin Lange and Officer Michael Smith to the Police Pension Board; seconded by Trustee Palazzolo.

ROLL CALL VOTE:

AYES -	Kearns, Palazzolo, Lange, Smith
NAYS -	None
ABSENT -	None

Motion carried 4- 0 (Retired/Disability Trustee vacant position)

Trustee Palazzolo moved to accept the Appointment of Trustee Kearns as the City Representative to the Police Pension Board for a two year term; seconded by Trustee Smith.

ROLL CALL VOTE:

AYES -	Kearns, Palazzolo, Lange, Smith
NAYS -	None
ABSENT -	None

Motion carried 4- 0 (Retired/Disability Trustee vacant position)

*The Retirement/Disability Trustee slot is currently vacant

Lauterbach and Amen will handle the July benefit checks

3. Approval of Minutes

A. April 11, 2017 Regular Meeting Minutes – **Trustee Smith moved to Approve the April 11, 2017 Regular Meeting Minutes as presented; seconded by Trustee Lange.**

VOICE VOTE: All ayes, no nays.

Motion carried 4 – 0 (Retired/Disability Trustee vacant position)

4. Public Comments – Treasurer Tibbits noted that all other committees and commissions recorded their meetings. It was noted that taping of the Meetings was not mandatory. It was also noted that taping the meetings created other requirements, and that it was up to the Board whether or not they wanted to be taped. It was asked whether the public had expressed explicit interest in having the Police Pension Meetings taped. It was noted that there had not been any public requests for the Police Pension Board tapes. It was also mentioned that the meetings were open to the public and announced to the public, but there was no attendance. **The general consensus of the Board was not to tape the Meetings.**

5. Approval of Expenditures

A. Richard Reimer Pension Board Legal Counsel Payment -

a. Quarterly Retainer - **\$750.00**

b. Disability Application of Joseph Whowell - **\$150.00**

c. Previous Quarterly Balance - **\$750.00**

TOTAL AMOUNT DUE - \$1,650.00

B. Karen Schultheis, Recording Secretary

July 2017 Quarterly Meeting **\$ 125.00**

Trustee Smith moved for omnibus approval of the Quarterly Retainer of \$750.00, Disability Application of Joseph Whowell of \$150.00, Previous Quarter Balance of \$750 for a Total of \$1650.00 AND the July 2017 Quarterly Payment of \$125.00 for the Recording Secretary; seconded by Trustee Lange.

ROLL CALL VOTE: AYES - Kearns, Palazzolo, Lange, Smith

NAYS - None

ABSENT - None

Motion carried 4- 0 (Retired/Disability Trustee vacant position)

6. Pension Board Investment Report – David Wall gave a background on his position vis-à-vis the Police Pension Board assets. He noted that he is the written fiduciary of the plan. The State allows up to 65% of the Plan to be in equities. The current

position of the plan is invested 56% in equities – that is pure equities. The ending Market value of the fund for the quarter is \$14,346,248.88 (a total gain of \$252.754.11). he said that foreign investment was limited to 10%.

Trustee Kearns asked if he could get the Police Pension Fund Quarterly Results before the Meeting to be put in the packet.

There was discussion regarding misconceptions about the fund as presented to the City Council – it did not lose money by not hitting its 7% target return, it still made over 5%. The Police Pension Board was at the City Council Meeting to clarify that the Plan was robust and profitable.

Trustee Smith moved to Approve the Prospect Heights Police Pension Second Quarter 2017; seconded by Trustee Kearns.

ROLL CALL VOTE: AYES - Kearns, Palazzolo, Lange, Smith
 NAYS - None
 ABSENT - None

Motion carried 4- 0 (Retired/Disability Trustee vacant position)

7. Pension Board Legal Counsel Report – Counselor Labardi told the new Trustees that they need to go through the 32 hour certification course. New appointees must perform 16 hours a year in continuing education. The 32 hour training is one day per month.

Discussion of HB 418 – to prevent IMRF double dipping.

Discussion of the loss of some of the pension board's discretion with Village of Alsip v Pirtincaso; in which the Appellate Court ruled in favor of the Village.

8. Pension Board Lauterbach and Amen Monthly Financial Report – Trustee Smith moved to accept the Monthly Financial report as presented; seconded by Trustee Lange.

ROLL CALL VOTE: AYES - Kearns, Palazzolo, Lange, Smith
 NAYS - None
 ABSENT - None

Motion carried 4- 0 (Retired/Disability Trustee vacant position)

9. Old Business

A. Approval of written agreement for Officer Alan Thibeault's use military time to purchase police pension time – pending submission of calculations from Lauterbach and Amen - It was noted that Pension Attorney Labardi would draft a contract so that Officer Thibeault knows what will be necessary for him to do. He is a Tier 2 pension recipient. The statute says that there is 6% interest. He would like to pay \$100 per paycheck with 6% interest over twenty years. It was noted that the amount must be paid in full before retirement. Financial Advisor Earnhardt said that he would be refunded monies if he did not pay in full before retirement. it was noted

that he behooves him to pay more upfront. The sense was that this had been on hold for a long time and that the interest was compounding as the process drags out.

10. New Business

A. Accept New Officer Pardeep Deol into the Pension Fund – **DEFERRED**

Officer Deol is awaiting a refund from Lincolnwood. It was submitted to Lauterbach and Amen for the next meeting.

B. Election of active Trustees

a. Officer Kevin Lange – **Voted upon previously**

b. Officer Michael Smith – **Voted upon previously**

C. Semi- Annual Review of Executive Session Minutes - **None**

D. Review of Status of Trustees' annual training requirements - Working with deputy Clerk Schultheis regarding OMA and FOIA training requirement.

E. Authorize eligibility of Retirement benefits to:

a. Joe Vertone – **DEFER**. He will be paid retroactively from Lauterbach and Amen. The question of Longevity and how the City applies it is in question. There had been no money taken out for some officers.

b. Scott Minniear - **No action taken**. There was the question as to whether the City calculated it as pensionable. There was direction given to Pension Attorney Labardi to do a n Administrative Review at a cost of \$150.

It was noted that ten retirees are affected by longevity discrepancies. Lauterbach and Amen may have to do an audit and see what is owed to the fund.

At no extra cost to the Board, Lauterbach and Amen was directed to review. It was noted that the last longevity payment was October, 2016.

There was a request to City Hall Staff to locate that section of the Budget Ordinance that dealt with longevity pay.

There would need to be a special meeting before the Quarterly meeting.

c. Lee Willett – It was noted that the Police pension Board was waiting for Numbers from City Hall Finance Department. This officer has been out of the City since 2012. He is required to give the Board a Qualified Domestic Relations Order. The Board is not required to notify him – this must be in his file.

DEFERRED TO SPECIAL MEETING

F. Election of Board Officers - **Trustee Smith moved to approve slate of candidates with Salvatore Palazzolo as Secretary, Kevin Lange as Vice President, Michael Smith as President, William Kearns as Assistant Secretary; seconded by Trustee Palazzolo.**

ROLL CALL VOTE: AYES - Kearns, Palazzolo, Lange, Smith
 NAYS - None
 ABSENT - None

Motion carried 4- 0 (Retired/Disability Trustee vacant position)

At 5:32 PM, Trustee Palazzolo left the Meeting.

11. Next Meeting Date – October10, 2017 at 4:00 PM – there was discussion regarding electronic attendance. It was noted that electronic attendance required a physical quorum present and a motion to approve those attending electronically. Prior notification of electronic attendance was also required.

12. Adjournment – At 5:50 PM; Trustee Smith moved to Adjourn; seconded by Trustee Kearns.

VOICE VOTE: All Ayes, No Nays.

Motion carried 3 – 0; Trustee Palazzolo left the meeting at 5:32 PM; Retired/Disability Trustee vacant position