



**Prospect Heights Police Pension Board
PENSION BOARD MEETING MINUTES
City Hall Council Chambers
8 North Elmhurst Road
Prospect Heights, IL 60070
Tuesday
July 10, 2018**

3:00 PM Police Pension Board Regular Meeting

Call to Order - At 3:00 PM, President Smith called to order the July 10, 2018 Prospect Heights Police pension Board Regular Meeting at 8 North Elmhurst Road, Prospect Heights, IL 60070.

Roll Call Deputy Clerk Schultheis called roll. A quorum was established.

Trustees in Attendance – President Smith, Trustee Kearns, Trustee Palazzolo, Trustee Minniear

ABSENT – Trustee Lange (by previous notification)

OTHER OFFICIALS IN ATTENDANCE – Treasurer Tibbits, Richard Reimer Pension Attorney LaBardi, Pension Board Investment Manager Wall, Pension Board Investment Manager McLeod, Lauterbach and Amen Pension Board Accountant May, City Administrator Wade, and Pension Secretary Schultheis.

Approval of Minutes

A. April 10, 2018 Regular Meeting Minutes – **Trustee Kearns moved to approve the April 10, 2018 Regular Meeting Minutes as presented; seconded by Trustee Palazzolo.**

VOICE VOTE - All ayes, No Nays

Motion carried 4- 0, Trustee Lange absent

Public Comments – Treasurer Tibbits requested that the Pension Board consider taping the sessions. When asked for a legal opinion, Attorney LaBardi said that he would advise against taping the meetings as the tapes would become FOIA’able and would have to be stored by the Pension Board. **Trustee Kearns requested that An Action Item for the October 9, 2018 Regular Meeting include the Pension Board**

vote as to whether or not Meetings should be taped and stored.

Approval of Expenditures

A. Richard Reimer Pension Board Legal Counsel Payment -

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

B. Karen Schultheis, Recording Secretary

July 2018 3rd Quarter Meeting **\$ 125.00**

Trustee Kearns moved for omnibus approval of the amended Expenditures to show the July 2018 Third Quarter payment for the Recording Secretary; seconded by Trustee Palazzolo.

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

Motion carried 4 – 0, one absent

C. Approval of Pending Expenses – There was a request to approve Reimer’s expenses and correspondence and evaluations plus the previous balance.

President Smith moved to approve \$4,679.08 for the expenses as listed above with the detailed statement pending; seconded by Trustee Kearns.

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

Motion carried 4 – 0, one absent

6. Pension Board Investment Report – Pension Manager David Wall noted that the portfolio assets are invested 59% in true equities, and it was noted that 65% is the maximum allowable for this size portfolio. It was noted that the Board approved a strategic beta last quarter. It was noted that there has been a net dollar gain in the portfolio of \$238,343.28 the last quarter. **A custom benchmark was requested by the Board, and it was noted by Pension Manager Wall that he would have one for the next Quarter.**

Pension Manager Wall summed up his report that he believed there would be a rate hike; that corporate America is booming, there is not enough data on tariffs right now to know their effect, and the market is still doing very well.

It was noted that the that the annual Police Pension Board Meeting will be in lake Geneva the first week of October

President Smith moved to approve the Pension Fund Report as presented; seconded by Trustee Palazzolo.

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

Motion carried 4 – 0, one absent

7. Pension Board Legal Counsel Report – Attorney LaBardi said that there were conflicting arguments in the court regarding what constitutes being injured in the line of duty.

He noted that the Training Conference is Geneva this year. – **No action was taken.**

8. Pension Board Lauterbach and Amen Monthly Financial Report – Pension Accountant May discussed the Year End Adjustments for the Fiscal Year ending April 30, 2018. Noted in the Statement of Net Position, the Fund has \$15,426,659.13 in trust.

Pension Manager Wall said that the Bank Account was down to \$26,000 at the end of May, as per Report 4-1 “Prospect Heights Police Pension Fund – Cash Analysis Report for 12 Periods ending May 31, 2018. He asked how the benefits were paid out for June?

Pension Accountant May said that he does not know if there was a credit to the account but does know that there were no issues reported with the June payments made to pensioners.

President Smith moved to Accept the Pension Board Lauterbach and Amen Year and Monthly Financial Report as presented; seconded by Trustee Kearns.

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

Motion carried 4 – 0, one absent

9. Old Business

A. Suspension of Direct Deposit for Pension Benefit of Scott Wagner – Pension Attorney LaBardi said that pensioner Scott Wagner had been sent letters to multiple addresses and at 5:07 PM on July 9th, a scanned version of authorization was requested.

President Smith moved to that Scott Wagner must provide original authorizations within 14 days of request or his direct deposit can be suspended; seconded by Trustee Kearns.

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

Motion carried 4 – 0, one absent

*It was noted that benefits would not be suspended, only direct deposit.

10. New Business

A. Semi Annual Review of Closed Executive Session Minutes to determine what needs to remain confidential – **there are None.**

B. Election of Board Officers (President, Secretary, etc.) – **President Smith moved to approve that the slate of candidates retain their current positions; seconded by Trustee Palazzolo so that Salvatore Palazzolo is Secretary, Kevin Lange is Vice President, Michael Smith is President, and William Kearns as Assistant Secretary.**

ROLL CALL VOTE:

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

Motion carried 4 – 0, one absent

C. Potential selection of independent enrolled actuary for recommended tax levy This was presented by Jessica Fain of Lauterbach of Lauterbach and Amen at the April 10, 2018 Police Pension meeting. – **No action taken.**

D. Review status of Trustees annual training requirements – It was noted that Trustee Minniear needs to complete online training. Trustee Kearns has also signed up for online training completion. Pension Attorney LaBardi stated that New Trustee Training at Lake Geneva does not count toward the 32 hours. Lake Geneva counts as 40 hours and is part of the annual 16 hours of training that is required. – **No action was taken.**

E. Approval of Jerry Coglianese Retirement Calculation – It was noted by Pension Accountant May that all of the calculation fees are set. **President Smith moved approve the retirement benefits for Jerry Coglianese effective July 14, 2018 to include 28 years of service with salary attached to rank of Sergeant resulting in a monthly pension amount of \$6,686.05 (70 percent pension amount of \$114,618 salary); seconded by Trustee Palazzolo.**

ROLL CALL VOTE:

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

Motion carried 4 – 0, one absent

Action Item for the October 9, 2018 Agenda – Approval of Jerry Coglianese decision

F. Corporal Duron Military Buyback – Corporal Duron’s paperwork was given to Mike May. The Board needs to take direction for payment schedule. President Smith said that he would look at the actuarial reports. Attorney LaBardi said that no action was needed at this meeting because Corporal Duron had not agreed to the numbers yet. – **No motion was needed until Corporal Duron agreed to the numbers.**

G. Officer Colleen Zitkus' pension transfer from the Lincolnwood PD to the Prospect Heights Pension fund – CPA Mike May said that he had received paperwork from Colleen Zitkus, and was still working on the material. Will reach out to Lincolnwood PD - she had 90 days to apply to be on the Prospect Heights pension.

Trustee Palazzolo asked if all pensions go out to 97 years of age; and was told by CPA May that the assumption of the report in question assumed longevity until 97 years but that the pension would continue longer if the person survived beyond 97 – **No action was taken**

Next Meeting Date – October 9, 2018 at 3:00 PM – 8 North Elmhurst Road, Prospect Heights, IL 60070

Adjournment – At 4:10 PM, Trustee Palazzolo moved to Adjourn; seconded by President Smith.

VOICE VOTE - All Ayes, No nays

Motion carried 4 – 0; Trustee Lange absent.

Approved by the Pension Board on this the 9th Day of October, 2018

President Michael Smith

Secretary Salvatore Palazzolo