



## **Prospect Heights Police Pension Board**

### **REGULAR MEETING**

**Tuesday**

**January 10, 2023 at 9 AM**

**Call to Order** - At 9:00 AM, President Lange called to order the Regular Meeting of the Prospect Heights Police Pension Board at City Hall, 8 North Elmhurst Road, Prospect Heights, IL 60070.

**Roll Call** – Deputy Clerk Schultheis called roll. A quorum was present.

**TRUSTEES PRESENT** – President Lange, Trustees – Minniear, Huitink, Kearns, Sigsworth

**OTHER OFFICIALS PRESENT** – Treasurer Tibbits, Attorney LaBardi, Accountant Birkenheier, Accountant Nathalie Aguirre, and Deputy Clerk Schultheis

#### **Approval of Minutes**

**A. October 11, 2022 Regular Meeting Minutes – President Lange moved to Approve the October 11, 2022 Regular Meeting Minutes as presented; seconded by Trustee Sigsworth**

<b>ROLL CALL VOTE:</b>	Ayes –	Lange, Minniear, Sigsworth, Kearns
	Nays -	None
	Absent -	None
	Abstain -	Huitink

Motion carried 4 – 0, one abstention

**Public Comments** – Treasurer Tibbits asked that the Police Pension Board meetings be recorded and that the recordings be retained for the sake of transparency.

#### **Approval of Expenditures**

**A. Richard Reimer Pension Board Legal Counsel Payment -**

a. Quarterly Retainer plus General Matters - **\$750.00**

**B. Karen Schultheis, Recording Secretary January 10, 2023, 1st Quarter Meeting  
\$125.00**

**C. Invoices**

- a. Approval of Invoice #71759 – Lauterbach and Amen Professional Services of October, 2022 - **\$740.00**
- b. Approval of Invoice #73137 – Lauterbach and Amen Professional Services of November, 2022 - **\$740.00**
- c. Approval of Invoice #70842 – Lauterbach and Amen Accounting benefits and Administration services - **\$740.00**
- d. Approval of Invoice #71525 – Lauterbach and Amen professional services rendered in connection with preparation of the Illinois Department of Insurance report for fiscal year ended April 30, 2022 - **\$1,415.00**

**D. Payment of Expenditures – Reimer review of House and Senate bills - \$597.21**

**President Lange moved for omnibus approval of Richard Reimer Pension Board Legal Counsel Payment - Quarterly Retainer plus General Matters - \$750.00; Karen Schultheis, Recording Secretary January 10, 2023, 1st Quarter Meeting \$125.00; Approval of Invoice #71759 – Lauterbach and Amen Professional Services of October, 2022 - \$740.00; Approval of Invoice #73137 – Lauterbach and Amen Professional Services of November, 2022 - \$740.00; Approval of Invoice #70842 – Lauterbach and Amen Accounting benefits and Administration services - \$740.00; Approval of Invoice #71525 – Lauterbach and Amen professional services rendered in connection with preparation of the Illinois Department of Insurance report for fiscal year ended April 30, 2022 - \$1,415.00; Reimer review of House and Senate bills - \$597.21; seconded by Trustee Sigsworth. There was unanimous approval.**

**ROLL CALL VOTE:**

Ayes –	Minniear, Sigsworth, Huitink, Kearns, Lange
Nays -	None
Absent -	None

Motion carried 5 - 0

**Pension Board Legal Counsel Report**

Attorney LaBardi discussed disability for Sergeant Godair – he said that research was still being gathered. He noted that the City has intervened, and Sgt. Godair did not object. This gives the City the right to call witnesses. The City will take the lead; while the Pension Board acts as jury/judge. He noted that he has had a difficult time getting records from the City’s Workers Compensation attorney. Attorney LaBardi said that the Workers Compensation Attorneys have admitted that they owe Reimer documentation. That documentation is needed to get medical appointments and review. After the records review, the proceedings will be determined. Currently, Sgt. Godair has light duty at the Police Station. When asked if Attorney LaBardi could contact the City Administrator to expedite the process with the Workers Compensation Attorneys, Attorney LaBardi said that the Pension Board attorneys could only contact the City’s attorneys. – **No action was taken.**

Final Audit Report – The City’s audit report was just completed. Lauterbach and Amen was supposed to get the audit to the Consolidated Board by December. The City’s audit was delayed because of a delay from the Chicago Executive Board accountants. Attorney LaBardi said that the missed December deadline was unacceptable. \*He noted that he would be speaking with the City’s Finance Director, Cheri Graefen because this is not the first time that the City has had a late audit. Attorney LaBardi added that he has never had a pension board submit an audit this late.

Accountant Birkenheier said as soon as the City Council approves the audit, it can be given to the Lauterbach and Amen Actuarial team – President Lange said that the Pension Board will need a Special Meeting to approve the audit as soon as possible.

-Trustee Huitink suggested that the Trustees be given a timeline of annual events and deadlines.

Attorney LaBardi said that there is no update on the Consolidation lawsuit.

- A. Review/amendment to cash management policy – \*Attorney LaBardi said that the most recent State Street numbers need to be in the Pension Board packets.\* Accountant Birkenheier said that Lauterbach and Amen still did not have the December financials.

Attorney LaBardi asked if the Pension Board wanted to maintain the policy of \$360,000 minimum in the Bank and \$400,000 maximum. It was noted that the City just has one account now – Harris Bank. Attorney LaBardi asked if deposits are being made automatically? Accountant Birkenheier said “not yet.”

### **Pension Board Investment Report**

#### **Pension Board Lauterbach and Amen Monthly Financial Report**

A. Global Cash Movement – Crista Birkenheier – it was noted that as of November 30, 2022, there was a net position of \$20, 014,018.14 in the Fund. – **President Lange moved to approve the Lauterbach and Amen financial report as presented; seconded by Trustee Huitink. There was unanimous approval.**

<b>ROLL CALL VOTE:</b>	Ayes –	Sigsworth, Huitink, Kearns, Lange, Minniear
	Nays -	None
	Absent -	None

Motion carried 5 - 0

B. BMO Collateralization – Attorney LaBardi said that the Bank of America will no longer collateralize the Harris accounts. Harris will use BONY (Bank of New York). Attorney LaBardi has suggested changes to the what BONY would like the Pension Board to have in its contract. BONY has declined to accept the changes. The Attorney has asked Harris to look for another bank. Attorney LaBardi said that many clients keep an open account at Schwab. President Lange noted that the Pension Board has closed all of its accounts with Schwab. Attorney LaBardi said that the Pension Board has three choices:

- Accept Bank of New York - The Attorney does not approve of doing that)
- Wait to see what other bank Harris might use
- Find a different source

The FDIC limit is \$250,000, so the funds so they must be collateralized. Trustee Huitink suggested that the Pension Board use a money market account with Lauterbach and Amen. Accountant Birkenheier said that she would look into whether or not Harris Bank had a money market account.

The decision regarding collateralization must be made before the end of February, 2023.

When asked what the parameters are at BONY that are objected to by Counsel, Attorney LaBardi said:

- Broad indemnity – the Board would have to waive malpractice against BONY attorneys
- Pension Board would have to adopt New York laws and venue
- If the Pension Board were to cancel their services, the indemnity clause does not expire

**No action was taken.**

### **Old Business**

### **New Business**

#### **A. Kevin Lange Transfer of Credible Service**

a) Recognition the purchase has been paid in full

b) Acknowledgment of the Revised Date of Hire – **Trustee Sigsworth moved to approve**

**Kevin Lange transfer of credible service and recognizing date of hire as April 27, 2012; seconded by Trustee Huitink.**

<b>ROLL CALL VOTE:</b>	AYES -	Huitink, Kearns, Minniear, Sigsworth
	NAYS -	None
	ABSENT -	None
	ABSTAIN -	Lange

Motion carried 4 – 0, one abstention

**B. Approval of Annual COLA increases – President Lange moved to approve the Annual COLA increases; seconded by Trustee Kearns.**

<b>ROLL CALL VOTE:</b>	AYES -	Kearns, Lange, Sigsworth, Huitink
	NAYS -	None
	ABSENT -	None
	ABSTAIN -	Minniear

Motion carried 4 – 0, one abstention

**C. Semi Annual Review of Closed Executive Session Minute to determine if needs to remain confidential. – None**

**D. Determine need for election of beneficiary and active Trustees and/or Re-appointment of appointed Trustees – request for re-appointment of appointed Trustees. – no expiring terms. No action taken.**

**E. Schedule annual examinations of disabled firefighters/police officers under age 50. – there are no pension members that fit this criteria – No action taken.**

**F. Annual verifications of eligibility for beneficiaries – Accountant Birkenheier said that she did not have the affidavits with her. – No action taken.**

**G. Review/update contracts with vendors (accountants, actuaries, attorneys,**

investment managers/advisors, consultants). – **No action taken.**

**H. Obtain predatory lending certification forms from Illinois regulated banks. – None**

**I. Resignation of Carlos Collazo – Carlos Collazo resigned 12/19/2022. His refund information will be put on the April, 2023 Police Pension Agenda – No action was taken.**

**J. Approval of Officer Lee Redlin to the Police Pension Fund – President Lange moved to approve Officer Lee Redlin to the Police Pension Board as a Tier II member as of 12/19/2022; seconded by Trustee Sigsworth. There was unanimous approval.**

**ROLL CALL VOTE:**

Ayes –	Lange, Minniear, Sigsworth, Huitink, Kearns
Nays -	None
Absent -	None

Motion carried 5 - 0

**K. Approval of Victor Castillo Pension Refund – Victor Castillo was at the Police Department from May 24, 2021 to March 21, 2022. He is refunded \$5,538.67. there is no interest to be paid, just contributions. President Lange moved to approve the Victor Castillo Pension Refund of \$5,538.67; seconded by Trustee Sigsworth. Sigsworth. There was unanimous approval.**

**ROLL CALL VOTE:**

Ayes –	Minniear, Sigsworth, Huitink, Kearns, Lange
Nays -	None
Absent -	None

Motion carried 5 - 0

**Next Meeting Date – Tuesday, April 11, 2023 at 9 AM – City Hall. 8 North Elmhurst Road, Prospect Heights, IL 60070 - Trustee Huitink asked about upcoming retirements.**

President Lange said that Chief Caponigro would be the next one to reach retirement age in five years, and then there is a 14 year drop off. He also noted that Chief Caponigro and Sgt. Duron are the last of the Tier I officers.

**Adjournment – At 10:00 AM; President Lange moved to Adjourn; seconded by Trustee Kearns.**

**VOICE VOTE:** All Ayes, No Nays

Motion carried 5 – 0

Approved by the Prospect Heights Police Pension Board on this the 11<sup>th</sup> day of April, 2023.

  
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President Lange