



**Prospect Heights Police Pension Board Minutes  
CITY HALL  
8 NORTH ELMHURST ROAD  
PROSPECT HEIGHTS, IL 60070**

**REGULAR MEETING  
Tuesday  
April 11, 2023 at 9 AM**

**Call to Order** – At 9:00 AM, Vice President Sigsworth called to order the Regular Meeting of the Prospect Heights Police Pension Board at City hall, 8 N Elmhurst Road, Prospect Heights, IL 60070.

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

**TRUSTEES PRESENT** – President Lange (entered the meeting at 9:26 AM, due to prior commitment), Trustees – Sigsworth, Minniear, Huitink, Kearns.

**OTHER OFFICIALS PRESENT** – Attorney LaBardi, Accountant Birkenheier, Fidelity Insurance Broker Kiesewetter, Treasurer Tibbits, Deputy Clerk Schultheis

**Approval of Minutes**

A. January 10, 2023 Regular Meeting Minutes – **Vice President Sigsworth moved to approve the January 10, 2023 Regular Meeting Minutes as presented; seconded by Trustee Kearns.**

**ROLL CALL VOTE:**

AYES -	Kearns, Sigsworth, Minniear, Huitink
NAYS -	None
ABSENT -	Lange

Motion carried 4 – 0, one absent

**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 April 11, 2023, 2nd Quarter Meeting

**\$125.00**

C. Invoices

a. Invoice# 75495 – Professional Services in connection with the 2022 1099's - **\$515.00**

b. Invoice #74900 – January Services - **\$740.00**

c. Invoice #72622 – Affidavits of Eligibility - **\$250** plus Elections - **\$350 = \$600**

d. Invoice #72433 – Municipal Compliance Report- **\$600.00**

e. Invoice #73946 – December, 2022 Services - **\$740.00**

f. Invoice #75982 - February, 2023 Services - **\$740.00**

D. IPPFA Membership Dues January 1, 2023-December 31, 2023 - **\$795.00**

E. Payment of Expenditures – **Vice President Sigsworth moved for omnibus approval of Richard Reimer Pension Board Legal Counsel Payment Quarterly Retainer plus General Matters - \$750.00; Karen Schultheis, Recording Secretary - April 11, 2023, 2nd Quarter Meeting of \$125.00 Invoice # 75495 – Professional Services in connection with the 2022 1099's - \$515.00; Invoice #74900 – January Services - \$740.00; Invoice #72622 – Affidavits of Eligibility - \$250 plus Elections - \$350 = \$600; Invoice #72433 – Municipal Compliance Report- \$600.00; Invoice #73946 – December, 2022 Services - \$740.00; Invoice #75982 - February, 2023 Services - \$740.00, Reimer Invoice. Invoice 2717 Reimer payment for \$1470.70; and IPPFA Membership Dues January 1, 2023-December 31, 2023 - \$795.00; seconded by Trustee Huitink.**

**ROLL CALL VOTE:**

AYES -

Sigsworth, Minniear, Huitink, Kearns

NAYS -

None

ABSENT -

Lange

Motion carried 4 – 0, one absent

### Pension Board Legal Counsel Report

Todd Godair – Attorney LaBardi noted that the IME had scheduled three medical assessments on April 24, 27 and May 2. The results will be forwarded, and then there will be a Hearing. Trustee Huitink asked if the Board just listens at the Hearing? Attorney LaBardi replied that it is like a trial that will include Mr. Godair, his lawyer, witnesses, the City Attorney and witnesses. Attorney LaBardi will run the Hearing. After the Hearing, there is a closed Session. He noted that the Trustees cannot discuss the case prior to the Hearing. He added that the Trustees will be able to ask questions at the Hearing, and will be able to question the witnesses. – **No action was taken**

Attorney LaBardi noted that there had not been a Special Meeting to discuss the Actuarial evaluation. Account Birkenheier stated that there were no changes to what had been reported at the January, 2023 meeting. Attorney LaBardi noted that the Board needed to recommend a tax contribution as noted.

### Pension Board Lauterbach and Amen Monthly Financial Report

A. Global Cash Movement – Crista Birkenheier

B. BMO Harris Collateralization Agreement – It was noted that letters of credit are good for one year. February 2023 – February 2024. The Letter of Credit is for \$2,260,000. It will be back on the January 2024 Meeting Agenda.

Trustee Kearns said that there was a loan to fund the initial payments. Attorney LaBardi replied that the loan was part of the legislation to pay for administrative costs. – **No action was taken.**

**C. Discussion regarding opening a BMO Money Market - \$120,000 every month is put into the account. The minimum in the account, as per the Board, is \$360,000 and the maximum is \$400,000. Any money over \$400,000 is transferred into the State Street account. The money market earns 4% interest but no checks can be written from it. A checking account earns 2.25% interest.**

Trustee Huitink asked that the minimum be kept in checking. Attorney LaBardi noted that the monthly expenses are \$130,000. He added that there is too much cash in reserve. Accountant Birkenheier said that the large deposit of \$360,000 is offsetting bank fees and checking fees.

Trustee Kearns noted that there is a \$15,000 shortfall each month between what is received and what needs to be paid out.

**Vice President Sigsworth moved to direct Lauterbach and Amen to initiate a BMO Harris money market account with \$360,000 minimum and \$400,000 maximum and transfer any excess over \$400,000 to POPIF; seconded by Trustee Minniear.**

**ROLL CALL VOTE:**

AYES -	Minniear, Huitink, Kearns, Sigsworth
NAYS -	None
ABSENT -	Lange

Motion carried 4 – 0, one absent

**Vice President Sigsworth moved to set up a BMO Harris checking account targeting an amount of \$15,000 to be peeled back after it reaches \$30,000, leaving tax payments in the account to keep from getting fees, with any excess over \$30,000 sent to POPIF; seconded by Trustee Huitink.**

**ROLL CALL VOTE:**

AYES -	Huitink, Kearns, Sigsworth, Minniear
NAYS -	None
ABSENT -	Lange

Motion carried 4 – 0, one absent

**At 9:26 AM, President Lange entered the meeting.**

**Monthly Financial Report –** Trustee Huitink noted that contributions requested versus actual contributions would be a good statistic for the Board to know. Accountant Birkenheier said that she would check the five-year history of that statistic.

**Trustee Sigsworth moved to Approve the February 28, 2023 Monthly Financial Report as presented; seconded by President Lange. There was unanimous approval.**

**ROLL CALL VOTE:**

AYES -	Huitink, Kearns, Sigsworth, Minniear, Lange
NAYS -	None
ABSENT -	None

Motion carried 5 - 0

**Old Business - None**

**New Business**

A. Review/approve Fiduciary Liability renewal – Greg Kiesewetter – said that the renewal numbers are from the incumbent and the policy is from May 2023 – May 2024. – it was noted that the Board could use Attorney LaBardi if there ever was a legal claim. The deductible is \$0.00 (zero). Trustee Kearns wanted to know why the premium went up after the Board’s investments went to the State. Broker Kiesewetter said that while fiduciary responsibility was taken away by the State claims have been persistent in litigation. Attorney LaBardi stated that everything is going to Court for Administrative Review for every claim.

Broker Kiesewetter said that coverage is a personal preference to protect personal assets and assets of the Fund. He added that asset size drives the characteristic of the liability rating.

He stated that the policy can have its limit amended at any point during the policy term. Trustee Huitink asked how many other pension funds were covered by the insurance firm; and Mr. Kiesewetter said 115 article 3 and 4 pensions.

Trustee Kearns asked why the premiums were going up since the investments were now handled by the State? Mr. Kiesewetter replied that the investments had been removed from the Board but that litigation had remained. Attorney LaBardi added that all claims trigger defense coverage. He said that the cases are usually not for money but for benefits.

Trustee Kearns noted that claims cases were not usual for Prospect Heights, and that the Godair claim had been the first in years. Mr. Kiesewetter replied that asset size drove the characteristic of the liability rating.

**Trustee Kearns moved to approve the Fiduciary Liability renewal for \$4,919.00; seconded by President Lange. There was unanimous approval.**

**ROLL CALL VOTE:**

AYES -	Kearns, Sigsworth, Minniear, Lange, Huitink
NAYS -	None
ABSENT -	None

Motion carried 5 - 0

**B. Carlos Collazo pension refund - Tabled**

**C. Timeline for Action Items – as per Trustee Huitink – Trustee Huitink asked for a timeline of events that are statutory. Attorney LaBardi said that the newsletter gives quarterly updates, but he will send out a notice of annual events that will be user friendly. – No action was taken.**

**D. Election of Active/Retired/Disabled Trustees – Elections are not required until April, 2024.**

**E. Authorize Preparation of Annual Department of Insurance Report – This will be filed by Lauterbach and Amen on 10/31//2023. – No action taken.**

**F. Status of Independent Audit Report (due within 6 months of close of fiscal year) – Trustee Huitink said that the Board was supposed to approve the actuarial.**

**G. Review and/or modifications of Board’s Administrative Rules and Regulations - None**

**H. Annual Filing of Statement of Economic Interest for each Trustee – Due May 1, 2023.**

**I. Lauterbach and Amen – renewal of services for fiscal years ending April 30, 2024, 2025, 2026 – Trustee Kearns moved to approve Lauterbach and Amen – renewal of services for fiscal years ending April 30, 2024, 2025, 2026; seconded by Trustee Sigsworth. There was unanimous approval.**

**ROLL CALL VOTE:**

AYES -	Sigsworth, Minniear, Lange, Huitink, Kearns
NAYS -	None

ABSENT - None

Motion carried 5 - 0

J. Annual verifications of eligibility for beneficiaries – **TABLED** It was noted that everyone except Scott Wagner had verified. His information came back as undeliverable. It was sent three times by certified mail. A paper check will be made, but paperwork will need to be filed.

K. Actuarial Valuation and Police GASB 67/68 Actuarial Valuation April 30, 2023, 2024, 2025 – **President Lange moved to approve Actuarial Valuation and Police GASB 67/68 Actuarial Valuation April 30, 2023, 2024, 2025 actuarial recommendation of \$1,443,168; seconded by Trustee Sigsworth. There was unanimous approval.**

**ROLL CALL VOTE:**  
AYES - Minniear, Lange, Huitink, Kearns, Sigsworth  
NAYS - None  
ABSENT - None

Motion carried 5 - 0

**Next Meeting Date – Tuesday, July 11, 2023 at 9 AM – City Hall. 8 North Elmhurst Road, Prospect Heights, IL 60070**

**Adjournment – At 10:30 AM, Trustee Sigsworth moved to Adjourn; seconded by Trustee Minniear. There was unanimous approval.**

**VOICE VOTE - All Ayes, No Nays.**

Motion carried 5 – 0

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



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President Lange