



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

**REGULAR MEETING MINUTES  
July 11, 2023**

**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 N Elmhurst Road, Prospect Heights, IL 60070.

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

**TRUSTEES IN ATTENDANCE** – President Lange; Trustees – Sigsworth, Kearns, Minniear, Huitink

**OTHER OFFICIALS PRESENT** – Attorney LaBardi, Accountant Birkenheier, Actuary Cavanaugh, Deputy Clerk Schultheis

**ABSENT** Treasurer Tibbits

**Approval of Minutes**

**A. April 11, 2023 Regular Meeting Minutes – Trustee Kearns moved to approve the April 11, 2023 Regular Meeting Minutes as presented; seconded by President Lange. There was unanimous approval.**

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

Motion carried 5 – 0

**Public Comments** – Treasurer Tibbits asked the Deputy Clerk read into the record a prepared statement – “Please note that over the years and in the interest of our City residents, I have repeatedly encouraged the Prospect Heights Police Pension Board to A/V record its meetings and as well make them available for viewing. I do not believe there is any legal prohibition from doing so and given the fact that the

board is a public body using public funds to operate and oversee benefits paid to police employees, the public has a right to know the issues and decisions made by the board. The City Council and all other committees and commissions of the city regularly A/V record their meetings as a means of being open and transparent with residents. I do not believe the Police Pension Board needs to be or should be any different in this regard.”

**Approval of Expenditures**

- A. Richard Reimer Pension Board Legal Counsel Payment -**
  - a. Quarterly Retainer plus General Matters - \$750.00**
- B. Karen Schultheis, Recording Secretary July 11, 3rd Quarter Meeting \$125.00**
- C. Invoices**
  - a. Invoice 76895 - Accounting and Benefits Administration (March, 2023) - \$740.00**
  - b. Invoice 78265 – Affidavits of eligibility - \$250.00**
  - c. Invoice 77857 – Accounting and Benefits (April, 2023) - \$740.00**
  - d. Invoice 2717-001 Quarterly Retainer April – June, 2023 – photocopy - \$751.35**
- D. Payment of Expenditures - - Accounting and Benefits (May, 2023) - \$740.00 –**

**Trustee Sigsworth moved to for omnibus approval of Richard Reimer Pension Board Legal Counsel Payment - Quarterly Retainer plus General Matters - \$750.00; Karen Schultheis, Recording Secretary July 11, 3rd Quarter Meeting of \$125.00; Invoice 76895 - Accounting and Benefits Administration (March, 2023) - \$740.00; Invoice 78265 – Affidavits of eligibility - \$250.00; Invoice 77857 – Accounting and Benefits (April, 2023) - \$740.00; Invoice 2717-001 Quarterly Retainer April – June, 2023 – photocopy - \$751.35; Payment of Expenditures - - invoice # 78890 Accounting and Benefits (May, 2023) - \$760.00; seconded by President Lange. There was unanimous approval.**

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

Motion carried 5 – 0

**Pension Board Legal Counsel Report**

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

It was noted in the Statement of Net Position that as of April 30, 2023, the net position held in trust for Pension benefits is - \$20,559,716.63.

Review/amendment to cash management policy/Global Cash movement – Accountant Birkenheier said that there was more than \$400,000 in the BMO money market. She noted that the checking account earned 2.25% while the money market rate is 4%. She noted that the Board’s minimum/maximum rates in checking are \$360,000/\$400,000. She said that the checking account’s minimum/maximum is \$10,000/\$20,000.

Attorney LaBardi felt that the Board’s money market was high at \$400,000. Trustee Kearns felt that the money market earning at 4% was still high enough to warrant keeping a balance.

Trustee Huitink noted that there needed to be about three months of cash in money market to ensure that benefits could be paid out in case of a cash flow issue.

Accountant Birkenheier asked if the money market hits \$400,000, should the interest be paid to IPOPIF? **The Board consensus was felt that that action should be automatic.**

**President Lange moved to direct Lauterbach and Amen to work with the City employees' contributions and the City contributions to have money flow from checking to the money market; seconded by Trustee Huitink. There was unanimous approval.**

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

Motion carried 5 – 0

**President Lange moved to approve targeting the checking balance that there be a minimum balance of \$10,000 and a maximum of \$20,000 and to transfer any excess money to IPOPIF; seconded by Trustee Sigsworth. There was unanimous approval.**

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

Motion carried 5 – 0

Trustee Kearns reminded the Board that there is a monthly shortfall.

**Trustee Sigsworth moved to rescind contribution to the money market and continue to put contributions in checking; seconded by President Lange There was unanimous approval.**

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

Motion carried 5 – 0

**President Lange moved to maintain the ranges on the BMO money market at a minimum of \$360,000 to \$400,000; and when the amount hits \$400,000 to be transferred to IPOPIF on a monthly basis; seconded by Trustee Huitink. There was unanimous approval.**

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

Motion carried 5 – 0

Monthly Financial Report, April 30, 2023 – **President Lange moved to approve the Lauterbach and Amen monthly financial report for April 30, 2023; seconded by Trustee Huitink. There was unanimous approval.**

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

Motion carried 5 – 0

**B. Review of Actuarial Valuation – Kevin Cavanaugh –** Mr. Cavanaugh noted that the City did not contribute the Pension Board’s recommended amount, but did contribute above the statutory minimum. Mr. Cavanaugh believed that the City’s contribution was “abnormally” low, as they City typically contributes about 93%, but was only 52% of what was requested – a \$700,000 difference. Trustee Huitink asked if it helped the Pension Fund if a participant left before they were vested. Mr. Cavanaugh said that when a participant leaves before they have been vested, they only get back the cash value of what they have vested and none of the interest. He noted that it was a “wash” if the participant went with another pension plan.

It was noted that there are two changes to the Plan – if a surviving spouse is eligible for the pension benefits for 15 years if the surviving spouse is at least 62 and if the police officer was married at after retirement and at least 5 years prior to the officer’s death.

Also, Tier II disabled members are entitled to an initial COLA increase on the later of the January 1<sup>st</sup> after the pensioner turns 60 or the January 1<sup>st</sup> after the benefit date anniversary equal to the lesser of 3% of the original benefit or ½ CPI-U.

Trustee Huitink asked what were the key assumptions in determining the rate of return. Mr. Cavanaugh replied “Mortality, termination, disability, and retirement were among the key assumptions.

Trustee Huitink said that he wanted the Board to go before the City Council to talk about funding. Mr. Cavanaugh said that that he would be able to participate, if needed.

There was also a sense that the Board wanted to meet with the new City Mayor.

**The consensus of the Trustees was that Trustees Huitink and Kearns would meet with Mayor Ludvigsen and City Administrator Wade to review the City’s Pension Board contribution**

**TABLED – The Trustees tabled voting on the Actuary’s report until the City audit is completed. – No action taken.**

### **Old Business**

**A. Pension Refund – Carlos Collazo – President Lange moved to approve the pension refund to Carlos Collazo; seconded by Trustee Sigsworth. There was unanimous approval.**

**ROLL CALL VOTE:**

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

Motion carried 5 – 0

It was noted that there was no interest owed.

**B. Annual verifications of eligibility for beneficiaries – Tabled from April 11, 2023 Meeting – Accountant Birkenheier said that she is missing pensioner Vertone’s notarized paperwork. – No motion needed**

### **New Business**

**A. Semi-annual review of closed executive session minutes to determine what needs to remain confidential - None**

**B. Election of Board Officers – President Lange moved to approve Lange as President, Sigsworth as Vice President, Secretary as Kearns, Assistant Secretary as Huitink; seconded by Trustee Sigsworth. There was unanimous approval.**

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

Motion carried 5 – 0

**C. Potential selection of independent enrolled actuary for recommended tax levy – It was noted that the Pension Board Actuary is Kevin Cavanaugh. No action was taken.**

**D. Review status of Trustees’ annual training requirements – The Trustees will be attending a conference October 4-6. Reimbursement is .625 per mile. President Lange moved to approve submission of mileage, hotels, registration fees and expenses for the conference; seconded by Trustee Sigsworth. There was unanimous approval.**

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

Motion carried 5 – 0

The submissions can be emailed.

**E. Discussion of Presentation to City Council – Trustees Huitink and Kearns will be meeting with Mayor Ludvigsen and City Administrator Wade to discuss a possible presentation Council at one of the Council meetings. – TABLED**

**F. Review of Investment Statement – TABLED** Trustee Kearns noted that there needed to be an in-depth review of investments. He said that benchmarks were needed to allow the Board to have talking points to compare to other benchmarks.

Attorney LaBardi believes that the Pension fund is too cash rich. Trustee Kearns stated that current bond yields on 30-year treasuries are below the interest rates the Board is getting on the money market. – **TABLED**

**G. Todd Godair Military Time Transfer – Accountant Birkenheier said that there were three dates needed to get FOIA’ed from IDOI– 4/30/95 – 4/30/96 – 4/30/97. It was noted that there were five years served in the military, and noted that he would like to buy back two years.**

Attorney LaBardi said that the Board is still waiting for one doctor’s report. He suggested that the Board pick three dates for the Hearing.

**The consensus was that the Board would ask for a Hearing on September 27 or 28 at 9 AM.**

**Next Meeting Date – Tuesday, October 10, 2023 at 9 AM – City Hall. 8 North Elmhurst Road, Prospect Heights, IL 60070**

**Adjournment – At 10:32 AM, President Lange moved to Adjourn; seconded by Trustee Minniear. There was unanimous approval.**

**VOICE VOTE:**           ALL AYES, NO NAYS

Motion carried 5 – 0

Approved by the Prospect Heights Police Pension Board on this the 10<sup>th</sup> day of October, 2023.

A handwritten signature in black ink, appearing to be 'PL', written over a horizontal line.

President Lange