Prospect Heights Police Pension Board

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES
PROSPECT HEIGHTS POLICE PENSION FUND
JULY 9, 2013
4:00 P.M.

A Regular Meeting of the Board of Trustees of the Prospect Heights Police Pension Fund was held on Tuesday, July 9, 2013 at 4:00 P.M. at the Prospect Heights Police Department Conference Room located at 14 E. Camp McDonald Road, Prospect Heights, Illinois, pursuant to the notice.

CALL TO ORDER

Vice President Jim Brophy called the meeting to order at 4:06 P.M.

ROLL CALL

Upon roll call, the following answered:

Trustees Present:	Jim Brophy, Bill Suerth, Bruce Morris, Salvatore Palazzolo. Jerry Coglianese (arrived at 4:15 P.M.)
Absent:	None
Also Present:	Richard Tibbits, City of Prospect Heights Treasurer Legal Counsel Richard J. Reimer of Reimer & Karlson LLC Financial Adviser David Wall of Wall & Associates Recording Secretary Joann Santercola

APPROVAL OF PRIOR MEETING MINUTES
(TABLED UNTIL ARRIVAL OF PRESIDENT COGLIANESE)

Trustee Morris asked about the amount of the recommended Tax Levy portion of the April 9, 2013 Minutes which was left blank. It was agreed that, because President Coglianese who would be late in arriving and had that information, this motion would be tabled until that time to amend the Minutes to include that information.

PUBLIC COMMENTS

There were no public comments.

PENSION BOARD INVESTMENT FINANCIAL REPORT

Financial Adviser Dave Wall of Wall & Associates distributed his Second Quarter Financial Report as of June 30, 2013 and explained the information contained therein. Discussion ensued regarding such items as asset allocation, cash, equities, the bond account, employment, and the economy among other things. Mr. Wall asked about an investment policy, and it was decided that the Board would discuss that policy at the next meeting in October. There was consensus among the Board to stay the financial course until that time.

Motion was made by Trustee Morris to approve the financial report as presented and stay the financial course until the next meeting on October 8, 2013, seconded by Trustee Brophy and passed by a unanimous voice vote. Motion Carried.

PENSION BOARD LEGAL COUNSEL REPORT

Attorney Richard J. Reimer of Reimer & Karlson LLC distributed his Legal and Legislative Update of July 2013 and explained the information contained therein.

Mr. Reimer explained the DOI's current advisory opinion which expands the investment authority of Article 3 and 4 pension funds with net assets of $10 million or more and meets other requirements. Therefore "foreign corporation stock that is not an American Depository Receipts (ADR) is a permitted investment for Article 3 or 4 pension funds with net assets of $10 million or more" and meet other requirements.

He also reported on the FOIA related article regarding *Fagel v. The Department of Transportation* in which the Appellate court awarded attorneys' fees and costs to the FOIA requestor because of noncompliance. Mr. Reimer explained the importance of FOIA requests of electronic data being produced, unlocked, in the format specified by the requestor or, if not feasible, in the format in which it is maintained by the public body.

APPROVAL OF PRIOR MEETING MINUTES (Tabled earlier in the Meeting)

Upon the arrival of President Coglianese and after some discussion, the Minutes of April 9, 2013 were amended. In the Tax Levy Recommendations portion of the Minutes, the following wording was added:

"An actuarial study by Tim Sharpe with the agreed upon determined municipal contribution amount of $523,093 to be contributed to the Pension Fund, met the requirements of the Illinois DOI."

Mr. Wall indicated that the Pension Fund would now be eligible to own foreign stocks, but he would not include that in the financial policy.

Motion was made by Trustee Morris to approve the Minutes of April 9, 2013 as amended, seconded by Trustee Brophy and passed by a unanimous voice vote. Motion Carried.

NEW BUSINESS

a. Join Coalition for Qualified Article 3 Pension Plans:

Attorney Reimer explained the qualified status with a $300 maintenance fee for a 5-year period and suggested going with Lauterbach & Amen.

Motion was made by Trustee Suerth to hire Lauterbach & Amen to prepare application to join the Coalition for Qualified Article 3 Pension Plans, seconded by Trustee Coglianese and passed by a unanimous voice vote. Motion Carried.

b. Actuarial Study of Pension Fund:

President Coglianese asked if an actuarial study had to be approved this year, and Attorney Reimer explained the new Puck method and advised having an actuarial study prepared and approved annually.
Motion was made by Trustee Morris to retain Tim Sharpe to perform an actuarial study of the Pension Fund, seconded by Trustee Brophy and passed by a unanimous voice vote. Motion Carried.

c. Status of Trustees' Annual Training Requirements:
Trustees discussed Trustees' training requirements and the upcoming IPPFA Training Seminar in Lake Geneva, Wisconsin in October 2013.

Motion was made by Trustee Coglianese to authorize payment for mandatory training for two new board members, seconded by Trustee Suerth and passed by a unanimous voice vote. Motion Carried.

d. Approve Payment for IPPFA Conference and Hotel Stay:
Motion was made by Trustee Morris to authorize reimbursement in the amount of $1,210.88 to Trustee Suerth for 2013 IPPFA Conference hotel room fees, seconded by Trustee Brophy and passed by a unanimous voice vote. Motion Carried.

Motion was made by Trustee Coglianese to authorize payment of registration fees for 2013 IPPFA Conference for not-to-exceed three board members, seconded by Trustee Suerth and passed by a unanimous voice vote. Motion Carried.

OLD BUSINESS

- Discuss any Midyear Changes to the 2013 Investment Policy:
  (This matter was tabled until next meeting on October 8, 2013.)
- Trustees discussed the order of child support issue of the former officer currently on disability pension.
- Financial Adviser Dave Wall also suggested discussing class action claims collection agreement and security fraud monitoring at the next meeting.

NEXT MEETING DATE
October 8, 2013

ADJOURNMENT
Motion was made by Trustee Coglianese to adjourn the meeting at 5:15 pm., seconded by Trustee Brophy and passed by a unanimous voice vote. Motion Carried.

Approved on:________________________

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President **Secretary**