



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

**REGULAR MEETING
Tuesday
April 12, 2022 at 9 AM**

Call to Order – At 9:01 AM, President Lange called to order the Regular April 12, 2022 of the Police Pension Board at City Hall, 8 North Elmhurst Road, Prospect Heights, IL 60070.

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

A. Approval of Trustees Huitink and Kearns to enter the meeting electronically, if a quorum is physically present. – President Lange moved to approve Trustees Huitink and Kearns to enter the meeting electronically; seconded by Trustee Minniear.

ROLL CALL VOTE:	Ayes:	Lange, Minniear, Sigsworth
	Nays:	None
	Absent:	None
	Abstain:	Kearns, Huitink

Motion carried 3 – 0, 2 abstain

TRUSTEES ATTENDING: President Lange, Minniear, Sigsworth, Huitink (electronically), Kearns (electronically until 9:25 AM)

OTHER OFFICIALS IN ATTENDANCE: Attorney LaBardi, Portfolio Manager Wall, Lauterbach and Amen Representative Birkenheier, Lauterbach and Amen Representative Natalie (shadowing the meeting), Deputy Clerk Schultheis, Cook Castle Associates Representative Kiesewetter.

Approval of Minutes

A. February 14, 2022 Special Meeting Minutes – **President Lange moved to approve the February 14, 2022 Special Meeting Minutes as amended; seconded by Trustee Sigsworth.**

ROLL CALL VOTE: Ayes: Lange, Minniear, Sigsworth, Kearns
 Nays: None
 Absent: None
 Abstain: Huitink

Motion carried 4 – 0, 1 abstain

Public Comments - None

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 12, 2022, 2nd Quarter Meeting
\$125.00**

C. Invoices

a. Invoice #56764 – Accounting and Administrative Services (7/20/2021) - **\$725.00**

b. Invoice #64072 - Professional Services with the preparation of payroll tax returns (including 1099's) for the calendar year ended - **\$505.00**

c. Invoice #64038 – Professional Services of February, 2022 - **\$725.00**

D. Payment of Expenditures - –President Lange moved to approve Richard Reimer Pension Board Legal Counsel Payment - Quarterly Retainer plus General Matters - \$750.00, Karen Schultheis, Recording Secretary April 12, 2022, 2nd Quarter Meeting \$125.00, Invoice #56764 – Accounting and Administrative Services (7/20/2021) - \$725.00, Invoice #64072 - Professional Services with the preparation of payroll tax returns (including 1099's) for the calendar year ended - \$505.00, Invoice #64038 – Professional Services of February, 2022 - \$725.00, and the Invoice #65060 – Professional Services of March, 2022 - \$725.00; seconded by Trustee Sigsworth. There was unanimous approval.

ROLL CALL VOTE: Ayes - Lange, Minniear, Huitink, Sigsworth, Kearns
 Nays - None
 Absent - None

Motion carried 5 – 0

Pension Board Investment Report – Fund Manager Wall stated that the fund was down \$1.1 million dollars from the last quarter (a drop of 5%), but was up \$7.2 million over 5 years. He noted that stocks and bonds were down; and there was the likelihood of a 50 basis point hike in the Federal Fund rates to control inflation. He added that there was nothing paying interest in the preceding quarter.

Trustee Huitink asked about putting money in CD's during this period. Fund Manager Wall said that he could look into CD's. He was nervous about the bond market because of inflation. He also added that the funds, once consolidated, would not take CD's. All cash will stay out of the consolidation.

Trustee Kearns asked about TIPS (Treasury Inflation-Protected Securities). Fund Manager Wall said that inflation is affecting Treasuries.

Trustee Huitink said that he did not like the delineation of the Passive Small Cap Summary. Fund Manager Wall said that it was for market timing. Trustee Huitink said that it was confusing terminology.

Fund Manager Wall noted that no money from Village Bank and Trust was transferred over to the accounts that he manages. Trustee Huitink asked if there was too much cash being held in the Bank – about \$400,000. President Lange said that the cash could be transferred out to be invested or could be kept in the account to make payments.

Trustee Minniear asked if the inverted yield curve meant that a recession was imminent. Fund Manager Wall replied that there is a 50/50 chance of recession. He added that an inverted yield curve usually implies that there will be a recession.

President Lange moved to approve the Police Pension Fund Update as presented; seconded by Trustee Sigsworth.

ROLL CALL VOTE:	Ayes -	Minniear, Huitink, Sigsworth, Lange
	Nays -	None
	Absent -	Kearns

Motion carried 4 – 0, one absent

Pension Board Legal Counsel Report

A. IPOPIF Cash Management Information and Access for Article 3 Pension Funds

President Lange moved to TABLE IPOPIF Cash Management Information and Access for Article 3 Pension Funds until the Special Meeting in May; seconded by Trustee Sigsworth.

ROLL CALL VOTE:	Ayes -	Huitink, Sigsworth, Lange, Minniear
	Nays -	None
	Absent -	Kearns

Motion carried 4 – 0, one absent

Attorney LaBardi said that Pension Board must retain at least three months of benefits/expenses in a money market account. The asset freeze date could come as early as May and as late as mid-June.

It was noted by President Lange that a Special Meeting in May would be needed. Attorney LaBardi suggested early May, in case assigned a June 1 transfer date.

-Attorney LaBardi said the City had asked for an extension until June. It was granted but we were not assigned a date.

that there was no decision made in the Kane County lawsuit. Once the ruling is in, the Attorney will explain the ramifications of the outcome.

-the bills in the State that were designed to elongate the consolidation process for another year have failed. Consolidation date is still the end of June, 2022.

-President Lange and Trustee Sigsworth will be the two authorized signatories for the consolidation as per Resolution. Fund Manager Wall noted that he needed to have former President Smith's name removed from the Schwab account.

Pension Board Lauterbach and Amen Monthly Financial Report

Lauterbach and Amen Representative Birkenheier said that the net position held in trust for pension benefits as of March 31, 2022 is \$22,175,272.55.

A. Global Cash Movement – Crista Birkenheier – the cash analysis projection showed a minimum cash balance of \$177,285.

President Lange moved to approve the Lauterbach and Amen Financial report; seconded by Trustee Sigsworth.

ROLL CALL VOTE: Ayes - Sigsworth, Lange, Minniear, Huitink
 Nays - None
 Absent - Kearns

Motion carried 4 – 0, one absent

Old Business

A. Discussion of Village Bank and Trust funds- It was noted that there is over \$400,000 in this account. Trustee Sigsworth will follow up to see who is the custodian of the account. It was noted that the custodian needs to be bonded. **–No action was taken**

B. Trustee Huitink reappointed by City Council at the February 28, 2022 City Council Meeting – President Lange moved to approve the reappointment of Trustee Huitink to the Police Pension Board; seconded by Trustee Sigsworth.

ROLL CALL VOTE: Ayes - Lange, Minniear, Huitink, Sigsworth
 Nays - None
 Absent - Kearns

Motion carried 4 – 0, one absent

C. Webber Portability Application – President Lange approved the transfer of \$19,896.40 to South Holland Police Pension; seconded by Trustee Sigsworth.

ROLL CALL VOTE: Ayes - Lange, Minniear, Huitink, Sigsworth
 Nays - None
 Absent - Kearns

Motion carried 4 – 0, one absent

President Lange approved the last paycheck of \$474.19 to Mitch Webber; seconded by Trustee Sigsworth.

ROLL CALL VOTE: Ayes - Minniear, Huitink, Sigsworth, Lange
 Nays - None
 Absent - Kearns

Motion carried 4 – 0, one absent

New Business

A. Fiduciary Insurance Renewal – Greg Kiesewetter, Cook Castle Associates – Representative Kiesewetter said that all past/present and future trustees are covered by this policy. He noted that regardless of who runs the Pension Portfolio, the coverage would apply to the Board. He stated that cyber coverage is being removed, and the Pension Board will have to consider a separate policy for that coverage.

President Lange asked that Representative Kiesewetter present the cyber coverage options and costs at the July Meeting.

Representative Kiesewetter noted that last year’s Fiduciary Liability was \$4558, and this year is \$4787.

President Lange moved to Approve the Euclid Specialty Vanguard Fiduciary Liability Insurance policy from 5/1/2022 to 5/1/2023; seconded by Trustee Minniear.

ROLL CALL VOTE: Ayes - Huitink, Sigsworth, Lange, Minniear
Nays - None
Absent - Kearns

Motion carried 4 – 0, one absent

B.Rebalance portfolio to conform with statutory asset allocation prior to close of fiscal year – Fund Manager Wall said that he would monitor this – **No action was taken.**

C.Election of active/retired/disabled Trustees - Lauterbach and Amen Representative Birkenheier said that the cost of the election of retirees is \$350. Attorney LaBardi stated that the election had to be before the third Monday in April.

President Lange moved to have Lauterbach and Amen conduct the election of retired/diabled trustees; seconded by Trustee Sigsworth.

ROLL CALL VOTE: Ayes - Huitink, Sigsworth, Lange, Minniear
Nays - None
Absent - Kearns

Motion carried 4 – 0, one absent

President Lange said that the trustees’ election would be at the Police Station.

D. Review and modification of Board’s Investment policy – Fund Manager Wall said that there will be an update at the next meeting. **No action was taken**

E. Authorize preparation of annual Department of Insurance Report - Lauterbach and Amen Representative Birkenheier said that this was not due until October 12. – **No action was taken.**

F.Authorize Payment of Annual Department of Insurance Compliance Fee – Attorney LaBardi said that this payment was due upon receipt. **President Lange moved to approve payment upon receipt of the Annual Department of Insurance Compliance Fee; seconded by Trustee Sigsworth.**

ROLL CALL VOTE: Ayes - Sigsworth, Lange, Minniear, Huitink
Nays - None
Absent - Kearns

Motion carried 4 – 0, one absent

G.Status of Independent Audit Report (Due within 6 months of close of fiscal year beginning with fiscal year 2016) - Lauterbach and Amen Representative Birkenheier said that she will reach out to the Assistant Finance Director of the City – Bob Tannehill for an update on the audit. – **No action was taken.**

H.Review and/or modification of Board’s Administrative Rules and Regulations – No action necessary – **No action was taken.**

I.Annual filing of statement of economic interest statements for each Trustee – President Lange noted that the Statement of Economic Interest was due May 2, 2022.

J.Chief Zawlocki Retirement – effective May 13, 2022 – It was noted that the Police Chief’s retirement benefits would be handled at the special meeting because there was the possibility of a May 1 raise to be taken into account for the calculations – **No action was taken**

K.Resignation of Alan Thibeault – effective March 13, 2022 – lump sum contribution requested by the officer – It was noted that Officer Thibeault left the Prospect Heights Police Department on March 13, 2022. Lauterbach and Amen Representative Birkenheier said that there are still lingering contributions. They will wait for the payout until the beginning of May. – **No action was taken**

L. Officer Victor Castillo – resignation and reimbursement - Representative Birkenheier said that there are still lingering contributions. They will wait for the payout until the beginning of May – **No action was taken.**

M. Part/Time Officer Michael Cierniak upgraded to Full/Time – **President Lange moved to accept Officer Cierniak as a Full Time officer and accepted to the Tier II pension; seconded by Trustee Sigsworth.**

ROLL CALL VOTE: Ayes - L ange, Minniear, Huitink, Sigsworth
 Nays - None
 Absent - Kearns

Motion carried 4 – 0, one absent

N. New Officer Jorge Gutierrez hired – It was noted that Officer Gutierrez was hired on April 7, 2022. **President Lange moved to accept Jorge Gutierrez to the Tier II pension fund; seconded by Trustee Sigsworth.**

ROLL CALL VOTE: Ayes - Minniear, Huitink, Sigsworth, Lange
 Nays - None
 Absent - Kearns

Motion carried 4 – 0, one absent

O. New Officer Sofia Tirovalas hired – It was noted that Officer Tirovalas was hired on April 7, 2022. **President Lange moved to accept Sofia Tirovalas to the Tier II pension fund; seconded by Trustee Sigsworth.**

ROLL CALL VOTE: Ayes - Minniear, Huitink, Sigsworth, Lange
 Nays - None
 Absent - Kearns

Motion carried 4 – 0, one absent

Next Regular Meeting Date – Tuesday, July 12, 2022 at 9 AM – City Hall. 8 North Elmhurst Road, Prospect Heights, IL 60070

Adjournment – At 10:15 AM, President Lange moved to Adjourn; seconded by Trustee Minniear.

VOICE VOTE: All ayes, no nays

Motion carried 4 – 0, Trustee Kearns absent.

Approved by the Prospect Heights Police Pension Board on this the 2nd day of May, 2022.



President Lange