



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

**REGULAR MEETING MINUTES
Tuesday
July 12, 2022 at 9 AM**

Call to Order – At 9:06 AM, President Lange called to order the Regular Meeting of the Prospect Heights Police Pension at City Hall, 8 N Elmhurst Road, Prospect Heights, IL.

Roll Call

Deputy Clerk Schultheis called roll. A quorum was present.

TRUSTEES PRESENT – President Lange Trustees – Minniear, Huitink, Sigsworth, Kearns (electronically)

OTHER OFFICIALS PRESENT – Attorney LaBardi, Client Manager Birkenheier, Client Services Coordinator Bay, Portfolio Manager Wall, Lauterbach and Amen Representative Schemm, Cook Castle Associate Certified Insurance Counselor Kiesewetter, Treasurer Tibbits, Deputy Clerk Schultheis

At 9:07 AM, President Lange moved to accept Trustee Kearns into the Meeting electronically due to illness; seconded by Trustee Huitink.

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

Motion carried 4 – 0, one abstention

Approval of Minutes

A. May 2, 2022 Special Meeting Minutes

B. May 9, 2022 Special Meeting Minutes – President Lange moved for omnibus approval of the May 2, 2022 Special Meeting Minutes and the May 9, 2022 Special Meeting Minutes; seconded by Trustee Sigsworth. There was unanimous approval.

ROLL CALL VOTE:

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

Motion carried 5 - 0

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 - **\$750.00**

B. Karen Schultheis, Recording Secretary - July 12, 2022, 3rd Quarter Meeting \$125.00

C. Invoices –

a. Professional Services April, 2022 Invoice #66187 - **\$725.00**

D. Illinois Department of Insurance – State Pension Funds Compliance Fee – Invoice #13837 - \$4,444.31

E. IPPFA MidAmerican Pension Conference – Commissioners Lange, Minniear, Sigsworth, Kearns, Huitink - \$2375.00

F. Payment of Expenditures - President Lange moved for omnibus approval of Richard Reimer Pension Board Legal Counsel Payment Quarterly Retainer - \$750.00; Karen Schultheis, Recording Secretary - July 12, 2022, 3rd Quarter Meeting \$125.00; Invoices - Professional Services April, 2022 Invoice #66187 - \$725.00; Illinois Department of Insurance – State Pension Funds Compliance Fee Invoice #13837 - \$4,444.31; IPPFA MidAmerican Pension Conference – Commissioners Lange, Minniear, Sigsworth, Kearns, Huitink - \$2375.00; seconded by Trustee Sigsworth. There was unanimous approval.

ROLL CALL VOTE:

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

Motion carried 5 – 0

Pension Board Investment Report – Portfolio Manager Wall said that as of July 7, 2022 all of the portfolio’s non-cash assets had transferred except for the Double Line Fund. He noted that there is still \$600,000 in the Schwab account. He noted that all cash will need to be transferred to one account, and Manager Wall will have no access to the account at Schwab. The two that have access to the account to close it out are Treasurer Tibbits and President Lange.

Manager Wall noted that Double Line is a mutual fund that should transfer to the consolidation account within the next few days.

Treasurer Tibbits asked for the account numbers for all of the cash accounts to when they are swept out. Client Manager Birkenheier said that Lauterbach and Amen get the Schwab account reports.

Trustee Huitink wanted to know how the Board was going to wind down its relationship with Wall Capital Group. President Lange asked Portfolio Manager Wall to be available for the October meeting.

Manager Wall said that currently, the statements from State Street (the custodian for the consolidated accounts) have not been timely.

Trustee Huitink asked if there had been an investment in a CD, as requested at the previous meeting. Manager Wall said that the CD was purchased, but that because it had a CUSIP number, the Consolidation Board moved it.

Portfolio Manager Wall said that the performance was down 15.79% YTD. He said that Bonds are down 10% - that is the worst in history.

Trustee Huitink asked for a final report from Portfolio Manager Wall and the value of the transfer. He added that the Illinois Pension Board sells all of the Board's assets, so the Board would like to follow what has transpired since the assets were moved. Attorney LaBardi stated that 30 days after the transfer, the Illinois Pension Board sends a report on everything that they have received.

President Lange moved to approve the Police Pension Fund report as presented; seconded by Trustee Minniear. There was unanimous approval.

ROLL CALL VOTE:

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

Motion carried 5 – 0

Pension Board Legal Counsel Report

A. Consolidation Lawsuit Update – Attorney LaBardi said that Kane County Judge Robert K. Villa found the consolidation to be legal. He said that the plaintiffs currently have a stay as they appeal the decision but everyone else must go through with the consolidation.

- Attorney LaBardi noted that IMRF transfers have opened to more people, as it will cover more positions. Trustee Huitink asked how this would impact the pension Board. Attorney LaBardi replied that IMRF is separate from the Police Pension Fund.

Pension Board Lauterbach and Amen Monthly Financial Report

A. Review of Actuarial Valuation - Stephanie Bay, Lauterbach and Amen

a) Actuarial Expected Rate of Return on Investments Assumption - Client Services Coordinator Bay discussed what drives the decline of unfunded actuarial liability. She said that the issues were demographic changes and internal updates as of 4/30/2022.

It was noted that the Pension Consolidation Board has not released a return assumption yet.

Trustee Huitink asked if the contribution to the fund was \$1.4 million, but Client Services Coordinator Bay said that the statements show that there was a contribution shortfall. Treasurer Tibbits said that there had been a dramatic increase in the contribution request, and the City had not budgeted for that large an amount.

It was noted that the results have been unaudited with the Consolidation, as there have been delays in getting statements from the Northern Trust of at least a month.

Client Services Coordinator Bay said that the rate of return should be accurate at least 50% of the time. Attorney LaBardi said that the City needs to know the actual amount received versus the amount requested.

Trustee Huitink moved to authorize Lauterbach and Amen to create a statement with a five-year history of actual City contribution to the pension versus the amount requested; seconded by President Lange. There was unanimous approval.

ROLL CALL VOTE:

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

ABSENT - None

Motion carried 5 – 0

It was noted that the Lauterbach and Amen Report did not have the \$200,000 reflected in their report. Approval of the Lauterbach and Amen Financial Report was TABLED until the October 11, 2022 Regular Pension Board Meeting.

B. Global Cash Management – Client Manager Crista Birkenheier has asked that Global Cash management be on every Agenda. She said that the Consolidation Board would need to know will transfer the funds to the IPOPIF. Attorney LaBardi noted that the Board had previously tabled cash management policy access.

There were questions to how much cash should be kept in reserve. The Board members differed as to whether six months (that is, \$600,000) should be kept in reserve; or, whether that was too much cash. Client Manager Birkenheier said that most clients were putting six months in reserve. Attorney LaBardi said that the Board could always change the amount.

It was noted that Sue Hill is the BMO Harris representative – President Lange and Trustee Sigsworth are the two agents for the account.

President Lange moved to approve Resolution- 2022 – 02 authorizing Agent Sue Hill as an Account Representative to with the authority to facilitate transfers between the Pension Fund and the IPOPIF; seconded by Trustee Sigsworth. There was unanimous approval.

ROLL CALL VOTE:

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

Motion carried 5 – 0

President Lange moved to grant State Street account access to Sue Hill for the eCFM (Enterprise Cash Flow Management); seconded by Trustee Sigsworth. There was unanimous approval.

ROLL CALL VOTE:

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

Motion carried 5 – 0

Old Business –

A. Cyber Insurance – Greg Kiesewetter, Cook Castle Associates - Representative Kiesewetter noted that multi-identification to access accounts was necessary for the Pension Board to receive cyber insurance. The data must be protected in a multi-faceted way before the insurance companies will cover the data.

Trustee Huitink said that the data was maintained primarily by the City and Lauterbach and Amen. Representative Kiesewetter said that he could verify that Lauterbach and Amen has multiple security identification, but he needed to know about the City.

Representative Kiesewetter said that prices for cyber insurance have been rising, and he expected it to go even higher in the future – he said to expect at least a 10% increase in premium in the following year.

It was noted that Representative Kiewewetter would have final premium costs and insurance coverage details for the October 11, 2022 Meeting. Cyber insurance will be put on the Agenda for the October meeting.

New Business

A. Semi-Annual Review of Closed Executive of Closed Executive Session Minutes to determine what needs to be kept confidential – there were no Executive Session Minutes – no action was taken.

B. Election of Board officers (eg. President, Vice President...) – **President Lange moved to approve the continuation of Lange as President, Sigsworth as Vice President, Kearns as Secretary, and Huitink as Assistant Secretary and Minniear as Retired Member; seconded by Trustee Sigsworth. There was unanimous approval.**

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

Motion carried 5 – 0

C. Potential selection of independent enrolled actuary for recommended tax levy – It was noted that Lauterbach and Amen are the actuaries. **No action was taken.**

D. Review status of Trustees’ annual training requirements – It was noted that there will be a training session in October, and all other requirements are up-to-date. – **No action was taken.**

E. Addition of Officer Katarzyna Szymanska to the Police Pension Fund – **President Lange moved to approve the addition of Katarzyna Szymanska to the Police Pension Fund as a new hire with a start date of May 28, 2022 as a Tier II fund member; seconded by Trustee Sigsworth. There was unanimous approval.**

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

Motion carried 5 – 0

F. Clarification of who is the custodian for the Village Bank and Trust account – Trustee Huitink. It was noted that Treasurer Tibbits has access to the account. It was noted that the account is a regular money market account and does not have to go through FDIC. The account only earned \$17 in interest last year.

Trustee Huitink asked why the money was left sitting there. Portfolio Manager Wall said that there is also \$600,000 in the Schwab account in cash.

Treasurer Tibbits noted that Cook County is delaying collection of money, and that would delay in the receipt of money from the levy. Cook County Board President Preckwinkle has said that the City can borrow on that money without interest – Trustee Huitink said.

Attorney LaBardi suggested that there be at least 3 months of benefits in cash (or, about \$300,000). The Board would need to decide in which bank to keep the money and how much.

Trustee Huitink was concerned that the Village Bank and trust account was gaining little interest and the Bank was charging for wire transfers. Treasurer Tibbits said that he would ask the Bank about the fees.

President Lange moved to redirect officer contributions and tax levy money to BMO Harris Bank from Village Bank and Trust no later than August 20, 2022; seconded by Trustee Sigsworth. There was unanimous approval.

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

Motion carried 5 – 0

President Lange moved to authorize the wire transfer of all cash balances from the Schwab account to BMO Harris Bank; seconded by Trustee Huitink. There was unanimous approval.

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

Motion carried 5 – 0

***It was requested that the closing of the Village Bank and Trust account be put on the next agenda in October.**

G. Recording and Preserving meetings - Treasurer Tibbits noted that the last Zoom Meeting had been recorded, and wanted to know why the Board did not record all meetings. President Lange replied that the public is welcome to show up to the meetings, so there is no reason to record them. All Minutes are kept for review of public. President Lange wanted to keep the current open forum.

Attorney LaBardi added that much of what is said in the meetings is not permissible as closed session.

President Lange noted that anything posted online would be open to FOIA. The Trustees did not see any upside potential of the recordings, and repeated that the public was welcome to attend or view the Minutes.

Attorney LaBardi stated that “zero percent” of the other Police Pension Boards for whom he is Counsel records the meetings – **No action was taken.**

H. Sergeant Godair Disability Application status/approval of IMEs – Attorney LaBardi noted that there is a disability procedure. The attorneys have begun to gather medical records. A set of three independent medical doctors need to render an opinion. There must also be an Administrative Hearing before the Trustees become the jury. Attorney LaBardi warned the Trustees that they could not talk amongst themselves about the case. He added that should Officer Godair have a question, he needed to contact his own attorney; not the Police Pension Board attorneys. It was noted that the independent medical evaluators would be selected by CompCorePro.

Trustee Kearns moved to approve retaining CopCorePro to select the medical experts; seconded by Trustee Sigsworth. There was unanimous approval.

ROLL CALL VOTE: AYES - Lange, Minniear, Sigsworth, Kearns, Huitink

NAYS - None
ABSENT - None

Motion carried 5 – 0
It was expected that the Hearing would be in 8-12 weeks.

I. Review/Update BMO Harris designated account signers – President Lange moved to approve Trustee Sigsworth as the signatory on the BMO Harris designated accounts and remove for President Michael Smith; so that Sigsworth, Lange and Tibbits were the only signatories; seconded by Trustee Sigsworth. There was unanimous approval.

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

Motion carried 5 – 0

Next Meeting Date – Tuesday, October 11, 2022 at 9 AM – City Hall. 8 North Elmhurst Road, Prospect Heights, IL 60070
Adjournment –At 11:40 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 11th day of October, 2022.



President Lange