



**Prospect Heights Police Pension Board  
PENSION BOARD MEETING MINUTES  
City Hall Council Chambers  
8 North Elmhurst Road  
Prospect Heights, IL 60070  
Tuesday, January 08, 2019**

**Call to Order** – At 9:10 AM, Trustee Lange called to order the Regular Meeting of the Prospect Heights Police Pension Board at 8 N. Elmhurst Road, Prospect Heights, IL 60070.

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

**TRUSTEES IN ATTENDANCE** – President Smith (arrived at 9:25 AM), Trustees – Minniear, Lange, Kearns

**ABSENT** – Trustee Palazzolo (by previous notification)

**OTHER OFFICIALS IN ATTENDANCE** – Pension Secretary Schultheis, Attorney LaBardi, Treasurer Tibbits, Accountant Earnhardt, and Fund Manager McLeod.

**Approval of Minutes**

A. October 09, 2018 Regular Meeting Minutes – **Trustee Kearns moved to approve the October 9, 2018 Regular Meeting Minutes as amended; seconded by Trustee Minniear.**

<b>ROLL CALL VOTE -</b>	AYES -	Kearns, Minniear, Lange
	NAYS -	None
	ABSENT -	Palazzolo, Smith

Motion carries 3 – 0, 2 absent

**Public Comments** – Treasurer Tibbits wanted to reiterate his belief that the Police Pension Board meetings should be recorded and viewed on the City’s cable channel.

## 5. Approval of Expenditures

A. Richard Reimer Pension Board Legal Counsel Payment -

a. Quarterly Retainer - **\$750.00**

B. Karen Schultheis, Recording Secretary

January 08, 2019 First Quarter Meeting **\$ 125.00**

C. Approval of Pending Expenses – It was noted that Trustee Kearns has not been paid for his training expenses. – **Trustee Lange moved to approve expenditures as presented; seconded by Trustee Kearns.**

**ROLL CALL VOTE -**

AYES -	Kearns, Minniear, Lange
NAYS -	None
ABSENT -	Palazzolo, Smith

Motion carries 3 – 0, 2 absent

**Pension Board Investment Report** – Pension Fund Manager McLeod said that it was a bad quarter as it related to the market performance. He noted that the Pension had a 60.71% equity position. The portfolio net loss was \$1.2 million. Trustee Kearns asked why the Pension Fund was 1.5% under the benchmark. Pension Fund Manager McLeod said that the benchmark was a blended and weighted return. He also stated that long term positions do experience ups and downs. He said that the sector of the Portfolio that performed the worst was the Global Balance Portfolio.

It was noted by Pension Fund Manager McLeod that all holdings are short term in case of interest rate fluctuations – as the Federal Reserve has indicated that there could be interest rate increases. The GDP is still strong. More will be known in the next thirty days into the reporting season when 83% of the firms report their earnings.

It was also noted that the bright spot in the portfolio was the Strategic Beta which beat the benchmark.

**President Smith moved to accept the Investment report as presented; seconded by Trustee Lange.**

**ROLL CALL VOTE:**

AYES -	Smith, Minniear, Lange, Kearns
NAYS -	None
ABSENT -	Palazzolo

Motion carried 4 – 0

**Pension Board Legal Counsel Report** – Attorney LaBardi discussed some relevant cases regarding pension and pension board decisions – **No action was taken**

**8. Pension Board Lauterbach and Amen Monthly Financial Report** – It was noted by Pension CPA Earnhardt that there was no December, 2018 Financial Report because a bank report was missing. He noted that the total assets of the Fund is \$16,073,177.29.

**President Smith moved to accept the Lauterbach and Amen Police Pension Fund Report as presented; seconded by Trustee Lange.**

**ROLL CALL VOTE:**           AYES -           Smith, Minniear, Lange, Kearns  
                                  NAYS -           None  
                                  ABSENT -       Palazzolo

Motion carried 4 – 0

**President Smith moved to accept the Quarterly Check report totaling \$35,969.74 Old Business; seconded by Trustee Lange.**

**ROLL CALL VOTE:**           AYES –           Smith (only for portions of the Check report that did not include Check 20174 for \$2,821.41), Lange, Kearns, Minniear  
                                  NAYS –           None  
                                  ABSENT -       Palazzolo  
                                  ABSTAIN -      Smith (only for Check 20174 for \$2,821.41)

Motion carried – 4 – 0, one Absent

### **Old Business**

A. Error and Omission Insurance Contract approval – **TABLED**

Trustee Kearns said that he had filled out an application and sent it to Bob Korvas, but the issue was that no one was certain what type of coverage the Pension Board members should have. Attorney LaBardi stated that very few insurance companies write this kind of insurance coverage. The application that the Pension Fund had sent to the carrier did not correctly address what the Pension Fund members require. It was noted that the application that was sent was for a

B. Suspension of Direct Deposit for Pension Fund benefit for Scott Wagner –

**DEFERRED TO APRIL 9, 2019 Regular Meeting**

C. Colleen Zitkus – approval of completed application to join Fund -

D. Military Buyback Timeframe Approval

### **10. New Business**

A. Approval of Annual COLA increases

B. Semi-Annual review of Closed Session Minutes

- C. Determine need for election of beneficiary and active trustees and/or re-appointment of appointed trustees - request for re-appointment of Appointed Trustees
- D. Schedule Annual examination for disabled firefighters/police officers under age 50
- E. Annual verifications of eligibility for beneficiaries
- F. Review/Update contracts with vendors  
(accountants/actuaries/attorneys/investment managers/advisors or consultants)
- G. Obtain predatory lending certification forms from Illinois regulated banks
- H. Approval of Pending Expenses for GASB – **No action necessary**
- I. Approval of Alan Steffen Retirement Application
- J. Approval of Addition of new officers to the Pension Fund – Savas, Farina and Blanco

**Next Meeting Date – April 9, 2019 at 3:00 PM – 8 North Elmhurst Road, Prospect Heights, IL 60070 – this is a change from the regular calendar date time**

**Adjournment – At 10:45 AM, President Smith moved to Adjourn; seconded by Trustee Kearns.**

**VOICE VOTE:**                      All ayes, no nays

Motion carried 4 – 0; Trustee Palazzolo absent