



VILLAGE OF GLENCOE POLICE PENSION FUND

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MEETING MINUTES VILLAGE OF GLENCOE POLICE PENSION FUND BOARD MEETING MINUTES

Village Hall Conference Room
675 Village Court
Wednesday, October 26, 2022 – 8:00 a.m.

1. CALL TO ORDER AND ROLL CALL

Prior to roll call, Finance Director Nicole Larson stated that pursuant to recently adopted amendments to the Illinois Open Meetings Act (OMA), the Police Pension Board meeting was being conducted as a virtual meeting via Zoom video conferencing platform as the Village continues to support social distancing to try to prevent the spread of COVID-19. She stated that a quorum of members of the Board were present via remote access. Accordingly, Finance Director Larson was in the Village Hall Conference Room as required by the Open Meetings Act.

The meeting was called to order at 8:02 a.m.

The following were present:

Hubert Dziekan, President
Eric Birkenstein, Trustee
Michael Neimark, Trustee
Peter Neville, Trustee

The following were also present:

Nicole Larson, Finance Director
Margaret Schwarz, Assistant Finance Director

The following were not present:

MacAdam Glinn, Trustee

2. PUBLIC COMMENT

Finance Director Larson stated that no public comments were received via email or voicemail prior to the meeting and that no members of the public were physically present at Village Hall for the meeting.

3. APPROVAL OF MEETING MINUTES

A) JULY 27, 2022

Trustee Neimark moved, seconded by Trustee Neville, to approve the minutes of the July 27, 2022 meeting. The motion was adopted with the following vote:

APPROVED	
AYES:	BIRKENSTEIN, DZIEKAN, NEIMARK, NEVILLE (4)
NAYS:	NONE (0)
ABSENT:	GLINN (1)

B) SPECIAL MEETING AUGUST 25, 2022

Trustee Neimark commented that the minutes are correct (for the August 25, 2022 hearing), but after attending the pension conference it was stated that the pension board cannot determine pay raises for Tier 2 (disability) pensioners. Trustee Neimark asked Finance Director Larson if she was able to get an opinion from Attorney Julie Tappendorf, the Police Pension Fund attorney.

Finance Director Larson responded that Curt Asprooth (a staff member from Attorney Julie Tappendorf's office) responded by email communication to Finance Director Larson and President Hubert Dziekan and Mr. Asprooth stated that IPPFA has conflicting information as to whether or not a 3% COLA would apply for a disability pensioner. There is no apparent case law about this, but he thinks the intention of the law would be the lesser of half of CPI for the year or a 3% COLA increase similar to what is allowable for Tier 2 pensioners. For the board's knowledge, Finance Director Larson explained Tier 2 disability pensioners receive an annual pension of the lesser of half of CPI for the year or a 3% COLA instead of an increase of a guaranteed 3% compounding rate for Tier 2 pensioners. The statute is not clear for disability pensioners. IPPFA stated disability pensioners continue to get the 3% increase, but information that Trustee Neimark received at the pension conference contradicts that.

Finance Director Larson suggested the issue could be tabled until Attorney Tappendorf's return in order to determine how we would move forward with this item. The disability pensioner in question doesn't receive an increase until 2043 so there is no current financial impact. The pension schedule and disability hearing minutes could be tabled until an opinion is received from Attorney Tappendorf.

Finance Director Larson will continue to communicate to the Police Pension Fund board information from Attorney Tappendorf's office.

Trustee Neimark moved, seconded by Trustee Neville, to table approving the minutes of the August 25, 2022 disability hearing. The motion was adopted with the following vote:

APPROVED	
AYES:	BIRKENSTEIN, DZIEKAN, NEIMARK, NEVILLE (4)
NAYS:	NONE (0)
ABSENT:	GLINN (1)

4. REVIEW QUARTERLY PAYMENTS AND DISBURSEMENTS

Finance Director Larson presented the quarterly pension fund annuity payments in the amount of \$797,287.52 and quarterly account payments in the amount of \$226,080.78.

Trustee Neimark moved, seconded by President Dziekan, to accept the review of financial activity and approve the third quarter payments and disbursements. The motion was adopted with the following vote:

APPROVED	
AYES:	BIRKENSTEIN, DZIEKAN, NEIMARK, NEVILLE (4)
NAYS:	NONE (0)
ABSENT:	GLINN (1)

5. CONSIDERATION OF PERSONNEL REPORT – QUARTER 3

Finance Director Larson presented the Personnel Report which included new hires, terminations, resignations, retirements and other personnel related activity having an impact on the Police Pension Fund. The attached report includes the following updates:

- **New Hires**
 - Public Safety Officer Francisco Renteria | Start Date: 06/20/2022 | Starting Salary: \$91,030.06
 - Public Safety Officer Ivan Zelic | Start Date: 08/29/2022 | Starting Salary: \$79,334.93
 - Public Safety Officer Mark Koester | Start Date: 09/26/2022 | Starting Salary: \$79,334.93
- **Terminations / Resignations**
 - Public Safety Officer Jessica Tetzlaff | Resignation Date: 09/10/2022
- **Retirements:**
 - Public Safety Officer Brian Webster | Retirement effective date: 05/06/2022 | Pensionable Salary: \$96,827.17 | Initial Benefit: \$48,413.59 annually | Service: 2 years, 8 months 17 days
 - Public Safety Officer Andrew Taira | Retirement effective date: 09/26/2022 | Pensionable Salary: \$116,178.99 | Initial Benefit: \$69,174.79 annually | Service: 23 years, 0 months 19 days
- **Refunds:**
 - Andrew Zarate | Refund: \$81,794.89 | Service Dates: 06/25/2012 – 06/28/2021
- **Service Credit Transfers:**
 - Francisco Renteria | FROM Village of Gurnee | *Pending calculation*

Trustee Neimark moved, seconded by Trustee Neville, to approve the personnel report for the third quarter and remove the approval of Brian Webster’s information. The motion was adopted with the following vote:

APPROVED	
AYES:	BIRKENSTEIN, DZIEKAN, NEIMARK, NEVILLE (4)
NAYS:	NONE (0)
ABSENT:	GLINN (1)

6. APPROVAL OF ANNUAL COST OF LIVING INCREASES

Finance Director Larson stated that included in the packet was a spreadsheet that was prepared by the Finance Department that includes scheduled increases for retirees. She noted that increases for the entire year (2023) are usually approved at this meeting and that the new pensioners were added to this schedule.

Trustee Neimark moved, seconded by Trustee Neville, to approve the retirement schedule as presented. The motion was adopted with the following vote:

APPROVED	
AYES:	BIRKENSTEIN, DZIEKAN, NEIMARK, NEVILLE (4)
NAYS:	NONE (0)
ABSENT:	GLINN, (1)

7. MUNICIPAL COMPLIANCE REPORT RECOMMENDATION

Finance Director Larson sent information with the agenda packet about the Municipal Compliance Report which is required each year by House Bill 5088. This is the formal report using the actuarial information presented at the last pension board meeting and the Police Pension Board is required to make a recommendation to the Village Board to levy the actuarial amount for the contribution for Calendar Year 2023. The Illinois Division of Insurance (IDOI) is recommending a contribution of \$1,822,575.00 for Calendar Year 2023. The Police Pension fund board actuary is recommending a contribution of \$2,663,571.00. Finance Director Larson proposes the private actuary amount of \$2,663,571.00 be recommended to the Village Board of Trustees for approval.

President Dziekan questioned why the IDOI contribution amount is different than the Police Pension Board's actuarial amount. Director Larson explained that the Police Pension Board funding methodology includes more conservative assumptions than the IDOI and the recommendation from our actuary was preliminarily approved by the Finance Committee.

Trustee Neville moved, seconded by Trustee Neimark, to approve to recommend the levy contribution to the Village Board as presented. The motion was adopted with the following vote:

APPROVED	
AYES:	BIRKENSTEIN, DZIEKAN, NEIMARK, NEVILLE (4)
NAYS:	NONE (0)
ABSENT:	GLINN, (1)

8. INVESTMENT CONSOLIDATION UPDATE

Finance Director Larson reported that it has taken a while to receive reports from the consolidated (pension) board. There are two reports in the agenda packet. The first report is the Northshore Community Bank report. The second is IPOPIF account which shows the transfer of assets from Chicago Trust which was holding assets on behalf of Great Lakes. They sent to the funds to the consolidated fund transition pool. The IPOPIF fund is like a mutual fund. The IPOPIF fund is the final destination where the assets are going to be invested. During the transition the fund lost money as expected due to the market. In April the Police Pension fund started out with thirty-eight million dollars and at the end of August the pension fund at thirty-five million dollars. Year to date since the transition the fund has lost almost three million dollars in an unrealized loss. These reports will be continued to be provided if helpful.

Finance Director Larson also wanted to point out that the Northshore Community Bank report shows that the pension payroll has reached almost \$280,000 a month. Incoming from payroll contributions is about \$12,000 per payroll from officers and there is also the monthly contribution from the Village. The Village makes monthly contributions to make sure the cash flow is balanced to pay pension benefits. The cash balance is much higher than normal because of the transition of assets to the consolidated fund. The cash balance will be drawn down and let the investments gain value.

The second installment of property taxes has been significantly delayed. Normally the property taxes would be received by October so the cash balance is helping balance the account. Finance Director Larson is looking for feedback if the reports are helpful. Trustee Neimark questioned about how to pull money out of the consolidated fund from the investments. Discussing with other municipalities it has taken two to three weeks to receive distributions. Trustee Neimark also pointed out that the consolidated fund is also charging administrative fees which the Police Pension Fund previously did not incur costs for administration because Glencoe staff provided those services cost free.

President Dziekan would like to continue with the reports. Finance Director Larson will continue to provide them at the pension meetings.

Trustee Neimark moved, seconded by Trustee Neville, to approve to the reports as presented. The motion was adopted with the following vote:

APPROVED

AYES: BIRKENSTEIN, DZIEKAN, NEIMARK, NEVILLE (4)

NAYS: NONE (0)

ABSENT: GLINN, (1)

9. ANNUAL MEDICAL EXAM FOR DISABLED RETIREES UNDER AGE 50 – SCHEDULING EXAMS FOR 2023

A) Retirees Schtleben & Webster

Finance Director Larson stated that retirees Schtleben and Webster are the two retirees under age fifty and according to pension statute they need to continue to be reevaluated each year to continue pension benefits. Finance Director asked for direction for when the physical exams need to be completed according to the Police Pension Boards approval.

Trustee Neimark asked if tele-medicine visits are legally acceptable instead of a in-person exam.

Trustee Neimark moved, seconded by President Dziekan, to approve how to proceed once the pension attorney provides and opinion and to have the examinations in the beginning of the year in order to provide the reports at the April Police Pension Board meeting. The motion was adopted with the following vote:

APPROVED	
AYES:	BIRKENSTEIN, DZIEKAN, NEIMARK, NEVILLE (4)
NAYS:	NONE (0)
ABSENT:	GLINN, (1)

10. TRAINING UPDATE

Assistant Finance Director Schwarz reminded the Board that all elected and appointed trustees must participate in a minimum of 8-hours of continuing trustee education each year, as well as obtain 4-hours of consolidation transition training. She noted that Trustees Dziekan and Neimark attended the fall pension conference to fulfill this requirement. She noted that there is a virtual training through the IML website for trustees that is free-of-charge and fulfills all statutory requirements. Assistant Finance Director Schwarz said she will send the link out to the board of trustees after the meeting.

11. REVIEW MEETING CALENDAR FOR 2023

Finance Director Larson asked for the approval of the Police Pension Board meeting calendar for Calendar Year 2023. President Dziekan mentioned meeting in person for the January Calendar Year 2023. Discussion ensued about the possibility of hosting a hybrid meeting. The consensus of the Board was to wait to see what legislation will allow in January.

Trustee Neville moved, seconded by Trustee Neimark, to approve the Calendar for 2023 as presented. The motion was adopted with the following vote:

APPROVED	
AYES:	BIRKENSTEIN, DZIEKAN, NEIMARK, NEVILLE (4)
NAYS:	NONE (0)
ABSENT:	GLINN, (1)

12. CLOSED SESSION (IF NEEDED)

There was no closed session.

13. OTHER BUSINESS

President Dziekan requested an updated about Public Safety Officer Francisco Renteria's transfer credit and Public Safety Officer John Marino's transfer credit. Finance Director Larson responded that she would need to look into the current status and will provide details.

President Dziekan requested to review the Rules and Regulations prior to the next Police Pension Board meeting.

President Dziekan questioned the fee for Attorney Tappendorf and Finance Director Larson provided information about prior costs for the attorney and noted that she will be providing a retainer proposal at an upcoming meeting.

14. ADJOURNMENT

Trustee Neimark moved, seconded by Trustee Neville, to adjourn the meeting. The meeting was adjourned at 8:51 a.m. The motion was adopted with the following vote:

APPROVED	
AYES:	BIRKENSTEIN, DZIEKAN, NEIMARK, NEVILLE (4)
NAYS:	NONE (0)
ABSENT:	GLINN (1)

Approved by:  Date: 02/01/23

Trustee Name: Hubert Dziekan