

**MINUTES OF THE SPECIAL MEETING
BARRINGTON HILLS POLICE PENSION BOARD
FEBRUARY 27, 2013**

Call to Order. President Hammelmann called the meeting of the Barrington Hills Police Pension Board to order at 6:55 a.m. in the conference room of the Village Hall.

Roll Call. Present – Trustees Borck, Fernandez and President Hammelmann (3). Also present was attorney Nanci Rogers of Robbins Schwartz.

Review DOI Audit Report and Findings. The Board reviewed in detail each of the Examiner's Findings, discussed what corrective action might be needed, and reviewed draft responses to the Examiner's Findings that had been prepared by attorney Rogers. Specifically, the Board discussed the following issues and the Board's response.

The Board acknowledged that there is a vacancy in the second appointed Trustee position on the Board, discussed the fact that President Hammelmann has continued to communicate with Mayor Abboud about this matter, and that the Mayor has advised the Board that he is aware of this and intends to appoint a Trustee as soon as possible. The Board will so advise the DOI in its response.

The Board agreed that due to an oversight, it had not appointed a current Board vice-president and assistant secretary. The Board agreed to appoint a Vice President and an Assistant Secretary.

The Board identified and discussed who were the signatories on each of the Fund's bank accounts and agreed to provide copies of the documents indicating the authorized signatories with its response. Attorney Rogers advised the Board that Section 5/1-113.1 of the Illinois Pension Code does not appear on its face to require that the treasurer of the municipality be a required signatory on all of the Fund's accounts. (40 ILCS 5/1-113.1) However, the Board agreed that if the Examiner is advising the Fund of such a requirement, then the Fund will take action to add the Treasurer as a signatory on its Charles Schwab Account, and will so advise the Examiner.

The Board confirmed that the Actuarial Reports for the years January 1, 2010 - December 31, 2010 and January 1, 2011 - December 31, 2011 were prepared by independent actuary Timothy W. Sharpe and were timely provided by the Fund to the Village. The fact that the actuarial reports were not timely submitted to the Department of Insurance was an oversight, and the Board will ensure that procedures are in place so that such oversight will not be repeated in the future, and will advise the DOI of that fact.

Attorney Rogers advised the Board that compensation for accrued and unused compensation should not have pension contribution deducted as provided by Section 4402.60 of the Illinois Administrative Code. The Board reviewed the applicable records and determined that in fact the final check of Michael Montemayor had pension contributions improperly deducted. Attorney Rogers will work with the Fund's accountants and the Village to refund the appropriate amount to Montemayor, and will so advise the DOI.

The Board discussed the fact that its accountants, Lauterbach and Amen, verify pension calculations for each pensioner pursuant to the Pension Code, and did so for Terry Prinner.

The Board acknowledges there was a discrepancy in the initial COLA amount and that their accountants believe that the relatively minor difference in the amount of the initial benefit paid was due to a bug or flaw in the Department of Insurance calculator that was available at the time the pension benefit was computed. Attorney Rogers advised the Board that the holding in *Sola v. Roselle Pension Board*, 2012 IL App. 2d 100608, precludes the Board from now reducing the pension amount. The Board will so advise the Examiner.

The Board President and Secretary reported that they are in the process of reviewing the DOI finding that there was some missing membership file information, and will ensure that the Fund collects and maintains any missing documentation to complete all membership files as noted.

The Board reviewed and discussed the Finding that there may have been incorrect account numbers or names entered on the 2011 DOI Report. Attorney Rogers reported that she had conferred with the Fund's accountants, Lauterbach & Amen, who have confirmed that all of the account numbers and names are correct in the Fund's accounting records and the accounting software. It is clear that the Fund's assets, revenues and expenses were not affected by the reporting errors. The Board agreed that the account names and numbers will be correctly entered on the 2012 DOI Report, and will advise the Examiners of this.

The Trustees agreed that Rogers submit the Board's Response as discussed and as presented in the draft Response. A copy of the draft response is attached to these minutes.

Motion by Fernandez, seconded by Hammelmann to approve the draft report as presented and finalize and provide same to the DOI Examiner as the Board's Response.

Ayes: Trustees Borck and Fernandez, and President Hammelmann (3)

Nays: None. Motion carried.

Appoint Vice President and Assistant Secretary. In compliance with the Pension Code and the Fund's response to the DOI Examiner's Findings, the Board will appoint a Trustee to the offices of Vice President and Assistant Secretary. Motion by Fernandez, seconded by Borck to appoint Borck as Board Vice President and to appoint Hammelmann as Assistant Secretary.

Ayes: President Hammelmann, Trustees Borck and Fernandez (3)

Nays: None. Motion carried.

Adjournment. On motion by Fernandez, seconded by Borck, and unanimously carried by voice vote, the meeting was adjourned at 7:25 a.m.

APPROVED:

President Hammelmann

, 2013

