Agenda
Village of Arlington Heights
Board of Trustees of the Police Pension Fund
Police Conference Room

October 26, 2016
5:30 PM

I. CALL TO ORDER

A. Public Comments

II. ROLL CALL

III. APPROVAL OF MINUTES

A. July 28, 2016 Minutes

IV. CLOSED SESSION

V. TREASURER'S REPORT

A. Report of the Village Treasurer
B. Approval of the Check Register

VI. PAYMENT OF BILLS

VII. REPORTS

A. Quarterly Investment Report - Wall and Associates
   - Potential purchase or sale of securities, portfolio rebalancing, and /or potential retention or termination of investment mangers/advisors

VIII. OLD BUSINESS

A. Military Time Buy Back - Officer Gerald Capriotti
B. Portability Request - Officer Anfiny Eshoo, Barrington P.D.
C. 2016 IPPFA Training Conference, October 4-7, 2016

IX. NEW BUSINESS

A. Adoption of recommended tax levy from actuarial valuation and forward request to Municipality

B. Adoption of Municipal Compliance Report and forward to Municipality
C. Deadline for filing of the DOI Annual Report or potential extension (October 31, 2016)
D. New Hire - Officer Daniel Leon, August 1, 2016, Tier II Participant
E. New Hire – Officer Brandon Hunsaker, September 26, 2016, Tier II Participant
F. New Hire – Officer Lance Ferguson, October 13, 2016, Tier II Participant
G. Schedule next calendar year (2017) quarterly meeting dates/times
H. Final Decision and Order – Retirement Officer Susan Burgo, October 27, 2016
I. Final Decision and Order – Retirement Commander Richard Gausselin, November 4, 2016

X. OTHER BUSINESS

XI. ADJOURNMENT

Persons with disabilities requiring auxiliary aids or services, such as an American Sign Language interpreter or written materials in accessible formats, should contact David Robb, Disability Services Coordinator, at 33 S. Arlington Heights Road, Arlington Heights, Illinois 60005, (847)368-5793 (Voice), (847)368-5980 (Fax) or drobb@vah.com.

Item: Approval of Minutes

Department: Finance

July 28, 2016 Minutes

ATTACHMENTS:

Description	**Type**
July 28, 2016 Minutes	Minutes

MINUTES OF THE REGULAR MEETING OF THE ARLINGTON HEIGHTS POLICE PENSION FUND BOARD OF TRUSTEES POLICE DEPARTMENT ADMINISTRATION CONFERENCE ROOM 200 EAST SIGWALT STREET, ARLINGTON HEIGHTS, ILLINOIS THURSDAY, JULY 28, 2016

President Andrew Whowell called the meeting to order at 5:35 PM. Roll call was taken with:

Board Members Present:	Andrew Whowell, President Tom Henderson, Vice President Harry Malone, Trustee Gary McClung, Trustee
Also Present:	Tom Kuehne, Treasurer David Wall, Wall & Associates Rick Reimer, Pension Board Attorney

APPROVAL OF MINUTES

MR. HENDERSON MOVED, SECONDED BY MR. MCCLUNG TO APPROVE THE MINUTES OF THE REGULAR MEETING HELD ON APRIL 28, 2016. The motion passed unanimously

MR. MCCLUNG MOVED, SECONDED BY MR. MALONETO APPROVE THE MINUTES OF THE SPECIAL MEETING HELD ON JUNE 17, 2016. The motion passed unanimoulsy

TREASURER'S REPORT

A. Report from the Village Treasurer

Mr. Kuehne passed out and gave a brief overview of the Police Pension Fund Financial Report for period ending June 2016, saying that things are within budget for the year.

B. Approval of Check Register

MR. HENDERSON MOVED, SECONDED BY MR. WHOWELL TO APPROVE THE PAYMENT OF CHECKS #492- #498. Roll call was taken. The motion passed unanimoulsy.

C. Proposed 2017 Police Pension Fund Budget

Mr. Kuehne also passed out the proposed Police Pension Fund budget for 2017. He gave a brief overview of projected revenues and expenditures, and said that he budget provides for three retirees in 2017.

MR.WHOWELL MOVED, SECONDED BY MR. MCCLUNG TO ADOPT THE PROPOSED 2017 POLICE PENSION FUND BUDGET AS PRESENTED BY MR. KUEHNE. The motion passed unanimously.

D. Police Pension Fund Actuary Results as of December 31, 2015.

Mr. Kuehne reminded the Board of the retirement of Sander Goldstein. He provided the Board the actuarial valuation done by MWM Consulting, saying that they were recommended and was also the low bidder. Mr. Kuehne stated what the statutory minimum contribution and the GASB rules contribution were and recommended to the Board to follow the GASB rules for funding which would be $3.839 million.

MR. HENDERSON MOVED SECONDED BY MR. WHOWELL TO ADOPT THE RECOMMENDED 2016 TAX LEVY AMOUNT OF $3.839,961 PAYABLE IN 2017 BASED UPON THE MWM CONSULTING ACTUARIAL VALUATION AS OF JANUARY 1, 2016. Roll call was taken. The motion passed unanimously.

Mr. Reimer stated that he will write a letter with the actuarial valuation to the Village advising them of the amount that the Board is recommending, and will also file it with the Department of Insurance.

PAYMENT OF BILLS

RDK Law Firm, $745.56
Pamela Wilkiel, Recording Secretary, $300.00

MR. WHOWELL MOVED, SECONDED BY MR. MALONE TO APPROVE THE PAYMENT OF BILLS. Roll call was taken. The motion passed unanimoulsy.

REPORTS

Quarterly Investment Report – Wall and Associates

Mr. Wall presented the second quarter investment report saying that the portfolio has about 5% in cash, 58% in equities, and 37% in investment grade corporate bonds. Mr. Wall stated that the second quarter the plan is up about $1.6 million finishing with about $111 million, with a rate of return of 1.5%. He said that on a year-to-date basis the rate of return is 2.7% net of all fees. Mr. Wall continued by giving an overview of the rest of investment portfolio.

Mr. Wall stated that the National Investment Services (NIS) agreement has been signed and said that that JP Morgan will be asked to deliver the assets to the successor custodian. Paperwork has been signed and will be submitted to JP Morgan. Mr. Wall will also send a copy of the signed contract with NIS to the DOI.

Mr. Wall was asked to invite Great Lakes Advisors to the Board's October meeting to discuss their investment.

Mr. Reimer gave the Board a legal update saying that when the legislature met in Springfield to try to solve the budget problem, that there is talk that after the November election in January that there will be full court press for consolidation of Article 3 and 4 funds for investment purposes only. He went on to say that he does not know what the bill will be and said that his firm will be brainstorming on how to legally challenge it.

OLD BUSINESS

A. Review and/or modification to the Boards Administrative Rules and Regulations

Mr. Whowell presented the Administrative Rules and Regulations of the Pension Board for signatures after some modifications were made by Mr. Reimer's office.

MR. WHOWELL MOVED SECONDED BY MR, MCCLUNG TO ADOPT THE ARLINGTON HEIGHTS POLICE PENSION BOARD'S ADMINISTRATIVE RULES AND REGULATIONS. The motion passed unanimously.

B. Portability Request – Officer Christopher Tatman, Barrington P.D.

MR, WHOWELL MOVED, SECONDED BY MR. HENDERSON TO ACKNOWLEDGE THE COMPLETTION OF THE CREDIBLE SERVICE TRANSFER REQUEST OF OFFICER CHRISTOPHER TATMAN FROM THE BARRINGTON POLICE DEPARTMENT IN THE AMOUNT OF $69,399.88, AND THAT HE PURCHASED 3 YEARS, 11 MONTHS AND 16 DAYS TO THE ARLINGTON HEIGHTS POLICE PENSION FUND. The motion passed unanimously.

Mr. Reimer stated that he will send the DOI the final transfer report.

C. Portability Request – Officer Michael Migliorsi, Sterling P.D.

MR, WHOWELL MOVED, SECONDED BY MR. HENDERSON TO ACKNOWLEDGE THE COMPLETTION OF THE CREDIBLE SERVICE TRANSFER REQUEST OF OFFICER MICHAEL MIGLIORSI FROM THE STERLING POLICE DEPARTMENT IN THE AMOUNT OF $26,911.12 AND THAT HE PURCHASED 2 YEARS, 2 MONTHS AND 19 DAYS TO THE ARLINGTON HEIGHTS POLICE PENSION FUND. The motion passed unanimously.

Mr. Reimer stated that he will send the DOI the final transfer report.

D. Portability Request – Officer Jacob Howard, Sauk Village P.D.

Mr. Whowell stated that there have been problems with Sauk Village saying that calculation were made in May and that funds have not yet been received from them. He said that Officer Jacob Howard's credible service is 2 years, 6 months, and 26 days, and that Sauk Village was to forward funds in the amount of $29,828.00. Mr. Reimer stated that he will send a letter to Sauk Village requesting funds to be forwarded.

NEW BUSINESS

A. Retirement – Approval Final Decision & Order, Officer Robert Kostka, 05/20/16

Mr. Whowell stated that Officer Kostka retired on May 20, 2016 after 30 years of service and is eligible for retirement benefits of 75% of his annual salary including longevity of $73,339.50.

MR. WHOWELL MOVED, SECONDED BY MR. HENDERSON TO APPROVE THE $6,111.63 MONTHLY PENSION AND ADOPT AND PUBLISH THE DECISION AND ORDER FOR OFFICER ROBERT KOSTKA. Roll call was taken. The motion passed unanimoulsy

B. New Hire – Officer Anfiny Eshoo, 05.24/16, Tier II Participant

MR. <u>WHOWELL</u> MOVED, SECONDED BY <u>HENDERSON</u> TO APPROVE OFFICER ANFINY ESHOO'S ENROLLMENT INTO THE ARLINGTON HEIGHTS POLICE PENSION FUND AS A TIER II PARTICIPANT EFFECTIVE MAY 24, 2016. The motion carried unanimously.

C. New Hire – Officer Justin Fryksdale, 05/31/16, Tier I Participant

MR. <u>WHOWELL</u> MOVED, SECONDED BY <u>MCCLUNG</u> TO APPROVE OFFICER JUSTIN FRYKSDALE'S ENROLLMENT INTO THE ARLINGTON HEIGHTS POLICE PENSION FUND AS A TIER I PARTICIPANT EFFECTIVE MAY 31, 2016. The motion passed unanimously

D. New Hire – Officer Oleh Yusypyuk, 07/05/16, Tier II Participant

MR. <u>WHOWELL</u> MOVED, SECONDED BY <u>MALONE</u> TO APPROVE OFFICER OLEH YUSYPYUK'S ENROLLMENT INTO THE ARLINGTON HEIGHTS POLICE PENSION FUND AS A TIER II PARTICIPANT EFFECTIVE JULY 5, 2016. The motion passed unanimoulsy

E. Portability Request – Officer Anfiny Eshoo, Maywood P.D.

Mr. Whowell stated that Officer Eshoo tendered a letter requesting his portability from the Maywood Police Department and that it is in process.

F. Portability Request – Officer Justin Fryksdale, Maywood P.D.

Mr. Whowell stated that Officer Fryksdale had 8 years, 9 months, and 28 days of service with Winnetka, saying that the true cost calculations for him were $195,947 which was Winnetka has forwarded to the Arlington Heights Police Pension Fund.

MR. <u>WHOWELL</u> MOVED SECONDED BY MR, <u>HENDERSON</u> TO ACCEPT THE OFFICER FRKSDALE'S PORTABILITY OF $195,947 FROM WINNETKA INTO THE ARLINGTON HEIGHTS POLICE PENSION FUND. Roll call was taken. The motion passed unanimoulsy

G. Military Time Buy Back – Officer Gerald Capriotti

Mr. Whowell stated that he has had numerous requests from Officer Capriotti to buy back some of his military time with the Illinois National Guard, saying that he has forwarded totals of points earned. Mr. Reimer stated that points are for military purposes only and not used for anything else. He said that Officer Capriotti will have to provide the order(s) that show every day that was served.

H. Final Approval – Administrative Rules & Regulations

Approved under Old Business

I. Semi-Annual Review of Closed Session Minutes

There were none.

J. Review Status of Trustee's Annual Training Requirements

Mr. Whowell stated that all Board members are current with their training requirements. Mr. Reimer stated that the new year training requirements reset and begin August 13th. Mr. Whowell stated that he will continue to be the Board's FOIA officer and file the training requirements with the Attorney General's Office.

K. 2016 IPPFA Training Conference, October 4-7, 2016

MR. WHOWELL MOVED SECONDED BY MR. MCCLUNG TO APPROVE THE FUNDS TO COVER THE COSTS (REGISTRATIOIN FEES, LODGING, AND PER DIEM) OF THE PENSION BOARD MEMBERS THAT WISH TO ATTEND THE 2016 IPPFA TRAINING CONFERENCE BEING HELD OCTOBER 4 7, 2016 IN LAKE GENEVA. Roll call was taken. The motion passed unanimously.

L. 2016 NCPERS Public Safety Pension & Benefits Conference, October 23-26, 2016

The Board agreed that they will not be attending the NCPERS Conference in October.

M. Election of Board Officers (ie; President, Secretary, etc)

Mr. Reimer stated that per Statute, the election of Board Officers must take place in July.

MR. HENDERSON MOVED, SECONDED BY MR. WHOWELL TO MAINTAIN THE EXISTING SLATE OF OFFICERS FOR THE ARLINGTON HEIGHTS POLICE PENSION FUND. The motion passed unanimoulsy

N. Potential selection of Independent Enrolled Actuary for Recommended Tax Levy

The Board chose not to select an Independent Enrolled Actuary.

OTHER BUSINESS

ADJOURNMENT

There being no further business to discuss:

MR. WHOWELL MOVED, SECONDED BY MR. MALONE TO ADJOURN THE MEETING AT 6:35 PM.

SUBMITTED BY: ____________________________________
Michael Schenkel, Secretary

APPROVED BY: ____________________________________
Andrew Whowell, President