



Agenda  
Village of Arlington Heights  
Board of Trustees of the Police Pension Fund  
Community Room, Police Department 200 E. Sigwalt

October 25, 2023  
5:30 PM

**I. CALL TO ORDER**

**II. ROLL CALL**

A. Public Comments

**III. APPROVAL OF MINUTES**

A. Approval of Meeting Minutes - July 26, 2023

**IV. CLOSED SESSION**

**V. TREASURER'S REPORT**

A. Approval of the Check Register

B. Report of the Village Treasurer

**VI. PAYMENT OF BILLS**

**VII. REPORTS**

A. Quarterly Investment Report - Wall Capital Group

- Potential purchase or sale of securities, portfolio rebalancing, and/or potential retention or termination of investment managers/advisors.

**VIII. OLD BUSINESS**

A. Update regarding pending litigation

B. 2023 IPPFA Training Conference Attendance/Trustee Certification

**IX. NEW BUSINESS**

A. IDOI Annual Statement

- B. Establish next calendar year quarterly meetings
- C. Notice of Death, Thomas Scott Osborn, 08/22/2023,  
Surviving Spouse - Susan Osborn
- D. Notice of Death, Joyce Leo Plaisted, 09/19/2023,  
Surviving Spouse - Cindy Plaisted

**X. OTHER BUSINESS**

**XI. PUBLIC COMMENTS**

**XII. ADJOURNMENT**

Persons with disabilities requiring auxiliary aids or services, such as an American Sign Language interpreter or written materials in accessible formats, should contact Erin Mercado, at 33 S. Arlington Heights Road, Arlington Heights, Illinois 60005, [emercado@vah.com](mailto:emercado@vah.com) or (847)368-5793.

**MINUTES OF THE REGULAR MEETING OF THE  
ARLINGTON HEIGHTS POLICE PENSION FUND BOARD OF TRUSTEES  
MULDER COMMUNITY ROOM, POLICE DEPARTMENT  
200 E. SIGWALT STREET  
WEDNESDAY, JULY 26, 2023**

Vice President Thomas Henderson called the meeting to order at 5:30 PM. Roll call was taken with:

**Board Members Present:** Steven Klopack, Vice President  
Tom Henderson, Secretary  
Bill Falk, Assistant Secretary  
Harry Malone, Trustee

**Board Members Absent:** Petar Milutinovic, President

**Also Present:** Dave Wall, Wall Capital Group, Keith Karlson, Pension Board Attorney, Mary Ellen Juarez, Assistant Director, Finance, Kim Peterson, Recording Secretary

**PUBLIC COMMENTS**

Melissa Cayer, Arlington Heights resident, advised that the Arlington Heights Pension Board information should be updated on the Village's website and the employee's paycheck stubs should be updated to include itemized deductions, specifically what the employee contributions are into the pension fund and what the employer's contributions are, as well as social security, which Mr. Henderson advised the Police Officers do not get social security.

**APPROVAL OF MINUTES**

**A. April 26, 2023**

Mr. Falk moved, seconded by Mr. Henderson, to approve the minutes of the regular board meeting held on April 26, 2023. The motion passed unanimously.

**TREASURER'S REPORT**

**A. Report from the Village Treasurer**

Ms. Juarez presented the Police Pension Fund Financial Report and stated that in regards to the cash flow, there were several portability transfers from other police departments, which added to the Fund. Ms. Juarez advised she usually only has one line item in regards to the contribution from the tax levy, however this year there are two line items, as the Fund received taxes from the 2021 levy and the 2022 levy because they were delayed. The County will once again be sending out property tax bills late, therefore the same problem will occur with delayed revenues from property taxes coming in. Ms. Juarez indicated that she is projecting the Pension Fund may need another \$2 million towards the end of the year, and may need more if the property taxes don't come in. She will have a better idea what will be needed by the next meeting in October. Ms. Juarez advised Mr. Wall did transfer \$1 million in July into the checking account and explained how the Village fronted some property taxes until the Fund received them

in the checking account, therefore she paid back the Village \$888,345. In addition, Ms. Juarez advised that she did a pension refund to the Waukegan Police Department for former Officer Eshoo's contributions in the amount of \$116,000. She also advised that it is a fairly normal year with payouts, therefore adjustments will be made if more money is needed in the checking account at the end of the year.

Ms. Juarez advised that at the end of June, the net assets were \$171 million.

Mr. Henderson moved, seconded by Mr. Klopack, to accept the Treasurer's Report. The motion passed unanimously.

#### B. Approval of the Check Register

Mr. Henderson moved, seconded by Mr. Malone, to approve checks #718 through 720, as well as a wire transfer to Wall & Associates. Roll Call was taken. The motion passed unanimously.

Mr. Falk moved, seconded by Mr. Klopack, to approve the check to Kim Peterson in the amount of \$500 for secretarial services. Roll Call was taken. The motion passed unanimously.

Mr. Henderson moved, seconded by Mr. Klopack, to pay the actual costs and reasonable expenses associated with complying with the mandatory training required by statute.

#### PAYMENT OF BILLS

None.

#### REPORTS

##### A. Quarterly Investment Report – Wall Capital Group

- Potential purchase or sale of securities, portfolio rebalancing, and/or potential retention or termination of investment managers/advisors

Mr. Wall stated that as of June 30, 2023, the plan is sitting at approximately 67% of the portfolio in equities, with \$171.9 million in assets. Mr. Wall advised that for the quarter, the plan is up approximately 4.3% on a YTD basis, and up approximately 9.2% YTD. Mr. Wall explained how the fund has seen a pretty nice recovery in the first six months. Mr. Wall advised that as of June 30, 2023, there is approximately \$3.1 million in the operating account and the NIS Fixed Income Account is managing approximately \$51 million. The NIS Fixed Income Account was down .061% for the quarter, but up 1.74% YTD. The Passive All-cap portfolio is up approximately 15.2 % YTD. The Great Lakes Large-Cap is up approximately 6.5% on a YTD basis. The Passive Large-Cap is up approximately 17.78% on a YTD basis. Mr. Wall explained how GW&K Small-cap portfolio had a challenging year and is up about 3.25%, with very competitive returns. The International portfolio is up approximately 13.8% on a YTD basis. Mr. Wall explained how his firm was overpaid by the pension fund in the first quarter, but underpaid in the second quarter, and from what he can tell, it was a wash, but he'll look into it to avoid any discrepancies.

Mr. Henderson moved, seconded by Mr. Falk, to accept the Investment Report. The motion passed unanimously.

## OLD BUSINESS

### **A. Annual filing of Statements of Economic Interests for each Trustee**

Mr. Henderson asked the Board if they have filed their Statement of Economic Interest, which all indicated they have.

### **B. Resolution thanking Michael Schenkel for his service**

Mr. Henderson asked if there was a formal resolution presented at the last meeting, which Mr. Karlson advised that there is something in the minutes.

### **C. Update regarding pending litigation**

Mr. Karlson provided an update on the pending litigation challenging the consolidation advising that the Illinois Supreme Court did grant the petition for leave to appeal. The plaintiffs have filed their initial brief and the defendants are expected to file their response brief in the coming weeks, after which the plaintiffs will be able to file their reply brief. Mr. Karlson stated that he expects oral arguments to begin sometime in the early fall. The court will then rule in due course.

## NEW BUSINESS

### **A. Semi-annual review of closed session minutes**

Mr. Henderson advised that there are no closed session minutes to review.

### **B. Review/Approve Actuarial Valuation and Tax Levy Request**

Ms. Juarez advised that the Board needs to approve the Actuarial Report for January 1, 2023 to December 31, 2023. Based on the Actuarial Report there is an actuarial yield requirement of \$4,189,711, which is higher than what the state requires.

Martin Bauer, Arlington Heights resident, advised he has an actuarial background and thanked all of those in charge of the Police Pension Fund for taking such good care of the Fund and for having a funding policy that is above the state minimum. Mr. Bauer referenced the projections portion of the report and suggested raising the contributions over the next few years to better secure the Fund's financial stability. Mr. Falk explained how that would be more of the Finance Department's responsibility.

Mr. Falk moved, seconded by Mr. Henderson, to approve the Actuarial Valuation. The motion passed unanimously.

Mr. Klopack moved, seconded by Mr. Henderson, to request the Village levy the amount of \$4,189,711 for the sole and exclusive use by the Arlington Heights Police Pension Fund. Roll Call was taken. The motion passed unanimously.

### C. Review/Approve Municipal Compliance (Annual) Report

Mr. Karlson advised that each year there is an annual statutory report that needs to get sent to the Village, along with the levy request, and the levy request needs to be accompanied by the Municipal Compliance Report.

Mr. Falk moved, seconded by Mr. Klopack, to approve the Municipal Compliance Report as prepared by the Finance Department and have it delivered along with the levy request. The motion passed unanimously.

### D. New Hire – Kate Edelstein, 06/21/23 (Tier II Participant)

Mr. Henderson moved, seconded by Mr. Malone, to accept Officer Kate Edelstein into the Fund as a Tier II Participant. The motion passed unanimously.

### E. Retirement – Decision and Order – Todd Radek 07/25/23

Mr. Karlson advised that Officer Radek retired with 30 years of service yielding an applicable pension percentage of 75%, which represents an annual monthly benefit of \$7,041.06.

Mr. Henderson moved, seconded by Mr. Falk, to approve the Decision and Order for Officer Todd Radek. Roll Call vote was taken. The motion passed unanimously.

## OTHER BUSINESS

### PUBLIC COMMENTS

Melissa Cayer, Arlington Heights resident, requested the online agenda contain a hyperlink to the supporting documents.

Mr. Karlson advised that the website is controlled by the Village and not the Pension Fund and any requests or complaints should be directed to them. In addition, Mr. Karlson advised that any questions regarding employee paycheck stubs should be directed to the Village as well. Lastly, the Police Officers do not get social security.

Mr. Henderson advised that they will elect and appoint the Pension Fund Officers at the next meeting.

## ADJOURNMENT

Mr. Henderson moved, seconded by Mr. Klopack to adjourn the meeting at 6:06 PM. The motion passed unanimously.