



Agenda
Village of Arlington Heights
Board of Trustees of the Police Pension Fund
Police Station Mulder Room
33 S. Arlington Heights Rd., AH 60005
October 21, 2020
5:30 PM

I. CALL TO ORDER

II. ROLL CALL

A. Public Comments

III. APPROVAL OF MINUTES

A. July 22, 2020

IV. CLOSED SESSION

V. TREASURER'S REPORT

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

VI. PAYMENT OF BILLS

A. Administrative Expenses

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. 2020 IPPFA MidAmerican Conference 9/30/20 - 10/02/20

IX. NEW BUSINESS

- A. Adoption of recommended tax levy from actuarial valuation and forward to Municipality
- B. Adoption of Municipal Compliance report and forward to

Municipality

- C. Schedule next calendar year quarterly meeting dates/times
- D. Deadline of filing annual DOI report or potential extension (October 31st)
- E. Final Decision and Order - Duty Disability Officer Douglas Glanz August 10, 2020
- F. Final Decision and Order - Retirement Sergeant Charles Buczynski September 14, 2020
- G. Final Decision and Order - Retirement of Officer John Sullivan September 19, 2020

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.

**MINUTES OF THE REGULAR MEETING OF THE
ARLINGTON HEIGHTS POLICE PENSION FUND BOARD OF TRUSTEES
BUECHNER ROOM, VILLAGE HALL
33 S. ARLINGTON HEIGHTS ROAD
MONDAY, JULY 22, 2020**

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

Board Members Present: Tom Henderson, President
Petar Milutinovic, Vice President
Mike Schenkel, Secretary
Bill Falk, Trustee
Harry Malone, Assistant Secretary

Also Present: Keith Karlson, Karlson Garza LLC, Richard Reimer, Pension Board Attorney, Dave Wall, Consultant, Wall Capital Group, Mary Ellen Juarez, Assistant Director, Finance, Kim Peterson, Recording Secretary

PUBLIC COMMENTS

Melissa Cayer in attendance. There were no Public Comments

OTHER BUSINESS

A. Litigation

Mr. Henderson advised that he has opted to move this agenda item up, as Mr. Milutinovic needs to leave early but would like to contribute to the discussion. Mr. Henderson referenced the letter he distributed from Attorney Daniel Konicek, with the law firm of Konicek & Dillon, regarding the pending lawsuit his firm is preparing on behalf of local pension boards against the State of Illinois.

Mr. Karlson advised the Board that they can go into closed session for the purpose of determining whether to retain legal counsel or they can have the discussion in open session.

Mr. Henderson moved, seconded by Mr. Schenkel, to go into closed session pursuant to Section 2(c)(1) of the Open Meetings Act for the purposes of discussing whether or not to retain the law firm Konicek & Dillon for the purposes of litigation regarding consolidation legislation. The motion passed unanimously.

At 5:34 p.m. the Board voted to go into close session pursuant to 2C1 of the Open Meetings Act.

At 6:06 Mr. Milutinovic left.

Mr. Malone moved, seconded by Mr. Schenkel, to go back into open session. The motion passed unanimously.

At 6:09 the Board resumed open session.

Mr. Henderson moved, seconded by Mr. Schenkel, to retain the law firm Konicek & Dillon to represent the Arlington Heights Police Pension Board in a lawsuit against the Article 3 Police Officer Investment Fund. Roll Call was taken. The motion passed unanimously.

APPROVAL OF MINUTES

Mr. Schenkel moved, seconded by Mr. Henderson to approve the minutes of the regular meeting held on January 22, 2020. The motion passed unanimously.

TREASURER'S REPORT

A. Report from the Village Treasurer

Ms. Juarez presented the Police Pension Fund Financial Report for the period ending June 30, 2020, along with the projected cash flow by month. Ms. Juarez advised she put in zeros for the months of July, August and September for real estate tax contributions, as she is unsure when residents will be paying their real estate taxes because Cook County has delayed the deadline for the second installment until October 3rd. Ms. Juarez indicated July's pension benefit payment will be fine but suggested the Board move \$1,000,000 over to cover the next few months of pension payments.. Ms. Juarez will continue to watch the real estate tax payments to see if residents are paying them to determine if additional monies will need to be transferred. Ms. Juarez advised the ending fund balance is \$143 million and all of the checks will need to be approved.

Mr. Henderson moved, seconded by Mr. Schenkel to approve the payment of checks #611 - #625. Roll call vote was taken. The motion passed unanimously.

Ms. Juarez also included a copy of the Actuarial Valuation in her report and advised the Village will contribute \$4,072,578,

Mr. Henderson moved, seconded by Mr. Schenkel to adopt the recommended municipal contribution in the amount of \$4,072,578. Roll call vote was taken. The motion passed unanimously.

Mr. Henderson moved, seconded by Mr. Schenkel to accept the Treasurer's Report dated June 30, 2020. The motion passed unanimously.

B. Approval of the Check Register

PAYMENT OF BILLS

Kimberly Peterson, secretarial services, \$500

Mr. Henderson moved, seconded by Mr. Malone, to approve the payment of bills. Roll call was taken. The motion passed unanimously.

REPORTS

Quarterly Investment Report – Wall Capital Group

Mr. Wall presented the Quarterly Investment Report and advised that the fund currently has assets of \$143,357,255, with 63% of the portfolio in stocks. The quarterly investment gain was \$16,228,023, with a 12.7% rate of return year-to-date, which is down almost 3%.

Mr. Wall discussed the NIS report and the Passive All-cap portfolio, which totals approximately \$6.8 million a year, with a 21.7% rate of return. Mr. Wall stated Great Lakes is down approximately 3% year-to-date, although they have had a fair amount of improvement in the Large-cap value space. The S&P fund is at 20.54%, which is down approximately 3% year-to-date. Mr. Wall next discussed the Small-cap manager, which is at 25% this quarter and doing a spectacular job. In addition, Mr. Wall explained how the International portfolio is up 22.2%.

Mr. Malone moved, seconded by Mr. Falk to accept Wall Capital Group's Investment Report. The motion passed unanimously.

OLD BUSINESS

A. Review and/or modification to the Board's Investment Policy

Mr. Wall explained how there was some legislation that was passed requiring the pension boards to add some language on sustainability. Mr. Wall discussed the paragraph that was added to the policy and advised the Board to adopt the policy.

Mr. Henderson moved, seconded by Mr. Malone to adopt the policy dated July 2020. The motion passed unanimously.

B. Review and/or modification to the Board's Administrative Rules and Regulations

No action needed.

C. Status – Duty Disability Application – Officer Nancy Hundreiser

Mr. Reimer advised that he sent Officer Hundreiser's attorney a letter asking for signed authorizations for each of her individual health care providers and has yet to receive a response. Mr. Reimer asked if the Board would like him to send another letter, which the Board agreed he should.

D. Update – Annual Certification Letters

Mr. Henderson advised all of the letters were received.

E. IPPFA Annual Training Conference Springfield, IL

Mr. Henderson stated there was not a training conference in Springfield. Mr. Reimer advised that the Board needs to get their eight hours of training, and as of right now, the next conference is scheduled for the end of September, beginning of October, in Naperville, which may be in-person or virtual, depending upon the circumstances. In addition, the Board will need to attend a four-hour transition training, however there is no time limit for this training.

Mr. Henderson moved, seconded by Mr. Malone to approve cost and payment for up to five Trustees to attend the Fall training conference in Naperville, should it happen, sponsored by the IPPFA. Roll call vote was taken. The motion passed unanimously.

F. Review/Update Contracts with Vendors

No action needed.

G. Annual Examination for Jinhong Kim

Mr. Reimer advised that anyone under 50 has to be evaluated once a year to verify they remain disabled and eligible for benefits.

Mr. Reimer advised Mr. Kim's last exam was May 14, 2019. Mr. Kim has a elbow injury and remains disabled.

H. Annual Examination for Nicole Grelecki

Mr. Reimer indicated Ms. Grelecki's last exam was June 21, 2019. Ms. Grelecki has a shoulder injury and remains disabled.

I. Annual Examination for Mark Dillon

Mr. Reimer indicated Mr. Dillon's last exam was August 15, 2019. Mr. Dillon has a back injury and remains disabled.

Mr. Henderson moved, seconded by Mr. Schenkel to authorize Mr. Reimer to set up this year's annual exams for Mark Dillon, Nicole Grelecki and Jinhong Kim, as long as they are in-person visits. The motion passed unanimously.

J. Status – Department of Insurance (DOI) Compliance Audit Payment

Mr. Reimer indicated this payment has already been made.

NEW BUSINESS

A. Semi-annual Review of Closed Executive Session Minutes

There were no closed session minutes.

B. \$1.25 Million VAH Surplus Payment into the Police Pension Fund from the General Fund

Mr. Henderson explained how the Village had a \$2.5 million surplus in the General Fund last fiscal year and gave both the Police and Fire pension funds \$1.25 million. This is the second year in a row that the Village has chosen to transfer surplus money into the Police and Fire pension funds.

C. Annual Filing of Statement of Economic Interest from each Trustee

Mr. Henderson asked if everyone has filed their Statement of Economic Interest forms, which everyone said they did.

D. Amended Decision and Order – Officer Patrick Spoerry, January 2, 2020

Mr. Reimer advised this item can be moved to the August 3rd Special Meeting, for follow-up.

E. Disability Pension Payment Status – Officer Michael McEvoy

Mr. Reimer advised this item can be moved to the August 3rd Special Meeting, for follow-up.

F. New Hire – Officer Brianna Erri – March 3, 2020 Tier II

G. New Hire – Officer Thomas Janschutz – April 7, 2020 Tier II

H. New Hire – Officer Carmella Parkison – July 14, 2020 Tier II

I. New Hire – Officer Brandon Parkison – July 14, 2020 Tier II

Mr. Henderson read off the names of the new hires, their start dates and the Tier they will be participating in.

Mr. Falk moved, seconded by Mr. Schenkel to accept Officers Brianna Erri, Thomas Janschutz, Carmella Parkison and Brandon Parkison's enrollment in the Arlington Heights Police Pension as Tier II participants effective on their respective hire dates. Roll call was taken. The motion passed unanimously.

ADJOURNMENT

Mr. Schenkel moved, seconded by Mr. Henderson to adjourn the meeting at 6:49 PM. The motion passed unanimously.

SUBMITTED BY:

Michael Schenkel, Secretary

APPROVED BY:

Tom Henderson, President