



Agenda
Village of Arlington Heights
Board of Trustees of the Police Pension Fund
Police Department Community Room
200 W. Sigwalt, 60005
July 27, 2022
5:30 PM

I. CALL TO ORDER

II. ROLL CALL

A. Public Comments

III. APPROVAL OF MINUTES

A. April 20, 2022

B. June 8, 2020 - Special Meeting

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 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. Annual filing of statement of economic interest statements for each Trustee

IX. NEW BUSINESS

- A. Semi-annual review of closed session minutes to determine what needs to remain confidential
- B. Review status of trustees annual training requirements
- C. Approval of annual valuation reports presented to the Village
- D. Potential selection of independent enrolled actuary for recommended tax levy
- E. New Hire - Christopher Seebacher 05/02/2022 TIER I

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 Rosangela Maldonado, at 33 S. Arlington Heights Road, Arlington Heights, Illinois 60005, rmaldonado@vah.com or (847)368-5791.

**MINUTES OF THE SPECIAL MEETING OF THE
ARLINGTON HEIGHTS POLICE PENSION FUND BOARD OF TRUSTEES
POLICE DEPARTMENT COMMUNITY ROOM
200 W. SIGWALT STREET
WEDNESDAY, JUNE 8, 2022
DRAFT**

Vice President Tom Henderson called the meeting to order at 5:34 PM. Roll call was taken with:

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

Board Members Absent: None

Also Present: Mark McQueary, Pension Board Attorney, via teleconference
Melissa Cayer, Citizen

PUBLIC COMMENTS

None.

CLOSED SESSION

A. 5 ILCS 120/2(c)(11): Litigation regarding pension board consolidation

Mr. Malone moved, seconded by Mr. Schenkel, to adjourn into closed session pursuant to Section 2(c)(11) of the Open Meetings Act for the purposes of discussing pending litigation in connection with Kane County Case #2021CH55. The motion passed unanimously.

Mr. Henderson advised that what is up for discussion is whether to continue on with this lawsuit and file an appeal, as the Board is aware they did not win at the circuit level. Mr. Henderson reminded the Board that initially they approved the budget of \$20,000, and at this point, they are not even near the halfway point with this expense. Mr. Henderson stated that he is unsure what the cost will be moving forward.

Mr. McQueary advised that if the Board were to move forward with an appeal, the next step would be to file a motion in the trial court, which is called a Notice of Appeal and then you file the same Notice of Appeal in the appellate court and in addition, Mr. Konicek will have the ability to file a Motion to Stay the judgement of the trial court. The trial court judge can make a determination whether or not he wants to grant a stay and should the plaintiff's attorney lose his Motion to Stay in the trial court, a Motion to Stay in the appellate court can then be filed. Mr. McQueary advised that this appeal would go to the 2nd District Appellate Court. Mr. McQueary stated that he doesn't either encourage or discourage the Board to file a Notice of Appeal, although this is the last chance at possibly overturning this decision. If the Board does choose to file a Notice of Appeal, Mr. McQueary would then ask the Board to direct his law firm to contact IPOPIF on their behalf and request that they give the Board the last transfer date or the conclusion of the pending litigation, whichever is later, to buy the Board time for the appeals process to play out and get a ruling from the appellate court. Mr. McQueary advised that from his understanding the last tranche date will be November 1st.

Mr. Henderson asked that as a fiduciary, is the Board required to keep fighting until all avenues are exhausted. Mr. McQueary advised that if the Board believes the money is better in their hands, to get a better rate of return and to keep administrative costs low, then the Board is in a very good position to justify moving forward with the lawsuit as fiduciaries. In addition, Mr. McQueary stated that the Board has been at this for a long time and has been very successful with their investments and their track record demonstrates money is better in their hands.

Mr. Falk asked if there is any reasonable likelihood of success with this appeal, which Mr. McQueary advised that it is a 50/50 chance and there is an argument that it impacts your benefits. Mr. McQueary also noted that the 2nd District Appellate Court is a much more conservative district, compared to other appellate courts that are much more liberal.

Mr. Milutinovic asked if the appellate judge would have to disagree with the trial judge's interpretation of the case law precedents that he cited, which Mr. McQueary advised that the trial court's interpretation that those cases are similar to the facts at hand, but an appellate court can say no that they can distinguish those cases from these facts and here is why.

Mr. Henderson advised that if anything they are buying themselves time. Mr. Milutinovic advised that the Finance Department received a letter in April from IPOPIF about moving funds and just recently the Finance Department Director asked Mr. Milutinovic about the funds, which Mr. Milutinovic advised him that the Board was going to be meeting to discuss the status of their position in the lawsuit. Mr. Milutinovic stated that the next step is to vote to determine what course of action to take. Mr. McQueary advised that once the Board goes back into open session, the Board would entertain a motion to direct the law firm of Konicek & Dillon to file a Notice of Appeal and Stay of Judgement. Once that's done, the Board should direct his law firm to contact IPOPIF to let them know that they are filing a Notice of Appeal and moving forward with the lawsuit and then they'll let them know to move your tranche date or after the completion of litigation, whichever is later.

Mr. Milutinovic asked about the cost and if there is a way to estimate what it will be moving forward, which Mr. McQueary advised that it is too hard to predict at this time.

Mr. McQueary advised that the Board had adjourned into closed session under 2(c)(11) under the Open Meetings Act and no final was taken in closed session.

Mr. Milutinovic moved, seconded by Mr. Falk, to return to open session. The motion passed unanimously.

Mr. McQueary advised that the Board is now back in open session.

Mr. Schenkel moved, seconded by Mr. Falk, to direct the law firm of Konicek & Dillon to file a Notice of Appeal pursuant to Supreme Court Rule 303, thereby appealing to the Appellate Court 2nd District for the order entered on May 25, 2022 in Kane County Circuit Case 2021CH55. A Roll Call Vote was taken. The motion passed unanimously.

Mr. Milutinovic moved, seconded by Mr. Malone, to direct the law firm of Karlson, Garza and McQueary to contact IPOPIF and inform them that they will be participating in appellate process and request a tranche date to be the last tranche date or conclusion of the litigation, whichever is later. The motion passed unanimously.

ADJOURNMENT

Mr. Henderson moved, seconded by Mr. Schenkel to adjourn the meeting at 6:01 PM. The motion passed unanimously.