Agenda
Village of Arlington Heights
Board of Trustees of the Police Pension Fund
Commissions Room
33 S. Arlington Heights Rd., Arlington Heights, IL 60005
July 26, 2017
5:30 PM

I. CALL TO ORDER

A. Public Comments

II. ROLL CALL

III. APPROVAL OF MINUTES

A. April 26, 2017 - Regular Meeting

IV. CLOSED SESSION

V. TREASURER'S REPORT

A. Report of the Village Treasurer
B. Approval of the Check Register
C. Actuarial Valuation - Arlington Heights Police Pension Fund for the year ending December 31, 2016

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 managers/advisors.

VIII. OLD BUSINESS

A. Status – Duty Related Disability Application – Officer Michael McEvoy
B. Military Buy Back Request – Officer Adam Plawer
C. Transfer of Creditable Service Time from Chicago Police Department - Officer Petar Milutinovic

D. Rebalance Portfolio to Conform with Statutory Asset Allocation
E. Annual Filing of Statement of Economic Interest Statements for each Trustee.
F. Cash Swing Account Options
G. Review and/or modification of the Board's Investment Policy

IX. NEW BUSINESS

A. New Hire - Officer Mark Johanson, 6/7/17, Tier II Participant
B. New Hire - Officer Tyler L. Masnovi, 6/21/17, Tier II Particiapant
C. Election of Officers
D. Final Decision & Order - Retirement - Officer Brian McGuire, 6/16/17
E. Final Decision & Order - Retirement - Deputy Chief Andrew Whowell, 8/17/17
F. Semi-Annual review of closed executive session minutes to determine what needs to remain confidential
G. Potential Selection of Independent Enrolled Actuary for Recommended Tax Levy
H. Review Status of Trustees' Annual Training Requirements
    1. IPPFA Annual Conference in St. Louis, MO in October 2017
    2. Trustee Certification-Petar Milutinovic
I. Purchase of Disability Time - Sergeant Thomas Henderson
J. Separation Refund Request - Officer Steven Cortese

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: April 26, 2017 - Regular Meeting

Department: Finance

April 26, 2017 - Regular Meeting

ATTACHMENTS:

Description	**Type**
April 26, 2017 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 WEDNESDAY, APRIL 26, 2017

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

Board Members Present:	Andrew Whowell, President Tom Henderson, Vice President Gary McClung, Trustee Harry Malone, Trustee Mike Schenkel, Secretary

Also Present:	Tom Kuehne, Village Treasurer	David Wall, Wall & Associates
	Keith Karlson, Pension Board Attorney	Petar Milutinovic, Trustee Elect
	Wells Frice, Great Lakes Advisors	Laurence Richey, Great Lakes Advisors
	Pam Wilkiel, Recording Secretary	

PUBLIC COMMENTS

Resident Melissa Cayer asked the Board if timesheets can be filled out. Board Attorney, Mr. Karlson stated that there is no requirement to do so and said that the Board can take her request under advisement and put it on an agenda if they choose to. Mr. Whowell added that the Board positions are voluntary and that they do not get paid.

APPROVAL OF MINUTES

MR. MALONE MOVED, SECONDED BY MR. MCCLUNG TO APPROVE THE MINUTES OF THE REGULAR MEETING HELD ON January 25, 2017. The motion carried unanimously.

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 February 28, 2017 saying that this quarter had good experiences and that expenditures are tracking on budget. Mr. Kuehne also told the Board that the actuarial report will be presented at the July Pension Board meeting.

MR. WHOWELL MOVED SECONDED BY MR. SCHENKEL TO ACCEPT THE TREASURER'S REPORT DATED FEBRUARY 28, 2017. The motion passed unanimously.

B. Approval of Check Register

MR. SCHENKEL MOVED, SECONDED BY MR. WHOWELL TO APPROVE THE PAYMENT OF CHECKS #520- #524. Roll call was taken. The motion passed unanimously.

PAYMENT OF BILLS

Pamela Wilkiel, Recording Secretary, $300.00
RDK Law Firm, $2470.07

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

MR. WHOWELL MOVED SECONDED BY MR. HENDERSON TO APPROVE THE STATUTORY PAYMENT OF NOT MORE THAN $8,000 TO THE ILLINOIS DEPARTMENT OF INSURANCE (IDOI). Roll call was taken. The motion passed unanimously.

REPORTS

Quarterly Investment Report – Wall and Associates
Mr. Wall presented the fourth quarter investment report saying that the portfolio has about 5.5% in cash, 62.5% in equities, and 32% in investment grade corporate bonds.

Mr. Wall stated that the plan gained about $4.4 million this quarter and finished with about $120.7 million, with a rate of return for the quarter of just over 4%%. He said that it is a very good start to the fiscal year saying that the one-year return was 9.25% and the five-year at 7.2% net of all fees. Mr. Wall continued by giving an overview of the rest of investment portfolio.

Great Lakes Advisors
Mr. Wall asked Mr. Frice to talk about some of the personnel changes at Great Lakes Advisors. Mr. Frice said that Steve Woodward had a fundamental background and was with Great Lakes for about two and a half years before he left in December and went to another firm in Chicago that is an international as well as a domestic investment manager. He stated that Mr. Woodward had experience in international investment and was approached by this firm. As a result of that, Great Lakes has expanded and combined the large cap value investment analyst and portfolio managers with the small cap fundamental equity portfolio managers and analysts. He continued by explaining some of the other positions and changes. Mr. Frice then passed out and gave an overview of the Great Lakes portfolio saying that earnings were good for the quarter.

OLD BUSINESS

A. Status – Duty Related Disability Application – Officer Michael McEvoy

Mr. Karlson stated that all of Officer McEvoy's records have been sent to Insbe who is in the process of selecting appropriate medical experts for examination, and said from there he will be sent for his exams. A determination for a hearing will be made after reports are received.

B. 2017 Annual Pension Beneficiary Certification Audit

Mr. Whowell stated that all of the Beneficiary Certification forms have been returned.

NEW BUSINESS

A. Rebalance portfolio to conform with statutory asset allocation

Mr. Karlson stated that this topic should be put on the October Pension Board agenda since the rebalancing would need to take place before the end of the fiscal year which is now December 31st. He said that at that time, the Board can make a vote that would direct Mr. Wall, during the last week of December, to rebalance below the statutory amount.

B. .2017 Pension Board Election Results for Active and Retiree Trustee Positions

Mr. Whowell stated that elections were held for both active and retiree positions. He stated that four people ran for the two active trustee positions; Charles Buczynski, Andrew Flentge, Tom Henderson and Pete Milutovich. The results showed that 48 ballots were cast with the following results;

Charles Buczynski	5
Andrew Flentge	19
Tom Henderson	42
Pete Milutinovic	30

Tom Henderson and Pete Milutinovic were elected to two-year terms to run through May 2019.

MR. WHOWELL MOVED, SECONDED BY MR. MCCLUNG TO CERTIFY THE ELECTION RESULTS FOR THE TWO ELECTED ACTIVE POLICE PENSION BOARD MEMBERS. Roll call was taken. The motion passed unanimously.

Mr. Karlson stated that two retirees ran for the one Retiree Trustee position, Jerry Lenhert and Mike Schenkel. The results showed that 58 votes were cast with Mike Schenkel receiving 44 votes and Jerry Lenhart 14. Mike Schenkel was elected to a two-year term that will run through May 2019.

MR. WHOWELL MOVED, SECONDED BY MR. SCHENKEL TO CERTIFY THE ELECTION RESULTS FOR THE RETIREE POLICE PENSION BOARD MEMBER. Roll call was taken. The motion passed unanimously.

C. Reappointment Gary McClung as Board Trustee.

Mr. McClung's current term is ending in May. A notice of re-appointed has not yet been received but will be forthcoming.

D. Annual examination status of disabled officers under 50 years of age

Mr. Karlson gave an update on the four disabled officers that are under 50. He said that Officer Michelotti's exam is scheduled in May, that Officer Dillion's exam was scheduled in March and are awaiting the results. Officers Gerlecki-Brown and Kim exams were completed and they were both determined to still be disabled.

MR. WHOWELL MOVED, SECONDED BY MR. SCHENKEL TO CONTINUE THE DISABILITES OF OFFICER GERLECKI-BROWN AND OFFICER KIM. Roll call was taken. The motion passed unanimously.

E. Review and/or modification of the Board's Investment Policy

No action was taken and the Investment Policy will be reviewed at the July Board meeting

F. Review and/or modification of the Board's Administrative Rules and Regulations

No action was required.

G. Annual filing of Statement of Economic Interest Statements for each Trustee

Mr. Whowell asked that the Board members to send him a copy of their confirmation of filing of their Statement of Economic Interest Statements so that he can keep them on file.

H. Cash Swing Account Options

Mr. Wall explained that the cash swing account at Illinois Funds was discontinued because there were issues and thought that currently a local Chase Bank is being used. Mr. Whowell believes that Illinois Funds said that they did not want to do it anymore and said that it was in the Pension Fund's best interest at that time to go to Chase for the deposits. Mr. Whowell said that Mr. Kuehne said that it was in the best interest of the Pension Fund to go back to Illinois Funds.

Mr. Wall asked that the Board discuss this at their next meeting so that Mr. Kuehne can report on it since he is familiar with what is going on with Illinois Funds. Mr. Karlson stated that Mr. Kuehne is the one that would have to move the money. Mr. Karlson stated that Mr. Kuehne needs the Board's authorization before moving any money.

I. Death – Surviving Spouse, Joan Ekblad – January 31, 2017
J. Death – Surviving Spouse, Dorothy Salee – February 26, 2017

MR. HENDERSON MOVED, SECONDED BY MR. WHOWELL TO TERMINATE THE PENSION BENEFITS OF JOAN EKBLAD EFFECTIVE JANUARY 31, 2017 AND DOROTHY SALEE EFFECTIVE FEBRUARY 26, 2017. Roll call was taken. The motion passed unanimously.

K. Military Buy Back Request – Officer Adam Plawer

Mr. Whowell stated that no action is required at this time saying that the request is still in process. It will be put on the next Pension Board agenda.

OTHER BUSINESS

There was no other business.

ADJOURNMENT

There being no further business to discuss:

MR. WHOWELL MOVED, SECONDED BY MR. MCCLUNG TO ADJOURN THE MEETING AT 6:20 PM.

SUBMITTED BY: ______________________________

Michael Schenkel, Secretary

APPROVED BY: ______________________________

Andrew Whowell, President