



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

July 24, 2024
5:30 PM

I. CALL TO ORDER

II. ROLL CALL

A. Public Comments

III. APPROVAL OF MINUTES

A. Approval of Meeting Minutes - April 24, 2024

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. Selection of new fund counsel - Puchalski Goodloe LLC
- B. Transfer of Assets to IPOPIF, *the Board has sent Exhibits A-C*
 - Resolution Appointing Authorized Agents (Exhibit A)
 - Written notice to investment consultants, managers and custodians of an asset transfer date (Exhibit B)

- Appoint an account representative for ECFM portal by resolution and execution of ECFM portal form (Exhibit C)
- C. Cash flow projection chart and development of a transition cash retention policy and cash management policy (*Board needs to consider 90 or 120 days*)
- D. DOI Compliance Fee
- E. DOI Annual Report submitted June 27, 2024

IX. NEW BUSINESS

- A. Review/Approve Actuarial Valuation and Municipal Tax Levy request
- B. Review/Approve Municipal Compliance Report
- C. Disability Application - status update for Officer Nickolas Trudeau
- D. Retirement - Approval of Decision and Order for Sergeant Raymond Finnerty, July 6, 2024
- E. Notice of Death, Raymond P. Rohde, April 22, 2024, surviving spouse, Paulette Rohde
- F. Notice of Death, Francis A. Bischoffer, June 24, 2024, no surviving spouse

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 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, APRIL 24, 2024**

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

Board Members Present: Petar Milutinovic, President
Tom Henderson, Secretary
Bill Falk, Assistant Secretary

Board Members Absent: Harry Malone, Trustee
Steven Klopach, Vice President

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

APPROVAL OF MINUTES

A. January 24, 2024

Mr. Falk moved, seconded by Mr. Milutinovic, to approve the minutes of the regular board meeting held on January 24, 2024. 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 the Fund has \$190 million in net assets and things are looking good. Ms. Juarez advised that the cash flows for January, February and March are pretty much the same and is still projecting that a transfer of \$2 million will be needed in July, as well as December, depending upon whether property taxes are received in time or not. Ms. Juarez explained that the monthly pension payments have been fairly consistent, totaling around \$907,000. Ms. Juarez advised that the bank started giving interest on the checking account and that they will be transferring funds in the fall, so the Board will have to decide how much they want to keep in the checking account. Mr. Wall advised that he will take care of the transfer in July but the transfer in December will occur through the consolidated fund. Ms. Juarez asked if the Board wanted to hold any money back, similar to what the Fire Pension Board has done, which Mr. Karlson advised that what generally happens is that there will be two cash management plans, with one being for 90 – 120 day's worth of benefit payments, which will get scaled back once the regular withdrawal amounts are established. Mr. Karlson advised that there should always be one month's worth of benefit payments in reserve, in the event a transfer does not occur. The other plan will be the checking or operating account.

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

B. Approval of the Check Register

Mr. Milutinovic moved, seconded by Mr. Falk, to approve checks #735 through 745, as well as 746, which was a replacement check for Mr. Karlson's law firm, and the check for Kim Peterson. Roll Call was taken. The motion passed unanimously.

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 it was a good quarter and as of March 31, 2024, the plan is sitting at approximately 66% of the portfolio in equities and \$190 million in assets. The gain from investments was almost \$11.4 million, with a rate of return of 6.5%. Mr. Wall advised that the operating account has a balance of \$3.4 million, as of March 31, 2024. Mr. Wall discussed the NIS Fixed Income account and explained how inflation has been very stubborn. The Great Lakes Large-Cap had a very nice quarter and is up 10.6% YTD. Mr. Wall explained how the GW&K Small-cap portfolio had a very difficult year, but is beginning to rebound and the Passive All-cap portfolio is up approximately 9.4% YTD. The Passive Large-Cap portfolio is up approximately 10.5% YTD and the International portfolio is up approximately 8.2% YTD. Mr. Wall advised he will raise the \$2 million for July so the fund will have that cash on hand and will be in attendance at the next two meetings.

Mr. Wall explained how he did give Mr. Milutinovic a copy of the revised report from the last meeting, which Mr. Milutinovic confirmed that he did receive it and already reviewed it.

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

OLD BUSINESS

A. Annual verification for eligibility of pension beneficiaries

Mr. Milutinovic advised that he is in receipt of all of the pension verification forms.

B. Statements of Economic Interest

Mr. Milutinovic advised that all Board members submitted their Statements of Economic Interest

C. Reappointment of Trustee Harry Malone

Mr. Milutinovic advised that Trustee Malone was reappointed by the Mayor last quarter.

D. Annual disability examination – Nicole Grelecki

Mr. Karlson advised that on March 1st, Ms. Grelecki was found to still be disabled.

Mr. Milutinovic moved, seconded by Mr. Henderson, to continue to pay disability benefits to Nicole Grelecki. Roll Call vote was taken. The motion passed unanimously.

E. Mike Cowsert QILDRO implementation

Mr. Karlson advised that there is nothing for the Board to do other than approve payment upon verification.

Mr. Milutinovic moved, seconded by Mr. Falk, to direct payment to the Cowsert QILDRO's pursuant to the QILDRO calculation and orders on file. Roll Call vote was taken. The motion passed unanimously.

F. Transfer of Assets to IPOPIF

- Approval and execution of documents needed to facilitate the transfer of assets
- Approval of two authorized agents by resolution
- Written notice to investment consultants, managers and custodians of an asset transfer date
- Cash flow projection chart and development of a transition cash retention policy and cash management policy.
- Appoint an account representative for ECFM portal by resolution and execution of ECFM portal form

Mr. Karlson advised that the Board will need to adopt Exhibit A, which is the resolution appointing authorized agents. There will need to be two people appointed to facilitate the transfer of assets. Mr. Wall asked if one of the people being appointed can be Tom Kuehne, who is authorized at the custodial bank.

Mr. Milutinovic moved, seconded by Mr. Falk, to adopt Exhibit A, which appoints Tom Kuehne and Petar Milutinovic as the authorized agents. Roll Call vote was taken. The motion passed unanimously.

Mr. Karlson advised that the Board will also need to adopt a notice of intent to transfer assets to IPOPIF. The notice will need to be sent to Mr. Wall who will then prepare the preliminary documents necessary for IPOPIF to do the audit of the fund's assets transfer.

Mr. Falk moved, seconded by Mr. Milutinovic, to direct the authorized agents to send the notice of intent to transfer assets to IPOPIF to Wall Capital, as well as any other account. Roll Call vote was taken. The motion passed unanimously.

Mr. Karlson advised that the Board will need to appoint authorized account representatives.

Mr. Milutinovic moved, seconded by Mr. Falk, to appoint Tom Kuehne, Mary Ellen Juarez and Petar Milutinovic as the authorized account representatives. Roll Call vote was taken. The motion passed unanimously.

NEW BUSINESS

A. Illinois Department of Insurance (DOI) Compliance Fee

Mr. Karlson advised that the authority to do the audit has been moved from the DOI to the consolidated fund.

Mr. Milutinovic moved, seconded by Mr. Henderson, to pay the compliance fee should the fund get billed. Roll Call vote was taken. The motion passed unanimously.

B. DOI Annual Report

Ms. Juarez advised that the report is due at the end of June.

C. Retirement – Approval of Decision and Order for Deputy Chief Shawn Gyorke, February 23, 2024

Mr. Karlson advised that Deputy Chief Shawn Gyorke retired with 24 years, 7 months and 17 days of credible service. Deputy Chief Gyorke is deferring his benefit, with an effective start date of February 19, 2026, and an initial retirement benefit of \$106,684.32.

Mr. Milutinovic moved, seconded by Mr. Falk, to approve the Decision and Order for Deputy Chief Shawn Gyorke. Roll Call vote was taken. The motion passed unanimously.

D. Retirement – Approval of Decision and Order for Officer Benjamin Utterback, March 17, 2024

Mr. Karlson advised that Officer Benjamin Utterback retired with over 30 years of service and an initial retirement benefit of \$91,044, effective March 18, 2024.

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

E. Retirement – Approval of Decision and Order for Officer Edson Castillo, April 6, 2024

Mr. Karlson advised that Officer Edson Castillo retired with an initial retirement benefit of \$69,800.40, effective April 7, 2024.

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

F. New Hire – Officer Gary Lynch – February 19, 2024

Mr. Milutinovic moved, seconded by Mr. Falk, to accept Gary Lynch into the pension fund as a Tier 2 participant. The motion passed unanimously.

G. New Hire – Officer Thomas Hohenadel – April 1, 2024

Mr. Milutinovic moved, seconded by Mr. Falk, to accept Thomas Hohenadel into the pension fund as a Tier 2 participant. The motion passed unanimously.

Mr. Karlson advised that both Officers have applications on file.

H. Resignation – Officer Kate Edelstein – January 3, 2024

I. Resignation – Officer Andrew Gatz – January 12, 2024

J. Resignation – Officer Dinka Malik – January 19, 2024

Mr. Falk moved, seconded by Mr. Milutinovic, to approve refunds of contributions into qualified plans based upon the proper paperwork being filed. Roll Call vote was taken. The motion passed unanimously.

K. Application for Disability – Nickolas Trudeau

Mr. Karlson advised that the Board has a new application for disability benefits for Nickolas Trudeau.

Mr. Milutinovic moved, seconded by Mr. Falk, to direct Mr. Karlson's law firm to process Mr. Trudeau's application and hand it over to whoever is their successor on July 1st. The motion passed unanimously.

OTHER BUSINESS

Mr. Henderson advised that he recommends the law firm of Puchalski Goodloe LLC to serve as the Pension Board's Attorney, beginning July 1, 2024. Mr. Karlson advised that Puchalski Goodloe LLC is willing to accept all of the terms of his law firm's contract and keep the rates the same. Mr. Falk stated that he thinks this makes sense.

Mr. Henderson moved, seconded by Mr. Milutinovic, to hire Puchalski Goodloe LLC, effective July 1, 2024. Roll Call vote was taken. The motion passed unanimously.

PUBLIC COMMENTS

None.

ADJOURNMENT

Mr. Falk moved, seconded by Mr. Milutinovic to adjourn the meeting at 6:07 PM. The motion passed unanimously.