



Agenda
Village of Arlington Heights
Board of Trustees of the Police Pension Fund
Buechner Room

July 24, 2019
5:30 PM

I. CALL TO ORDER

A. Public Comments

II. ROLL CALL

III. APPROVAL OF MINUTES

A. April 24, 2019

IV. CLOSED SESSION

V. TREASURER'S REPORT

A. Report of the Village Treasurer

B. Approval of the Check Register

C. Actuarial Valuation – Police Pension Fund Actuary Results
for year ending December 31, 2018

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

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

- C. Annual Examination for Jinhong Kim
- D. Annual Examination for Nicole Grelecki
- E. Annual Examination for Mark Dillon
- F. Status - Department of Insurance (DOI) Compliance Audit Payment

IX. NEW BUSINESS

- A. Potential Selection of Independent Enrolled Actuary for Recommended Tax Levy
- B. Semi-annual Review of Closed Executive Session Minutes
- C. SEI Class Action Funds
- D. New Hire - Officer Benjamin Schuster - June 3, 2019, Tier II Participant
- E. New Hire - Officer Francisco Chavez - June 3, 2019, Tier II Participant
- F. New Hire - Officer Kimberly Mueller - June 17, 2019, Tier II Participant
- G. New Hire - Officer Dinka Malik - June 24, 2019, Tier II Participant
- H. New Hire - Officer Konstantino Matthopoulos- June 24, 2019, Tier II Participant
- I. New Hire - Officer Treston Schoeny - July 1, 2019, Tier II Participant
- J. Retirement - Decision & Order - Chief Gerald Mourning, June 14, 2019
- K. Retirement - Decision in Order - Sergeant Scott Winkelman, July 4, 2019
- L. Retirement - Decision & Order - Officer Gerald Capriotti, March 2, 2019

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.



**Board of Trustees of the Police Pension Fund
7/24/2019**

Item: April 24, 2019

Department: Finance

April 24, 2019

ATTACHMENTS:

Description

April 24, 2019 Minutes

Type

Minutes

**MINUTES OF THE REGULAR MEETING OF THE
ARLINGTON HEIGHTS POLICE PENSION FUND BOARD OF TRUSTEES
BUECHNER ROOM, VILLAGE HALL
33 S. ARLINGTON HEIGHTS ROAD
WEDNESDAY, APRIL 24, 2019**

President Thomas Henderson called the meeting to order at 5:32 PM. Roll call was taken with:

Board Members Present: Tom Henderson, President
Petar Milutinovic, Vice President
Gary McClung, Trustee
Mike Schenkel, Secretary

Also Present: Stephen McLeod, Wall Capital Group,
Rick Reimer, Pension Board Attorney
Mary Ellen Juarez, Assistant Director, Finance

PUBLIC COMMENTS

Resident, Melissa Cayer thanked the Board for their Police Pension work.

APPROVAL OF MINUTES

Mr. Henderson moved, seconded by Mr. McClung to approve the minutes of the regular meeting held on January 23, 2019. The motion passed unanimously.

TREASURER'S REPORT

A. Report from the Village Treasurer

Ms. Juarez presented the Police Pension Fund Financial Report for period ending March 31, 2019, saying that the net assets are at 135 million. She stated that expenses are on target with the budget, and that revenues went up this quarter.

Regarding cash flow, Ms. Juarez stated that property taxes are coming in, that there was a \$1.5 million transfer in, and a \$500,000 transfer that was done, and said the Fund should be all right until November. She added that once pension payments are made in December the cash flow would be low and that a transfer may need to be done. Mr. Henderson asked Mr. McLeod to invite the bond investors to the October Pension Fund meeting to discuss how much cash the Fund may need.

B. Approval of the Check Register

Mr. Henderson moved, seconded by Mr. Schenkel to approve the payment of checks #582 - #587. Roll call was taken. The motion passed unanimously.

Mr. Henderson stated that he had two checks from Chicago Clearing House, one for \$119.47 and the other for \$568.54, which are from settlements of security class actions. He asked Ms. Juarez to have them deposited into the Fund's account.

PAYMENT OF BILLS

Mr. Reimer stated that there will be an statutory annual Department of Insurance (DOI) Compliance Fee that will be come out in May and be due by the end of June before the next Board meeting. He asked that a motion be made to pay it when due,

Mr. Schenkel moved, seconded by Mr. Henderson to pay the statutory DOI compliance fee in the amount of \$8,000 when the bill comes due. Roll call was taken. The motion passed unanimously.

REPORTS

Quarterly Investment Report – Wall Capital Group

Mr. McLeod presented the First Quarter Investment Report. He said that the portfolio has about 3.3% in cash, about 64.8% in equities, and about 31.9% in bonds. Mr. McLeod stated the quarter finished with over \$133 million in assets, up about \$11.3 million or 9.3% for the quarter. He said there were good returns in the first quarter saying that the second quarter is better than that. Mr. McLeod continued by giving an overview of the rest of investment portfolio. The portfolio showed the new account opened in order to facilitate the bond manager getting money to the fund when needed. It currently has a cash balance of over \$1.7 million. Discussion took place regarding having exposure to mid-cap investments. Mr. McLeod stated that ideas could be presented at the next Pension Board meeting.

Mr. Henderson moved, seconded by Mr. McClung to accept Wall Capital Group's Quarterly Report. The motion passed unanimously.

OLD BUSINESS

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

No action needed

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

No action needed.

C. Update – Annual Beneficiary Certification Letters

Mr. Henderson stated that all the Retiree and Disabled Officer certifications were received. Mr. Henderson stated that one retired Officer (Otto Schuster) has his son as a power of attorney and that he has all the paperwork showing so. Mr. Reimer asked that it be sent to him so that he can verify the language is correct.

D. Annual Examination for Mark Dillion

Mr. Reimer apologized and stated that Officer Dillion's exam has not been scheduled and will get back to the Board with an explanation. He will verify if he is over or under 50 years old and whether an exam will be required.

E. Annual Examination for Jinhong Kim

Mr. Reimer stated that Officer Kim's examination is scheduled for May 14th.

F. Annual Examination for Nicole Grelecki

Mr. Reimer stated that Officer Grelecki's examination was scheduled for May 15th and said she contacted them saying she wanted to reschedule it. It is in the process of being rescheduled without any fees.

G. 2019 IPPFA Training Conference

Mr. Henderson stated that he and Mr. Milutinovic would be attending the conference in Peoria next week. He also said that all but Mr. Malone would be attending the conference in Lake Geneva in the fall.

NEW BUSINESS

A. \$1.5 million VAH Surplus payment into the Police Pension Fund from the General Fund

Mr. Henderson stated that Mr. Kuehne informed him that the Village had some surplus in the General Fund and recommended to the Village Manager and the Village Board to give \$1.5 million to each pension fund to take care of their liability issues. He went on to say that it went into the Pension Fund's General Operating Account. He felt leaving it there would take care of all of the bill payments but wanted the Board to be aware of it in case they want to use the money for something else.

B. 2019 Police Pension Board election Results for Active & Retiree Trustee Positions

Mr. Henderson stated an election for the Retiree Trustee position took place. Mr. Schenkel and Mr. Rick Kappelman were the only two running for the position. 75 ballots were cast with 60 for Mike. Schenkel and 15 for Rick Kappelman.

Mr. Henderson moved, seconded by Mr. McClung to certify the results of the Retiree Trustee election. Mr. Schenkel will continue as Retiree Trustee of the Arlington Heights Police Pension Fund for a two-year term, 5/1/19 through 4/30/21. The motion passed unanimously.

Mr. Henderson stated that nominations were put out for the active position on the Pension Board. He stated that no one other than Mr. Milutinovic and himself put in their names to run against them, therefore, there was no election.

Mr. McClung moved seconded by Mr. Schenkel to certify the terms of Mr. Milutinovic and Mr. Henderson by acclamation for a two-year term from 5/1/19 through 4/30/21. The motion passed unanimously.

C. Annual Filing of Statement of Economic Interest statements for each Trustee

The Board is aware that they all need to have filed the Statement of Economic Interests.

D. New Hire – Officer Steven Dinov, 3/4/19 - Tier II

E. New Hire – Officer Kenneth Ruff, 3/26/19 - Tier II

F. New Hire – officer Brian Tagney, 1/31/19 – Tier II

Mr. Henderson moved, seconded by Mr. Milutinovic to accept Officers Steven Dinov, Kenneth Ruff, and Brian Tagney's enrollment into the Arlington Heights Police Pension Fund as Tier II Participants effective on their respective start dates in 2019. The motion passed unanimously.

G. Retirement – Decision & Order, Sergeant Stephanie Mack, April 2, 2019

Mr. Reimer stated Stephanie Mack retired on April 2, 2019 with 30 years of credible service. He stated that she is over 50 years old and is entitled to 75% of her final salary including longevity of \$129,934.00, which equates to a yearly pension of \$97,150.50.

Mr. Milutinovic moved, seconded by Mr. Schenkel to approve the \$8,095.88 monthly pension, and adopt and publish the decision and order for Sergeant Stephanie Mack. Roll call was taken. The motion passed unanimously.

OTHER BUSINESS

Mr. Milutinovic stated that the Board received, from Mr. Reimer's office, a Qualified Illinois Domestic Relations Orders (QILDRO) on behalf of Officer Nelson Calzadilla. Mr. Calzadilla is not in a position to retire. Mr. Reimer explained that when he gets close to retirement, the Board would have to prepare and provide information necessary to the two parties (a QLDRO Calculation Order) which will specify an amount. He stated the parties prepare it and the judge signs off on it. After the certified QLDRO calculation order is received by the Pension Board is when the ex-spouse payments start. Mr. Reimer asked the Board to approve Officer Calzadilla's QILDRO.

Mr. Henderson moved, seconded by Mr. Schenkel to accept the QILDRO for Officer Nelson Calzsadilla . The motion passed unanimously.

Mr. Henderson asked Mr. Reimer about the status of Retiree Eugene Mertlick's QILDRO. Mr. Reimer stated that he would check the status and let him know. He explained that if it was an out-of-state divorce, and in order to enforce it and have a QILDRO, a case needs to be opened in Illinois where a judge would have to issue an Illinois QILDRO or a calculation order.

ADJOURNMENT

Mr. Schenkel moved, seconded by Mr. McClung to adjourn the meeting at 6:23 PM. The motion passed unanimously.

SUBMITTED BY:

Michael Schenkel, Secretary

APPROVED BY:

Tom Henderson, President