



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

April 24, 2024
5:30 PM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

A. Approval of Meeting Minutes - January 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. Annual verification for eligibility of pension beneficiaries
- B. Statements of Economic Interest
- C. Reappointment of Trustee Harry Malone
- D. Annual disability examination - Nicole Grelecki
- E. Mike Cowsert QILDRO implementation
- F. Transfer of Assets to IPOPIF
 - Approval and execution of documents needed to

facilitate 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

IX. NEW BUSINESS

- A. Illinois Department of Insurance (DOI) Compliance Fee
- B. DOI Annual Report
- C. Retirement - Approval of Decision and Order for Deputy Chief Shawn Gyorke, February 23, 2024
- D. Retirement - Approval of Decision and Order for Officer Benjamin Utterback, March 17, 2024
- E. Retirement - Approval of Decision and Order for Officer Edson Castillo, April 6, 2024
- F. New Hire - Officer Gary Lynch - February 19, 2024
- G. New Hire - Officer Thomas Hohenadel - April 1, 2024
- H. Resignation - Officer Kate Edelstein - January 3, 2024
- I. Resignation - Officer Andrew Gatz - January 12, 2024
- J. Resignation - Officer Dinka Malik - January 19, 2024
- K. Application for Disability - Nickolas Trudeau

X. OTHER BUSINESS

- A. Selection of new Fund Counsel

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, mercado@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, JANUARY 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
Steven Klopach, Vice President
Tom Henderson, Secretary
Bill Falk, Assistant Secretary

Board Members Absent: Harry Malone, Trustee

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

PUBLIC COMMENTS

Keith Moens, Arlington Heights resident, thanked whomever it was that hyperlinked the approved meeting minutes on the Village's website.

APPROVAL OF MINUTES

A. October 25, 2023

Mr. Falk advised that his name was misspelled and would like to have it corrected.

Mr. Falk moved, seconded by Mr. Milutinovic, to approve the minutes of the regular board meeting held on October 25, 2023 as amended. 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 \$178 million in net assets and how there was nothing out of the ordinary in regards to expenditures. Ms. Juarez explained how there was a transfer of \$1.5 million in December of 2023, as well as a transfer from the Village in the amount of \$88,660 to cover the property taxes that had not been received yet, due to the county being late in sending out property tax bills. It is the responsibility of the Village to make the Pension Fund whole if there is anything above or below the levy that's not received. In addition, there was a transfer of \$183,648 from two officers who purchased prior time. One was from IMRF and the other was from the City of Addison. In 2023, the Fund received \$877,000 from prior time being purchased. Ms. Juarez discussed the projected transfers for 2024, which include \$1 million in February, and additional transfers in July and December.

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 #730 through 734. 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 advised that his current report is just a draft copy, as his firm recently converted to a new system, and not all of the numbers are correct. A new report will be prepared and sent out as soon as the rest of the data is received, which should be by the end of February. Mr. Wall stated that as of December 31, 2023, the plan is sitting at approximately 65% of the portfolio in equities, with \$175 million in assets. Mr. Wall advised that this number is lower than what Ms. Juarez reported because her report includes the Chase account, which is not included in his. Mr. Wall advised that for the quarter, the plan is up approximately 8.6% on a YTD basis, and up approximately 15.7% YTD. Mr. Wall advised that the plan was rebalanced in December so that it could get back to the statutory requirement, with some of the money going over to benefit payments and a good deal going over to the NIS Fixed Income account. Mr. Wall discussed how his report now lists the top performing accounts, with Glacier Bankcorp Inc. being the top performer last quarter. In addition, Mr. Wall advised that the report shows the \$7.3 million that was added to the NIS Fixed Income account, following the rebalancing in December. The Great Lakes Large-Cap has approximately 97% in equities and this portfolio is about 1% better than what is showing in the report. Mr. Wall explained how GW&K Small-cap portfolio had a very difficult year and the Passive All-cap portfolio is up approximately 24.5% YTD. Mr. Wall explained how \$8.8 million was withdrawn from the Passive Large-Cap portfolio and moved over to the NIS account and to cover benefits. This portfolio was up approximately 27.5% YTD. The International portfolio is up approximately 17.5% YTD. Mr. Wall explained how the income report does not include the Chase account and discussed how he will help facilitate the transfer of funds when it eventually happens. Mr. Wall advised that there will need to be an authorized agent to sign off on the transfer, which will most likely be Mr. Henderson and/or Mr. Kuehne. Mr. Karlson advised that the Board will wait to accept the investment report until the next meeting, since this report is a draft copy.

OLD BUSINESS

A. Update regarding pending litigation

Mr. Karlson advised the supreme court issued their decision and found in favor of the defendants and in consolidation. This doesn't become an official decision of the supreme court until the mandate issues. The decision regarding whether this will be a piecemeal or a traunch transfer is still to be determined. Mr. Karlson advised that there will be a series of things the board will need to have on April's agenda, including:

- Approval and execution of documents needed to facilitate the transfer of assets to the Illinois Police Officers Pension Investment Fund (IPOPIF)
- Appointment 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, which will need to be done by resolution as well as execution of ECFM portal form

Mr. Karlson advised some of these forms will come directly from IPOPIF and some will be drafted by his office.

NEW BUSINESS

A. Semi-annual review of closed session meeting minutes

Mr. Henderson advised there are no closed session minutes to review.

B. Statement of Economic Interest

Mr. Karlson advised the Village or someone should have provided a list of all the people who serve on the Pension Board. In March, everyone should have received an email from the county and everyone will need to file by May 1st. This item will be on April's agenda as well, to serve as a reminder.

C. Approve annual Cost of Living Adjustments (COLA'S) for pensioners

Mr. Falk moved, seconded by Mr. Klopach, to approve the Cost-of-Living Adjustment for retirees commencing January 1st. Roll Call was taken. The motion passed unanimously.

D. Review of Trustee term expirations and election procedures

Mr. Milutinovic advised that Harry Malone is up for appointment and would like to continue serving.

E. Reallocation of investments, if necessary

Mr. Henderson advised that Mr. Wall already discussed the \$8 million that had to be reallocated to get back to the statutory requirement of 65%.

F. Annual verification for eligibility of pension beneficiaries

Mr. Henderson advised that this item will need to be on April's agenda, as there are still some outstanding verification forms.

G. Schedule annual examinations of disabled Police Officers

Mr. Milutinovic advised that it is just Nicole Grelecki who will need an annual examination.

Mr. Milutinovic moved, seconded by Mr. Klopach, to send all disabled Police Officers who are under 50 for their annual examination this year. The motion passed unanimously.

H. Transfer of assets to IPOPIF

This item was already covered by Mr. Karlson.

- I. **Michael Cowser QILDRO – The Fund has received an additional QILDRO Order for a second former spouse with the same first name of Nicole. The case numbers are 2012 DV 1107 and 22 DN 293, respectively**

Mr. Milutinovic explained how a second QILDRO was received for Michael Cowser.

Mr. Milutinovic moved, seconded by Mr. Falk, to approve the QILDRO calculation order for the second division of marital assets and to implement payment. Roll Call vote was taken. The motion passed unanimously.

- J. **New Hire Patricio Rodriguez Rucoba – November 27, 2023**

Mr. Milutinovic moved, seconded by Mr. Klopach, to accept Patricio Rodriguez Rucoba into the pension fund as a Tier 2 participant. The motion passed unanimously.

- K. **Notice of Death, John R. Eichinger, November 7, 2023, surviving spouse Kyle Eichinger**
- L. **Notice of Death, Ronald E. McClaskey, November 30, 2023, surviving spouse Jeanne M. McClaskey**
- M. **Notice of Death, Michael F. McIntyre, December 12, 2023, surviving spouse Cynthia McIntyre**

Mr. Henderson moved, seconded by Mr. Falk, to terminate the regular retirement benefit of John Eichinger, effective November 7, 2023 and begin the surviving spouse benefit for Kyle Eichinger on November 8, 2023; to terminate the regular retirement benefit of Ronald McClaskey, effective November 30, 2023 and begin the surviving spouse benefit for Jeanne McClaskey on December 1, 2023; to terminate the regular retirement benefit of Michael McIntyre, effective December 12, 2023 and begin the surviving spouse benefit for Cynthia McIntyre on December 13, 2023. Roll Call was taken. The motion passed unanimously.

OTHER BUSINESS

Mr. Wall asked if the Board should make a motion for the transfer of \$1 million in February to cover benefits, which Mr. Henderson stated there does not need to be a motion.

Mr. Karlson advised that his law firm has decided to exit the public pension space and stated that June is when this change will occur. In addition, Mr. Karlson advised that the Board will want to include retention of Fund counsel on April's agenda. His firm recommends the law firm of Puchalski, Goodloe LLC, but will assist with the transition, regardless of who the Board chooses to hire. Mr. Henderson advised that Jeff Goodloe was the Pension Board Attorney for about two to three years and believes hiring his law firm would make for a very seamless transition.

PUBLIC COMMENTS

Mr. Moens discussed the investment report and advised that the returns look really good. He asked if the 2024 tax levy looks at these returns, which Ms. Juarez stated that they do look at the assets and the expected rate of return and it will help out.

ADJOURNMENT

Mr. Milutinovic moved, seconded by Mr. Klopach to adjourn the meeting at 6:10 PM. The motion passed unanimously.