Village of Arlington Heights
Board of Trustees of the Police Pension Fund
Police Conference Room
Arlington Heights Police Station
200 E. Sigwalt, Arlington Heights, IL 60005

January 27, 2016
5:30 PM

I. CALL TO ORDER

A. Public Comment

II. ROLL CALL

III. APPROVAL OF MINUTES

A. Regular Meeting - October 28, 2015

IV. CLOSED SESSION

V. TREASURER'S REPORT

A. Report from the Village Treasurer
B. Approval of Check Register

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. Review and/or modification of the Pension Fund's Investment Policy
B. Review and/or modification to the Boards Administrative Rules and Regulations

IX. NEW BUSINESS

A. Approval of Annual COLA Increases
B. Semi-annual review of closed executive session minutes
C. Annual verifications of eligibility for beneficiaries
D. Obtain predatory lending certification forms from Illinois regulated banks
E. Death surviving spouse Gail McCratic, October 25, 2015
F. New Hire – Officer Andrew J. Gatz, November 16, 2015, Tier II Participant
G. New Hire – Officer Jacob Howard, December 3, 2015, Tier II Participant
H. New Hire – Officer Anthony Padiyara, December 3, 2015, Tier II Participant
I. New Hire – Officer Michael Migliorski, January 19, 2016, Tier II Participant
J. Annual examinations for disabled officers under age 50
K. Qualified Illinois Domestic Relations Order – Officer James Kryca
L. Re-appointment of appointed Board Trustee – Harry Malone (5/12/16)
M. Portability Request – Officer Howard - Sauk Village

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: Regular Meeting - October 28, 2015

Department: Finance

ATTACHMENTS:

Description	Type
October 28, 2015 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 FRIDAY, OCTOBER 28, 2015

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
Mike Schenkel, Secretary
Harry Malone, Trustee
Gary McClung, Trustee

Also Present: Thomas Kuehne, Finance Director/Treasurer
David Wall, Wall & Associates
Keith Carlson, Pension Board Attorney
Pam Wilkiel, Recording Secretary

APPROVAL OF MINUTES

MR. WHOWELL MOVED, SECONDED BY MR. MALONE TO APPROVE THE MINUTES OF THE REGULAR MEETING HELD ON JULY 24, 2015. The motion carried unanimously.

TREASURER'S REPORT

A. Report from the Village Treasurer

Mr. Kuehne started by saying that the annual Illinois Department of Insurance (IDOI) reports that accountant Jim Obog is working on will be done soon and be forwarded to the IDOI. He continued by passing out and giving a brief overview of the Police Pension Fund Financial Report for period ending September 30, 2015 saying that most of the property tax contributions have been received and are reflected in the revenues, and added that expenditures to date are within budget.

Mr. Kuehne went on to explain that the Arlington Heights Police Pension Fund Annual Report (Municipal Compliance Report) was completed and will be sent to the Village Board this week, as well as being posted on the Village's website. He explained that information in the report is from the actuary's report (Goldstein) as of May 1, 2015. Along with the Municipal Compliance Report, Mr. Kuehne will or has provided the Village Board the Pension Board's Actuary Valuation and the Levy request.

MR. WHOWELL MOVED, SECONDED BY MR. SCHENKEL TO APPROVE THE MUNICIPAL COMPLIANCE REPORT AS SUBMITTED BY MR. KUEHNE. The motion carried unanimously.

Mr. Kuehne's reports also included the Pension Fund's disbursements including disability disbursements. Mr. Carlson noted that there are four officers under fifty that are due for their annual statutorily required Independent Medical Exams (IME). The Board asked Mr. Carlson to start scheduling those exams which include Officers Michelotti, Grelecki, Dillion and Kim.

B. Approval of Check Register

MR. <u>HENDERSON</u> MOVED, SECONDED BY MR. <u>SCHENKEL</u> TO APPROVE THE PAYMENT OF CHECKS #464- #470. Roll call was taken. The motion carried unanimously.

PAYMENT OF BILLS

Reimer & Carlson Law Firm, $750.00
Pamela Wilkiel, Recording Secretary, $300.00

MR. <u>MCCLUNG</u> MOVED, SECONDED BY MR. <u>HENDERSON</u> TO APPROVE THE PAYMENT OF BILLS. Roll call was taken. The motion carried unanimously.

REPORTS

Quarterly Investment Report – Wall and Associates

Mr. Wall presented the third quarter investment report, noting that it is in a new format and that the Fund's fixed income portfolio was converted so that it comes out of the same accounting system that the equity reports are coming out of. He went on to say that the portfolio has about 6% in cash, 56% in equities, and 38% in investment grade corporate bonds. Mr. Wall stated that the plan started with about $109 million and finished the quarter with about $106 million, but added that as of October 27th the funds were recovered. He continued by explaining that the Fund had a 13% correction from the high at the end of May through the end of September, and said that on a year-to-date basis, the equity returns were modestly positive. Mr. Wall continued by giving an overview of the rest of investment portfolio. Discussion took place regarding the costs and fees associated with investments regarding mortgage pools.

Mr. Wall stated that the small cap manager, Gannet Group has been to a Pension Board meeting since being hired, and said that he will ask them to come to the January meeting.

OLD BUSINESS

A. Review and/or modification of the Pension Fund's Investment Policy

Mr. Wall passed out the updated investment policy guidelines which include a change increase the target for investment in equities to 65%.

MR. WHOWELL MOVED, SECONDED BY MR. MCCLUNG TO ADOPT THE POLICE PENSION FUND'S INVESTMENT POLICY DATED OCTOBER 2015 AS SUBMITTED BY DAVE WALL. Roll call was taken. The motion carried unanimously.

Mr. Carlson asked that two copies be signed by the Board, one for the Board's records, the other for Mr. Wall to take. Mr. Wall stated that he will send the adopted Police Pension Fund's Investment Policy to all the Fund managers for their signature and then then file it with the IDOI.

B. Review and/or modification to the Boards Administrative Rules and Regulations

Mr. Carlson stated that there are some essential things in the Board's Administrative Rules and Regulations and that it solves a lot of questions, including things like having a rule for telephonic attendance, the purchase of military time that the statute doesn't afford, and said that that it also makes clearer hearing procedures on how people are dealt with in regard to annual exams. The adoption of the Board's Administrative Rules and Regulations will be done at the January meeting.

NEW BUSINESS

A. Retirement – Approval of Final Decision & Order – Sergeant Thomas Boggs, 08/23/15

Mr. Whowell stated that Sergeant Thomas Boggs has thirty years of credible service and is eligible for retirement benefits of 75% of his an annual salary of $114,578.00.

MR. WHOWELL MOVED, SECONDED BY MR. HENDERSON TO APPROVE THE $7,161.13 MONTHLY PENSION AND ADOPT THE DECISION AND ORDER FOR SERGEANT THOMAS BOGGS. Roll call was taken. The motion carried unanimously.

The decision in order was executed at the meeting this evening.

B. Resignation of Officer Erik Sloan, 10/03/15 (Contribution Refund from Fund)

Mr. Whowell stated that Officer Sloan resigned with a little of seven years of service and is requesting a refund of his contributions in the Police Pension Fund and that the funds be rolled over into an IRA. He stated that the amount of his contribution was $57,454.97.

MR. WHOWELL MOVED, SECONDED BY MR. HENDERSON THAT THE BOARD APPROVE THE REFUND OF OFFICER STEVEN CORTESE'S CONTRIBUTIONS OF $57,454.97 FROM THE ARLINGTON HEIGHTS POLICE PENSTION FUND TO AN IRA ACCOUNT OF MR. CORTESE'S CHOICE. Roll call was taken. The motion passed unanimously.

C. New Hire – Officer Justin Boisvert, 09/25/15

Mr. Whowell stated that Justin Boisvert was sworn in as a police officer on September 25, 2015 as a Tier II participant and has filed a timely application with all necessary information.

MR. WHOWELL MOVED, SECONDED BY MR MCCLUNG TO APPROVE OFFICER JUSTIN BOISVERT'S ENROLLMENT INTO THE ARLINGTON HEIGHTS POLICE PENSION FUND AS A TIER II PARTICIPANT EFFECTIVE SEPTEMBER 25, 2015. The motion passed unanimously.

D. Chicago Clearing House/Robbins & Gellar LLC. Check Deposit $1,203.73

Mr. Whowell stated that the Arlington Heights Pension Fund joined the Chicago Clearing House, Robbins & Gellar, LLC, saying that a check was received from them in the amount of $1,203.73 which was the first regional distribution for the Arlington Heights Police Department.

The Board approved the contract with Robbins & Gellar, LLC at a previous meeting. Mr. Carlson said that he will provide the agreement to the Board for signatures.

E. Schedule 2016 Quarterly Meetings

The Police Pension Board's meetings scheduled for 2016 are as follows:

Wednesday, January 27, 2016
Wednesday, April 27, 2016
Wednesday, July 27, 2016
Wednesday, October 26, 2016

F. Adoption of the Municipal Compliance Report

Mr. Whowell stated that an annual statement has to be filed with the IDOI for April 2016 and asked each Board member to review and to update their information that is listed on the statement.

G. Status of Board Trustees' Annual Training Requirements

Mr. Whowell read into the record that all the Police Pension Board of Trustees have completed the required annual 16 hours training requirement. Mr. Whowell also said that he completed the annual FOIA and Open Meetings Act training as well.

ADJOURNMENT

There being no further business to discuss:

MR. WHOWELL MOVED, SECONDED BY MR. MCCLUNG, TO ADJOURN THE MEETING AT 6:29 PM.

SUBMITTED BY: ______________________________
Michael Schenkel, Secretary

APPROVED BY: ______________________________
Andrew Whowell, President