Agenda
Village of Arlington Heights
Board of Trustees of the Police Pension Fund
Police Department Community Room
200 E. Sigwalt Av, AH 60005
January 26, 2022
5:30 PM

I. CALL TO ORDER

II. ROLL CALL

A. Public Comments

III. APPROVAL OF MINUTES

A. October 27, 2021

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. Status - Department of Insurance (DOI) Report
B. Sergeant Adam Plawer change of status from Tier 2 to Tier 1 due to buyback of credible military service

IX. NEW BUSINESS

A. Transfer request of pension fund assets to the Illinois

Police Officers' Pension Investment Fund

B. Reallocation of Investments
C. Approval of Annual COLA increases
D. Semi-Annual Review of Closed Executive Session meetings
E. Review/Update contract with vendors
F. Annual verifications for eligibility of pension beneficiaries
G. Schedule annual examinations for Disabled Police Officers
H. 2022 Election of beneficiary and active Trustees. If necessary request for reappointment of Trustees
I. Retirement - Decision and Order, Commander Thomas Henderson
J. Retirement - Decision and Order, Officer Victor Chirio
K. New Hire - Jeremy Klimasara, 11-01-21, Tier I Participant
L. New Hire - Sean O'Brien, 01-20-22, Tier II Participant

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
1/26/2022

Item: minutes

Department: Police

October 27, 2021

ATTACHMENTS:

Description	**Type**
october minutes	Minutes

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, OCTOBER 27, 2021
DRAFT

Vice President Thomas Henderson called the meeting to order at 5:30 PM. Roll call was taken with:

Board Members Present:	Petar Milutinovic, President Tom Henderson, Vice President Mike Schenkel, Secretary Bill Falk, Assistant Secretary Harry Malone, Trustee
Board Members Absent:	None
Also Present:	Keith Karlson, Pension Board Attorney, Dave Wall, Consultant, Wall Capital Group, Mary Ellen Juarez, Assistant Director, Finance, Kim Peterson, Recording Secretary

PUBLIC COMMENTS

Keith Moens was in attendance.

APPROVAL OF MINUTES

Mr. Malone moved, seconded by Mr. Falk to approve the minutes of the regular meeting held on July 28, 2021. The motion passed unanimously.

TREASURER'S REPORT

A. Report from the Village Treasurer

Ms. Juarez presented the Police Pension Fund Financial Report for the period ending September 30, 2021, and stated that the Fund has $176 million in assets. Ms. Juarez advised that the Fund received $600,000 in September in property tax revenue, and if no other funds come in, Ms. Juarez is projecting the cash balance should be $690,000 by the end of the year, however funds will need to be transferred in to cover the pension payment in January. Ms. Juarez advised with the 3% increase in January, the monthly pension payments will be approximately $810,000. Ms. Juarez suggested the Board transfer $2.5 million to cover pension payments for the first few months of 2022, until the property taxes start coming in again in late February, early March. Mr. Henderson asked if the Board agrees that was is not needed in Cash should be given to NIS and Bonds, which the Board agreed. Mr. Malone asked about the pension refund for $138,000 in October, which Ms. Juarez advised that this money was transferred over to the Schaumburg Fire Department to cover the contributions, along with interest, for former Arlington Heights Police Officer Eric Sloan, who left the Department to join the Schaumburg Fire Department

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

B. Approval of the Check Register

Mr. Schenkel moved, seconded by Mr. Milutinovic to approve all the payments on the check register. Roll call was taken. The motion passed unanimously.

Mr. Malone advised that he received a past due notice for the IPPFA conference payment, which Mr. Milutinovic stated that the check to cover everyone's attendance at the conference was made out today and will get mailed out.

PAYMENT OF BILLS

Mr. Henderson moved, seconded by Mr. Schenkel, to approve Board Secretary Kim Peterson's invoice. Roll Call was taken. The motion passed unanimously.

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 the plan currently has $176 million in assets, with just over 69% in equities. The area that is most underweighted is in fixed income and the small cap fund is the most over-weighted.

The Board discussed at length where the funds should come from to bring the operating account up to $2.5 million, which is what is needed to make the pension payments for the months of January, February and March, as well as to re-balance the plan back to 65%.

Mr. Henderson moved, seconded by Mr. Malone, to direct Mr. Wall, during the week of December 13, 2021, to transfer enough money to the Chase bank account to bring the balance of the operating account to $2.5 million, as well as make sure the equity exposure is no more than 65%, with the reduction of equities for both purposes coming from the Vanguard Index fund, and anything left that is not needed in the operating account will go into the NIS account for bonds. Roll Call was taken. The motion passed unanimously.

Mr. Wall discussed the issues he has experienced with the custodian of the NIS account and how his numbers are different from what he is given. Mr. Wall advised that on a year-to-date basis, NIS is down around 50% and the benchmark is down by 87%. Mr. Wall advised the All Cap account has approximately $4 million, and year-to-date is up 14.43%, with a benchmark of 14.98%. Mr. Wall next discussed the Great Lakes account, which has been up 11% for the past five years, with a benchmark of 11%. Mr. Wall discussed the option of having the Great Lakes manager attend the January meeting, if the Board wishes. Mr. Malone indicated he would be okay with manager coming out. Mr. Wall advised the Passive Large-cap account has $72 million, with a 29.94% rate-of-return for the past 12 months. Mr. Wall advised the International Equity Fund has an 11.67% rate-of-return for the past five years, with a benchmark of 8.81%.

Mr. Wall indicated that he prepared some handouts for the Board regarding high yield and equity income funds, at the request of Mr. Malone.

Mr. Schenkel moved, seconded by Mr. Falk to accept the Quarterly Investment Report from Wall Capital Group. The motion passed unanimously.

OLD BUSINESS

A. Examination results for Disabled Officers Mark Dillon and Nicole Grelecki

Mr. Karlson advised doctors found both Mark Dillon and Nicole Grelecki are still disabled, following their examinations.

Mr. Falk moved, seconded by Mr. Milutinovic, to continue both disability pensions. Roll call was taken. The motion passed unanimously.

B. Public Act 102-0342: Transfer of creditable service from Article 5 to Article 3

Mr. Karlson advised that there is a narrow window of time where Chicago Police can transfer service to the Article 3 fund. Mr. Henderson advised that the Officers who would qualify for this opportunity have been made aware of it, however only two Officers have inquired as of today's date.

C. Transfer of funds by former Officer Erik Sloan to the Schaumburg Fire Department Pension Fund

Mr. Henderson advised that the money was already transferred and there is no additional action needed at this time.

D. 2021 IPPFA Training Conference, Sept. 29 – Oct. 1, 2021

Mr. Henderson advised that everyone attended the training conference.

NEW BUSINESS

A. Adoption of recommended tax levy from actuarial valuation and forward request to Municipality

Mr. Milutinovic advised that he has not received a copy of the actuarial report and stated that the Board will need to hold a special meeting to approve the actuarial report, Municipal Compliance Report, and the levy request before December 1st. Mr. Milutinovic advised that he will inquire with Ms. Juarez regarding the actuarial report and Municipal Compliance Report.

B. Adoption of Municipal Compliance Report and forward to Municipality

C. Deadline for filing of DOI Annual Report or potential extension (October 31, 2021)

Mr. Milutinovic advised that he will check with the Finance Department regarding this report.

D. Schedule next calendar year (2022) quarterly meeting dates/times

Mr. Henderson stated the Board will hold its 2022 quarterly meetings at 5:30 PM, on the following dates:

January 26, 2022, April 27, 2022, July 27, 2022, October 26, 2022.

Mr. Henderson moved, seconded by Mr. Milutinovic, to accept these dates for the 2022 regular Board Meetings. The motion passed unanimously.

E. Retirement – Decision and Order, Deputy Chief Mark Recker

Mr. Henderson moved, seconded by Mr. Schenkel, to approve the Decision and Order. Roll call was taken. The motion passed unanimously.

F. New Hire – Daniel Dilorenzo, August 24, 2021, Tier II Participant

G. New Hire – Matthew Yates, October 18, 2021, Tier I Participant

H. New Hire – Abbigayle Marmion, October 18, 2021, Tier II Participant

Mr. Malone moved, seconded by Mr. Falk, to accept and fund these Tier I and Tier II Participants back to their original date of hire. The motion passed unanimously.

I. Notice of Death, Bernice Jahnke, Surviving Spouse beneficiary

Mr. Schenkel moved, seconded by Mr. Henderson, to terminate the benefit, effective date of death. The motion passed unanimously.

J. Notice of Death, Phil Olszewski, no surviving spouse

Mr. Malone moved, seconded by Mr. Milutinovic, to terminate the benefit, effective date of death. The motion passed unanimously.

OTHER BUSINESS

Mr. Karlson provided an update on the consolidated police pension fund lawsuit and advised that he expects the class certification is the next thing that's ruled upon in early November.

ADJOURNMENT

Mr. Malone moved, seconded by Mr. Schenkel to adjourn the meeting at 7:06 PM. The motion passed unanimously.