



AGENDA
Board of Trustees of the Police Pension Fund
Community Room, Police Department 200 E. Sigwalt
October 23, 2024
5:30 PM

- I. CALL TO ORDER
- II. ROLL CALL OF MEMBERS
- III. PUBLIC COMMENT

Anyone wishing to speak on a subject not on the Agenda may speak at this time. Please limit your comments to three minutes.

IV. APPROVAL OF MINUTES

- A. Regular Board Meeting Minutes July 24, 2024

V. CLOSED SESSION

VI. TREASURER'S REPORT

- A. Report of the Village Treasurer

VII. PAYMENT OF BILLS

- A. Approval of the Check Register

VIII. 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

IX. OLD BUSINESS

- A. Transfer of Assets to IPOPIF
- B. Disability Application - Status update for Officer Nickolas Trudeau
- C. Review/Approve Actuarial Valuation and Municipal Tax Levy request
- D. Review/Approve Municipal Compliance Report

X. NEW BUSINESS

- A. New Hire Daniel Halter - August 14, 2024
- B. New Hire Zackary Hicks - August 26, 2024
- C. Officer Gary Lynch purchase of creditable service time-new pension service entry date is 12/18/2018
- D. Notice of Death, Steve Hudgens, August 8, 2024, surviving spouse, Carmella Livolsi-Hudgens
- E. Establish 2024 Board Meeting Dates
- F. Annual Independent Medical Examinations

XI. OTHER BUSINESS

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, IL 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, JULY 24, 2024**

Board Secretary Tom Henderson called the meeting to order at 5:30 PM. Roll call was taken with:

Board Members Present: Tom Henderson, Secretary
Bill Falk, Assistant Secretary
Harry Malone, Trustee

Board Members Absent: Petar Milutinovic, President
Steven Klopack, Vice President

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

PUBLIC COMMENTS

Melissa Cayer asked about the new agenda software and when the Pension Board will begin using it. Ms. Peterson advised the Village is set to roll out the new software mid-August, therefore the Pension Board will begin using it at their next meeting in October.

APPROVAL OF MINUTES

A. April 24, 2024

Mr. Falk moved, seconded by Mr. Henderson, to approve the minutes of the regular board meeting held on April 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 \$190,209,000 and there weren't any out of the ordinary expenses. in net assets and things are looking good. Ms. Juarez advised that in regards to the cash flow, the transfer of \$2 million was received in July. She was projecting another of transfer of \$2 million in December, but because the state will have the funds at that point, she asked if they could hold back some money so they don't have to ask for a transfer right away. Ms. Juarez advised that Fire opened up an Illinois Fund Account and kept \$3 - \$5 million. Mr. Henderson stated that when he attended the Illinois Police Officer Pension Investment Fund (IPOPIF) conference they were not given an exact amount of how much they could hold back. Mr. Henderson asked Ms. Juarez what amount she would most feel comfortable with and she advised that she thinks it would be best if they held back \$2 million to keep in an Illinois Fund. Mr. Goodloe asked if that amount would be enough to get through three months of benefit payments, which Ms. Juarez stated it is. Mr. Goodloe advised that IPOPIF recommends prior to their freeze date, which is September 13th, for municipalities to retain at least three months of benefit payments and administrative costs to get through the initial transition phase. Mr. Goodloe advised that he is okay with holding back anywhere between three and six months of benefit payments. Mr. Henderson stated that he is inclined to keep back six months. Mr. Henderson asked if Cook County was back

on track with property tax payments, which Ms. Juarez advised they are. She stated that although she is expecting to get all of the property taxes in, she is still projecting the Fund will need \$2 million in December. Mr. Falk advised that the Fund should have enough money in the checking account to make benefit payments thru the end of the year if they receive the property tax money and hold back \$2 million in September. Mr. Wall stated that the money should be taken before the assets get transferred. Mr. Falk suggested that maybe they should hold back \$3 million, which Ms. Juarez advised she is more comfortable with that amount. Mr. Malone stated that he agrees the money should be taken in September and is okay with amount being \$3 million.

Mr. Henderson moved, seconded by Mr. Falk, to approve the transfer of \$3 million from the NIS account to the operating account during the first week of September. Roll Call vote was taken. The motion passed unanimously.

Mr. Malone stated that they need to make sure they are placing the cash where it is going to earn the most amount of money. Only the maximum needed for benefit payments should be kept in the operating account and everything else should remain in the Illinois Funds Account. Mr. Goodloe advised that most municipalities do just that, they keep enough in their operating account to make benefit payments and cover administrative costs and then the rest can be kept in the Illinois Funds Account. Mr. Malone would like to set a maximum amount of 1 ½ months of benefit payments to be kept in the operating account and anything in excess of that, should remain in the Illinois Funds Account, and these parameters can be adjusted as needed.

Mr. Henderson moved, seconded by Mr. Malone to authorize Ms. Juarez to open an Illinois Funds Account. Roll Call vote was taken. The motion passed unanimously.

Mr. Henderson moved, seconded by Mr. Falk to set parameters for the operating account which will be no more than 1 ½ months' worth of benefit payments should be kept in the operating account and all excess funds will go in the Illinois Funds Account. Roll Call vote was taken. The motion passed unanimously.

B. Approval of the Check Register

Mr. Henderson moved, seconded by Mr. Malone, to approve checks #746 through 757, which covers the months of April thru July. Roll Call vote 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 the October Pension Board meeting will be his last and will have his regular report, thru the end of September, available. The assets are scheduled to be transferred on or about October 1st. Mr. Wall advised that the plan is sitting at approximately 67% of the portfolio in equities and \$190 million in assets. The gain from investments went up just a little and the rate of return for the quarter was 1.6%. Mr. Wall advised that the operating account has a balance of \$1.1 million, as of June 30, 2024. Mr. Wall discussed the NIS Fixed Income account and explained how it has gone up a little and the Great Lakes Large-Cap went down a little. Mr. Wall explained how the GW&K Small-cap portfolio has experienced a few bumps in the road the last few quarters, but did slightly improve this quarter. The Passive All-cap portfolio is up approximately 3% for the quarter and the Passive Large-Cap portfolio

is up approximately 4% for the quarter. The International portfolio is up just slightly for the quarter. Mr. Wall advised that he is not recommending any changes at this point and will transfer the \$3 million during the first week of September.

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

OLD BUSINESS

A. Selection of new fund counsel – Puchalski Goodloe LLC

Mr. Henderson advised that the Board selected Fund counsel Jeff Goodloe of Puchalski Goodloe LLC who is present this evening.

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)

Mr. Henderson advised that Mr. Milutinovic has been working on these administrative issues. Mr. Wall explained how he told Mr. Milutinovic and IPOPIF that when it comes time for the transfer, he will work with the custodians to get the assets moved. Mr. Goodloe advised that all of these documents are in order and the next thing to come in will be letters of direction which will come from IPOPIF and send to the authorized agents for signatures.

C. Cash flow projection chart and development of a transition cash retention policy and cash management policy (Board need to consider 90 or 120 days)

Mr. Henderson advised that this item has already been addressed.

D. DOI Compliance Fee

Mr. Goodloe asked if the Board received one, which Ms. Juarez advised that she believes this has already been paid.

E. DOI Annual Report submitted June 27, 2024

Ms. Juarez advised that this report was submitted and they have not heard anything back.

NEW BUSINESS

A. Review/Approve Actuarial Valuation and Municipal Tax Levy request

Ms. Juarez advised that the tax levy will be \$4,746,648 and will go to the Board for approval and received in 2025. This amount is much higher than the statutory amount and if taxes are less than what is levied, the Village will make up the difference.

Mr. Malone moved, seconded by Mr. Falk, to accept the Actuarial Valuation report and the recommended Village contribution of \$4,746,648. Roll Call vote was taken. The motion passed unanimously.

B. Review/Approve Municipal Compliance Report

Mr. Goodloe advised that this is a statutory report that has to go to the Village every year prior to the vote on the tax levy. Ms. Juarez advised that Finance prepared this report, Mr. Milutinovic signed it, and it will go to the Board.

Mr. Henderson moved, seconded by Mr. Malone, to approve the Municipal Compliance Report. The motion passed unanimously.

C. Disability Application – status update for Officer Nickolas Trudeau

Mr. Goodloe advised that there were four sets of outstanding medical records when he received everything. Since then, two have come in and the other two they followed up on. Mr. Goodloe reached out to Mr. Trudeau's attorney advising him that the medical offices explained how they never received the requests. Mr. Goodloe received an email from the attorney stating that Mr. Trudeau will attempt to get these medical records. Mr. Goodloe advised that he will submit a subpoena to the Village's Human Resources Department for any records that they have in respect to this manner. Once all of the records are gathered, three doctors will be selected to examine Mr. Trudeau and once he gets these examinations a hearing will be scheduled.

D. Retirement – Approval of Decision and Order for Sergeant Raymond Finnerty, July 6, 2024

Mr. Henderson moved, seconded by Mr. Malone, to approve the Decision and Order for Sergeant Raymond Finnerty. Roll Call vote was taken. The motion passed unanimously.

E. Notice of Death, Raymond P. Rhode, April 22, 2024, surviving spouse, Paulette Rhode

Mr. Henderson moved, seconded by Mr. Falk, to approve the survivor's pension benefits for Paulette Rhode effective April 23, 2024, with a monthly benefit of \$6,316.04, with no future COLA's. Roll Call vote was taken. The motion passed unanimously.

F. Notice of Death, Francis A. Bischoffer, June 24, 2024, no surviving spouse

Mr. Henderson moved, seconded by Mr. Falk, to terminate the pension benefit for Francis A. Bischoffer, effective June 25, 2024. Roll Call vote was taken. The motion passed unanimously.

OTHER BUSINESS

PUBLIC COMMENTS

None.

ADJOURNMENT

Mr. Henderson moved, seconded by Mr. Malone to adjourn the meeting at 6:25 PM. The motion passed unanimously.



VILLAGE OF
ARLINGTON HEIGHTS
— INC. 1887 —

**Board of Trustees of the Police Pension Fund
10/23/2024**

Item: New Hire Daniel Halter - August 14, 2024

Department: Police

Item Description:

ATTACHMENTS:

None



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**Board of Trustees of the Police Pension Fund
10/23/2024**

Item: New Hire Zackary Hicks - August 26, 2024

Department: Police

Item Description:

ATTACHMENTS:

None



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**Board of Trustees of the Police Pension Fund
10/23/2024**

Item: Officer Gary Lynch purchase of creditable service time-new pension service entry date is 12/18/2018

Department: Police

Item Description:

ATTACHMENTS:

None



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**Board of Trustees of the Police Pension Fund
10/23/2024**

Item: Notice of Death, Steve Hudgens, August 8, 2024, surviving spouse, Carmella Livolsi-Hudgens

Department: Police

Item Description:

ATTACHMENTS:

None



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**Board of Trustees of the Police Pension Fund
10/23/2024**

Item: Establish 2024 Board Meeting Dates

Department: Police

Item Description:

ATTACHMENTS:

None



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— INC. 1887 —

**Board of Trustees of the Police Pension Fund
10/23/2024**

Item: Annual Independent Medical Examinations
Department: Police

Item Description:

ATTACHMENTS:

None