

PARK RIDGE POLICE PENSION FUND

BOARD OF TRUSTEES

JANUARY 18, 2022 REGULAR QUARTERLY MEETING MINUTES

Pursuant to public notice, a regular quarterly meeting of the Board of Trustees of the Park Ridge Police Pension Fund was held on January 18, 2022 at 1000 a.m. via Teleconference and also in person at City Hall, 505 Butler Place, Park Ridge, IL. Information was provided on the agenda for remote participation options.

1. Call to Order

Trustee Moehrlin called the meeting to order at 1001 hours.

2. Roll Call

Roll call was taken. Present were Trustees Rodney Cavender, Jeff Hejza, Michael Malatesta, and Jon Moehrlin. Trustee Greg Orta was not present.

Also in attendance were Brian LeFevre from Sikich LLP, Mary Tomanek from Graystone Consulting, Charles Atwell (Board Attorney), Chris Lipman, City Finance Director, and Sue Tunzi, Police Administrative Assistant.

3. Public Comment – Limited to 3 Minutes per Comment

None

4. Old Business

None

5. Approval of Meeting Minutes

*a. Regular Meeting Minutes of **October 19, 2021***

The minutes from the previous quarterly meeting held on October 19, 2021 were reviewed. Trustee Cavender made a motion to approve the minutes and Trustee Hejza seconded the motion. A roll call vote was taken: “Ayes” – Cavender, Hejza, Malatesta, and Moehrlin. “Nays” – None.

*b. Special Meeting Minutes of **December 1, 2021***

The minutes from the Special meeting held on December 1, 2021 were reviewed. Trustee Cavender made a motion to approve the minutes and Trustee Malatesta seconded the motion. A roll call vote was taken: “Ayes” – Cavender, Hejza, Malatesta, and Moehrlin. “Nays” – None.

Trustee Moehrlin made a motion to retain the closed session meeting minutes or transcripts from the Special Session from the December 1, 2021 Special Meeting and to not release them, and Trustee Cavender seconded the motion. A roll call vote was taken: “Ayes” – Cavender, Hejza, Malatesta, and Moehrlin. “Nays” – None.

c. Semi-Annual Review of Closed Session Meeting Minutes, as necessary

None

6. New Business

Trustee Moehrlin announced that he received a packet from the Board regarding consolidation, which requests contact information and also the money by April 1st. Attorney Atwell responded that a hearing on a preliminary injunction on the consolidation was to be held today. He stated that the court doesn't have its written opinion at this time, but added that the board has until April, and a special meeting can be held prior to then. Discussion ensued, and it was suggested to hold off until there is more definition of the situation, including the cash benefit policy, which has not yet been decided by the consolidation fund, and a special meeting can then be scheduled at that time. Trustee Moehrlin will send the documents that he received to Attorney Atwell.

7. Applications for Membership/Withdrawals/Special contributions to/from Fund

a. *Contribution Refunds, as necessary*

Trustee Moehrlin stated that Quentin Richards had requested in writing a refund from the Board for \$43,422.28. He started with the City on December 30, 2015 and his last day was July 30, 2021. Trustee Cavender made a motion to approve the refund for Quentin Richards for his service dates from January 30, 2015 to July 30, 2021 in the amount of \$43,422.28 and Trustee Moehrlin seconded the motion. A roll call vote was taken: "Ayes" – Cavender, Hejza, Malatesta, and Moehrlin. "Nays" – None.

b. *Applications for Membership, as necessary*

Trustee Moehrlin made a motion to table the approval of the new officers for membership until the next meeting and Trustee Malatesta seconded the motion. A roll call vote was taken: "Ayes" – Cavender, Hejza, Malatesta, and Moehrlin. "Nays" – None.

c. *Special Contributions, as necessary*

Trustee Moehrlin stated that with the new Chicago law, some officers had looked into buying back their time, but declined because it was too expensive. Another officer who worked for McHenry County for three years also declined as well at this time.

8. Application for Retirement/Disability Benefits

a. *Approve Regular Retirement Benefits, as necessary*

Trustee Moehrlin announced that Officer John Dorner retired on January 13, 2022, and the effective date of Officer Hector Cruz' benefit is December 1, 2021.

Brian LeFevre from Sikich reported that John Dorner was hired on January 11, 1999 and retired on January 13, 2022. The effective date of his benefit is January 14, 2022. His annual salary was \$103,293.00. He had 23 years, 0 months, and 3 days of service. His initial monthly benefit is \$4,949.46, and prorated for January will be \$2,873.88. His initial annual benefit is \$59,393.48. Trustee Cavender made a motion to approve the annual benefit in the amount of \$59,393.48 for the retirement of John Dorner and Trustee Moehrlin seconded the motion. A roll call vote was taken: "Ayes" – Cavender, Hejza, Malatesta, and Moehrlin. "Nays" – None.

Trustee Moehrlin made a motion to table approving Hector Cruz's benefit and Trustee Cavender seconded the motion. A roll call vote was taken: "Ayes" – Cavender, Hejza, Malatesta, and Moehrlin. "Nays" – None.

b. *Disability Application Status Update, as necessary*

None

c. *Deceased Pensioner, as necessary*

Trustee Moehrlin announced that he was advised that Louis Sciarra had passed away, and he will receive a partial benefit in January for the dates before he passed. Trustee Moehrlin also announced that he is still holding the pension checks for a widow who lives in Boise, Idaho. Trustee Orta was going to call the Boise, Idaho Police Department. This will be tabled until the next meeting once he finds out more information.

9. Communication and Reports

a. *Trustee Training Update*

None

10. Accountant's Report – Sikich, LLP

a. *Monthly Financial Report*

Brian LeFevre from Sikich presented the Compilation Report for the eight months ending December 31, 2021, which reflected an increase of \$3,768,194.21. The Cash and Investments show the Mutual Funds at 67%. The Expense Report for the current month of December, for the pension was at \$360,795.74. The 2020 Levy is at 97.36% collected. There was discussion about the board's fiduciary insurance with Ullico which had lapsed. Trustee Moehrlin will follow-up with Ullico.

Brian stated that if the consolidation happens, all of the money to pay the pensioners and the vendors will need to go into a local bank account, and this is something that the board will need to address at their special meeting. Mary Tomanek stated that the accounts can be left as is for now until the cash management policy is in place. Discussion ensued.

Brian went over the Cash Projection Report to show all of the activity including member contributions, property taxes, and pension payments. Going forward, he will provide this information at every quarterly meeting, so once the consolidation occurs, the board can make decisions each quarter as to whether money will need to be drawn from the consolidation fund.

Lastly, the report concluded with the Disbursement Warrant which shows the expenses from October 1, 2021 through December 31, 2021 totaling \$1,131,110.30.

Trustee Cavender made a motion to approve the Compilation Report for the eight months ending December 31, 2021 and Trustee Hejza seconded the motion. A roll call vote was taken: "Ayes" – Cavender, Hejza, Malatesta, and Moehrlin. "Nays" – None.

Trustee Malatesta made a motion to accept the Disbursement Warrant from Sikich in the amount of \$1,131,110.30 and Trustee Hejza seconded the motion. A roll call vote was taken: "Ayes" – Cavender, Hejza, Malatesta, and Moehrlin. "Nays" – None.

b. *Presentation and Approval of Bills*

None

c. *Additional Bills, as necessary*

None

d. *2022 COLA increases*

Trustee Cavender made a motion to approve the January 1, 2022 COLA increases as presented by Sikich and Trustee Moehrlin seconded the motion. A roll call vote was taken: “Ayes” – Cavender, Hejza, Malatesta, and Moehrlin. “Nays” – None.

11. Actuarial Report, as necessary

None

12. Attorney’s Report – Atwell & Atwell

a. *Legal Updates*

Attorney Atwell had nothing further to report. Once he finds out if the courts are moving forward on anything in regards to the preliminary injunction, he will let the board know.

b. *Consolidation Update*

Nothing further to report.

13. Investment Report – Graystone Consulting

a. *Quarterly Investment Performance Report*

Mary Tomanek from Graystone Consulting reported that the year-to-date was just under 13.5%. Returns for the three-year were just under 17.82%. The biggest contributor overall were the equities which were up about 7%. International and small cap held back on a relative basis vs the benchmark. Overall, it was pretty close to the benchmark, up just under 4.5% for the quarter. She stated, as per Brian LeFevre, that there is an overweight to value, and equities are slightly over at 68%, but looking at the market this year, the fund is pretty close to the 65% maximum, per the policy. She did not have any recommended changes to the funds at this time. As far as available cash, she stated that there is roughly two months’ worth of payments in the money market fund. She will keep an eye on the tax position, and this can be revisited at the special meeting.

Trustee Cavender made a motion to approve the Pension Fund Quarterly Report ending December 31, 2021 and Trustee Malatesta seconded the motion. A roll call vote was taken: “Ayes” – Cavender, Hejza, Malatesta, and Moehrlin. “Nays” – None.

b. *Review of Investment Policy and Amendments, as necessary*

None

14. Closed Session, as necessary

None

15. Adjournment – Roll Call

Trustee Cavender made a motion to adjourn the meeting at 1124 hours and Trustee Hejza seconded the motion. A roll call vote was taken: “Ayes” – Cavender, Hejza, Malatesta, and Moehrlin. “Nays” – None.