

PARK RIDGE POLICE PENSION FUND

BOARD OF TRUSTEES

JANUARY 21, 2020 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 21, 2020 at 1000 a.m. at City Hall, 505 Butler Place, Park Ridge, Illinois.

1. Call to Order

Trustee Stonebridge called the meeting to order at 1003 hours.

2. Roll Call

Roll call was taken. Present were Trustees James Stonebridge, Greg Orta, and Jeff Hejza. Trustee Jon Moehrlin came in late to the meeting at 10:20 am.

Also in attendance were Brian LeFevre from Sikich LLP, Mary Tomanek from Graystone Consulting, Charles Atwell (Board Attorney), Andrea Lamberg, 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 July 23, 2019

A motion was made to amend the previously approved minutes from the July 23, 2019 quarterly meeting. Section 10A incorrectly listed the Compilation Report gain as of June 30, 2019. The gains should have been \$10,457.27 instead of \$10.45 million as reported. A motion was made by Trustee Hejza to accept the minutes as amended and was seconded by Trustee Orta. A roll call vote was taken: "Ayes" – Hejza, Orta and Stonebridge. "Nays" – None.

Regular Meeting Minutes of October 22, 2019

The minutes from the previous quarterly meeting held on October 22, 2019 were reviewed. A motion was made by Trustee Orta to approve the minutes and was seconded by Trustee Hejza. A roll call vote was taken: "Ayes" – Hejza, Orta and Stonebridge. "Nays" – None.

b. Special Meeting Minutes, as necessary

None

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

None

6. New Business

a. *Board Elections*

Trustee Stonebridge stated that Trustees Moehrlin and Hejza are up for election this year and the nomination process for a new board candidate will be sent out. The board members' new term will be effective May 1st.

7. Applications for Membership/Withdrawals from Fund

a. *Contribution Refunds, as necessary*

None

b. *Applications for Membership, as necessary – **Speciale, Szwejkowski***

Officer Szwejkowski had previously been approved. The board has confirmed that the application and all of the necessary information are in the file.

A motion was made by Trustee Hejza to accept Officer Speciale into the fund and seconded by Trustee Orta. A roll call vote was taken: "Ayes" – Hejza, Moehrlin, Orta and Stonebridge. "Nays" – None.

8. Application for Retirement/Disability Benefits

a. *Approve Regular Retirement Benefits*

None

b. *Disability Application Status Update, as necessary*

None

c. *Deceased Pensioner, as necessary*

None

9. Communication and Reports

a. *Affidavits of Continued Eligibility Update*

None

b. *Active Member File Update*

None

c. *Trustee Training Update*

Trustee Stonebridge stated that the training schedule follows the fiscal year ending April 30th. Attorney Atwell added that under the consolidation, the new statute requires four additional hours of training.

10. Accountant's Report – Sikich, LLP

a. *Monthly Financial Report*

Brian LeFevre from Sikich presented the Compilation Report for the Fiscal Year ending December 31, 2019, which reflected a gain of \$3.157 million. The Cash and Investments show the Mutual Funds at 63% and Stock Equities at 4%, which total 67%.

The Expense Report for the pension for the current month of December, was at \$305,868.49. The 2018 tax year through December 31, 2019 were at 98.83% collected, which is consistent with the prior year collected. The Disbursement Warrant for the time period of October 1, 2019 through December 31, 2019 totaled \$957, 327.69.

Trustee Hejza made a motion to approve the December 31, 2019 Compilation Report and the Disbursement Warrant for the time period of October 1, 2019 through December 31, 2019 and Trustee Orta seconded the motion. A roll call vote was taken: "Ayes" – Hejza, Moehrlin, Orta, and Stonebridge. "Nays" – None.

Brian LeFevre from Sikich reported that the 2020 increases have been formatted and letters have gone out. A motion was made by Trustee Hejza to approve the attached pension benefit increases as of January 1, 2020 and Trustee Orta seconded the motion. A roll call vote was taken: "Ayes" – Hejza, Moehrlin, Orta and Stonebridge. "Nays" – None.

b. Presentation and Approval of Bills

None

c. Additional Bills, as necessary

None

11. Actuarial Report

a. Tax Levy Request/Municipal Compliance Report

None

12. Attorney's Report – Atwell & Atwell

a. Legal Updates

Attorney Atwell reported that the legal updates primarily are consolidation. He stated that the Transition Board will be the first board to start this process. The investment/actuarial authority will be moved to the state. The consolidation process should take place in 30 months which will be around June of 2022. The board will be audited by the state. It will include your portfolio and determine what your account balance is, which will need to be verified by the board. Once that is determined, a letter will be received and your account will be frozen and you will have so many days to transfer it over. His understanding is that the transfers will be transferred in kind. He doesn't know what the transaction cost will be or how it is going to work or be managed, but did state that there will need to be separate boards for both the police and fire. Discussion ensued.

b. Consolidation Update

See above

13. Investment Report – Graystone Consulting

a. *Quarterly Investment Performance Report*

Mary Tomanek from Graystone Consulting stated that it was a great quarter, which came in a little over 21% year to date and 5.5% for the quarter. Fixed income and equity were both really strong. Mary added that we are 2% over our equities maximum as of the end of the year and suggested, if re-allocating assets, to take \$1.1 million out of the Vanguard Total Stock Market and transfer it to a combination of Money Market Funds and CS McKee. Discussion ensued.

Trustee Hejza made a motion to approve the Quarterly Report dated December 31, 2019 along with the rebalancing of funds by selling \$1.1 million from Vanguard Total Stock Market and transferring \$300,000 into the Money Market and \$800,000 to CS McKee. Trustee Orta seconded the motion. A roll call vote was taken: “Ayes” – Hejza, Moehrlin, Orta and Stonebridge. “Nays” – None.

Mary Tomanek reported that effective the first of the year, legislation passed that every investment policy in the state will need to incorporate sustainability language into their investment policy. She added that it is open to interpretation as to how much you need to actually change your investment process for it. Discussion ensued. She will work with Attorney Atwell to review the investment policy and come back to the group next quarter.

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

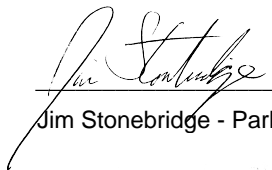
None

14. Closed Session, as necessary

None

15. Adjournment – Roll Call

A motion was made to adjourn the meeting at 1116 hours by Trustee Hejza and was seconded by Trustee Orta. A roll call vote was taken: “Ayes” – Hejza, Moehrlin, Orta, and Stonebridge. “Nays” – None.



4/21/2020

Jim Stonebridge - Park Ridge Police Pension Fund President

4/21/2020

Jon Moehrlin - Park Ridge Police Pension Fund Secretary