

# PARK RIDGE POLICE PENSION FUND

## BOARD OF TRUSTEES

### JANUARY 20, 2021 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 20, 2021 at 1000 a.m. via Teleconference in compliance with Governor's Pritzger's Stay-at-Home Order 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 Stonebridge began the meeting at 1002 hours. Trustee Hejza made a motion to call the meeting to order and Trustee Orta seconded the motion. All were in favor.

2. Roll Call

Roll call was taken. Present electronically were Trustees James Stonebridge, Jeff Hejza, Greg Orta, Jon Moehrlin, and Rodney Cavender

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 **October 20, 2020***

The minutes from the previous quarterly meeting held on October 20, 2020 were reviewed. A motion was made by Trustee Cavender to approve the minutes and was seconded by Trustee Orta. A roll call vote was taken: "Ayes" – Hejza, Orta, Cavender, Moehrlin, and Stonebridge. "Nays" – None.

b. *Special Meeting Minutes, as necessary – **November 20, 2020***

The minutes from the previous special meeting held on November 20, 2020 were reviewed. A motion was made by Trustee Orta to approve the minutes and was seconded by Trustee Cavender. A roll call vote was taken: "Ayes" – Hejza, Orta, Cavender, Moehrlin, and Stonebridge. "Nays" – None.

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

None

6. New Business

a. *Audit Update*

Trustee Stonebridge had nothing to report regarding the audit update.

b. *DOI Annual Report Review*

Trustee Stonebridge reported that this has been approved and submitted. Brian LeFevre checked the Department of Insurance website and they have accepted the annual statement filing as of April 30, 2020, and he will send the information to the board.

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

a. *Contribution Refunds, as necessary*

None

b. *Applications for Membership, as necessary – **Dziubla, Boesche***

Trustee Moehrlin stated that Officer Dziubla was approved at the last meeting and he is waiting on documents for both Officers' Dziubla and Boesche.

Trustee Moehrlin made a motion to accept the membership of Officer Matthew Boesche to the fund and Trustee Cavender seconded the motion. A roll call vote was taken: "Ayes" – Hejza, Orta, Cavender, Moehrlin, and Stonebridge. "Nays" – None.

c. *Special Contributions, as necessary*

Brian LeFevre reported that Officer Doucet's contributions decreased in November. Andrea Lamberg responded that he was on leave from November 4<sup>th</sup> to November 26<sup>th</sup> and was unable to make the contributions totaling \$612.76. She added that this amount was deducted from his December 18<sup>th</sup> paycheck, which has now made him whole.

8. Application for Retirement/Disability Benefits

a. *Approve Regular Retirement Benefits, as necessary*

None

b. *Disability Application Status Update, as necessary - **Cruz***

Attorney Atwell stated that on December 30<sup>th</sup>, he obtained the last reference for Officer Cruz and will go through the records and prepare correspondence for the selection of three positions. He will move forward and copy the board accordingly. There is no action at this time.

c. *Deceased Pensioner – **Siegler***

Trustee Stonebridge reported that Siegler passed away in December. Notice was given at the beginning of January and he was paid through December, which per prior discussion and agreement, is acceptable. Trustee Moehrlin is in contact with the family to get the required documents.

9. Communication and Reports

a. *Affidavits of Continued Eligibility Update*

Brian LeFevre stated that normally the affidavits need to be notarized, but due to Covid, some boards are waiving the notary requirement. Attorney Atwell responded that under the circumstances, he is ok with waiving the notary requirement. Discussion ensued about Sikich sending out the affidavits for a fee. Trustee Cavender made a motion to have Sikich prepare a separate mailing for the affidavits of continued eligibility for 2021 that would no longer require notary signatures, and Trustee Orta seconded the motion. A roll call vote was taken: "Ayes" – Hejza, Orta, Cavender, Moehrlin, and Stonebridge. "Nays" – None.

b. *Active Member File Update*

Trustee Stonebridge stated that the census information had been sent to the consolidation board. This included everyone's addresses, but was missing some email addresses. Discussion ensued about whether or not to require email addresses. Brian LeFevre will add a line to the affidavits of continuing eligibility, suggesting the email addresses of retirees and beneficiaries for those who have them. Once his team puts the letter together, he will email it to Trustee Stonebridge for approval.

c. *Trustee Training Update*

Trustee Stonebridge stated that everyone will need to have their training completed by April 30<sup>th</sup>. Attorney Atwell reported that eight hours of training is required plus a four hour course on consolidation.

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, 2020, which reflected an increase of \$12.128 million. The Cash and Investments show the Mutual Funds at 68% and Stock Equities at 2%, which total 70%.

The Expense Report for the pension for the current month of December was at \$321,389.60.

The 2019 Levy is at 97.72% collected. The Disbursement Warrant for the time period of October 1, 2020 through December 31, 2020 totaled \$1,015,192.54.

Trustee Cavender made a motion to approve the December 31, 2020 Compilation Report and Trustee Hejza seconded the motion. A roll call vote was taken: "Ayes" – Hejza, Orta, Cavender, Moehrlin, and Stonebridge. "Nays" – None.

Trustee Orta made a motion to approve the Disbursement Warrant for the time period of October 1, 2020 through December 31, 2020 in the amount of \$1,015,192.54 and Trustee Hejza seconded the motion. A roll call vote was taken: "Ayes" – Hejza, Orta, Cavender, Moehrlin, and Stonebridge. "Nays" – None.

b. *Presentation and Approval of Bills*

None

c. *Additional Bills, as necessary*

None

11. Actuarial Report – Lauterbach & Amen

a. *Tax Levy Request/Municipal Compliance Report*

Trustee Stonebridge reported that the final tax levy was submitted after the last meeting and approved by City Council for the full amount requested.

12. Attorney's Report – Atwell & Atwell

a. *Legal Updates*

Attorney Atwell reported that police is moving rather slowly regarding consolidation and are about six months behind. At this time, they do not have in place all of the investment personnel. Fire is moving more rapidly.

*b. Consolidation Update*

See above

13. Investment Report – Graystone Consulting

*a. Quarterly Investment Performance Report*

Mary Tomanek from Graystone Consulting reported that it was a phenomenal year and a great quarter and gave kudos to the board. The fund was up almost 11.5% and year to date was over 18.5%. She stated that there was a strong performance on the fixed income side and underperformance by CS McKee. The year-to-date return for government bonds were up 7.94% vs the portfolio being up 8.43%. On the equities side, the year to date was 24% and just under 17% for the quarter. Fidelity and Virtus together, have a return of a little over 17% versus the benchmark at 14%. The value of the fund is a little over \$64 million at the end of December. Mary stated that the fund is at 70% and recommended that 5% be rebalanced into fixed income. She recommended removing \$3.2 million from Vanguard Total Stock Market Index Fund and to transfer \$2.8 million to CS McKee and the remainder of \$400,000 into a money market fund. Since these figures were based on December 31<sup>st</sup>, Trustee Stonebridge asked that the numbers be refreshed to reflect the current figures. Trustee Stonebridge gave his thoughts on other options and discussion ensued among the group.

Trustee Hejza made a motion to sell as much Vanguard Total Stock Market as would be needed to get down to 65% equity and then allocate \$400,000 of those proceeds to the money market fund and the balance to CS McKee and Trustee Cavender seconded the motion. A roll call vote was taken: “Ayes” – Cavender, Hejza, Orta, Moehrlin, and Stonebridge. “Nays” – None.

Trustee Cavender made a motion to approve the Quarterly Report dated December 31, 2020 and Trustee Orta seconded the motion. A roll call vote was taken: “Ayes” – Cavender, Hejza, Orta, Moehrlin, and Stonebridge. “Nays” – None.

Trustee Stonebridge announced that he is terming out and the next meeting will be his last. He added that the mayor is looking for a new appointee. There will also be an election for officers. When he gets information on who his replacement going to be, he will forward to the group.

*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 1123 hours by Trustee Orta and was seconded by Trustee Hejza. A roll call vote was taken: “Ayes” – Hejza, Cavender, Orta, Moehrlin, and Stonebridge. “Nays” – None.