

**PARK RIDGE POLICE PENSION FUND
BOARD OF TRUSTEES
January 26th, 2016 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 Tuesday, April 26th, 2016 at 10:00 at City Hall, 505 Butler Place, Park Ridge, Illinois.

Call to Order: President Laura Kappler called the meeting to order at 10:06 a.m. Trustee Kappler took a roll call vote of trustees. Present were trustees Laura Kappler, James Stonebridge, Robert Kristie, Carl Brauweiler and Duane Mellema. Also in attendance was Brian LeFevre from Sikich LLP, Charles Atwell the board attorney, Mary Tomanek from Graystone Consulting, Alderman John Moran, City Secretary Julie Zarlenga and the City of Park Ridge Finance Director Joe Gilmore.

Approval of Minutes: The Trustee reviewed the minutes from the October 20th, 2015. Upon a motion by Carl Brauweiler, seconded by James Stonebridge the minutes were unanimously approved with one correction in the investment section.

Investment Report: Mary Tomanek from Graystone Consulting, a business of Morgan Stanley, presented the quarterly investment report. She reviewed the performance of the portfolio and made recommendations. She noted that she has been watching money manager Fayez Sarofin and due to the Director of Investments and Portfolio Manager recently leaving the firm she made the recommendation to terminate doing business with them. She stated the funds in that account should be moved into another Large Core Fund, Large Value Fund and could also be temporarily transferred to the Cambiar account. Mary also recommended and discussed rebalancing the portfolio to increase the allocation to value and reduce growth.

A motion was made by James Stonebridge to move \$1,648.827 as of 12/31/15 from Fayez Sarofin to Cambiar immediately seconded by Robert Kristie. A roll call vote was taken: "Yeas" James Stonebridge, Robert Kristie, Laura Kappler, Carl Brauweiler, and Duane Mellema. "Nays" - none.

Mary will do a large value mutual fund search to replace the Fayez account. Pension Fund Cash Flows and Liabilities were also discussed. Based on the current projected inflows and expected payments, the Pension Fund will have fixed income funds to invest this year. Discussion took place on strategies for investing this money including continuing the ladder, potentially hiring a fixed income manager, and/or using a corporate bond index mutual fund. Additional information will be compiled for the Board to consider these options. Mary also gave trustee James Stonebridge sample funding policies to discuss with Park Ridge City Council. There were numerous meetings with the pension board trustees over the last year but nothing has been put in place.

Accounting Firm: Brian LeFevre from Sikich presented the financial statement for the 8 months ending December 31st, 2015. He reviewed the report and the various schedules included. He also reviewed the

finances, the investments that are coming due and the tax levy payments schedule. In June and November there will be two maturities totaling approximately 4.1 million dollars.

A motion was made by Duane Mellema and seconded by Robert Kristie to approve the accounting financial report dated December 31st, 2015. A roll call vote was taken: "Yeas" – Kristie, Mellema, Brauweiler, Kappler and Stonebridge. "Nays" – none.

The warrant disbursement sheet for the past three months totaling \$804,253.40 was presented to the board by Sikich. A motion was made by Robert Kristie and seconded by Duane Mellema to accept the expenditure report ending December 31st, 2015. A roll call vote was taken: "Yeas" – Kristie, Mellema, Brauweiler, Kappler, and Stonebridge. "Nays" – none.

Brian LeFerve left at 12:00 p.m.

Meetings scheduled for 2016

April 26th, July 26th, and October 26th.

A motion to accept was made by Duane Mellema and seconded by Robert Kristie. All were in favor – motion passed.

Attorney Charlie Atwell: – No Report.

DOI findings on contracts:

Both the patrol and sergeant contracts were brought to the attention of the DOI. They came back and said that any quarterly or bi-annually increases are subject to pension contributions. This information was forwarded to the city payroll department to follow up on.

A motion was made by Duane Mellema pursuant to administrative code that the collective bargaining units contracts be retro to their effective dates. Patrol officers May 1, 2014 and Sergeant's May 1, 2013. Seconded by Robert Kristie. A roll call vote was taken, "Yeas", Mellema, Kristie, Kappler, Brauweiler, and Stonebridge. "Nays"- None.

Retirements: Commander Robert Hanson retired as of January 18th, 2016. He was hired on January 4, 1988 and served the department 28 years and 14 days. His original pension benefit is \$75,247.97. A motion by Duane Mellema was made to accept his retirement. It was seconded by Robert Kristie. A roll call vote was taken: "Yeas" Mellema, Kristie, Kappler, Brauweiler, and Stonebridge. "Nays" – None.

New Officers: Sworn in December 30th, 2015. Mitchell Stephens, Quentin Richards, Robert Niemiec and James Novy.

These officer are all in the Tier 2 pension plan. Motion to accept the officers into the fund was made by Duane Mellema and seconded by Robert Kristie. All were in favor.

Laura Kappler mailed Myles Klein his paperwork for the return of his contributions in late January 2016.

Request for proposal paperwork will go out the last week in February. April 5th will be set aside to interview potential consultant candidates.

Elections:

James Stonebridge will be taking over the vacant vice-president position on the board until the next election. As for the board of trustees there are two active elected positions up for election and one retiree position. There is also a mayoral appointee up for appointment by the mayor. They will be filled this year. Robert Kristie and Duane Mellema will not be running for their positions and Carl Brauweiler has served more than the 3 term limits that the City of Park Ridge has imposed. He will be replaced by the acting mayor. Laura Kappler will be running for the retiree position this year. The ballots will go out first week in April.

Adjournment: On a motion made by Robert Kristie and seconded James Stonebridge the meeting was adjourned at 1:00 p.m. Approved unanimously carried in a roll call vote.

Respectfully submitted,

Laura Kappler, President

Robert Kristie, Secretary

Approved by the Board of Trustees on April 26th, 2016.
These minutes were prepared by Laura Kappler