

# PARK RIDGE POLICE PENSION FUND

## BOARD OF TRUSTEES

### APRIL 19, 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 April 19, 2022 at 1000 a.m. at City Hall, 505 Butler Place, Park Ridge, IL.

1. Call to Order

Trustee Moehrlin called the meeting to order at 1003 hours.

2. Roll Call

Roll call was taken. Present were Trustees Greg Orta, Michael Malatesta, and Jon Moehrlin. Trustee Rodney Cavender and Jeff Hejza were 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, Alderman John Moran, Hector Cruz, 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 January 18, 2022*

The minutes from the previous quarterly meeting held on January 18, 2022 were reviewed. Trustee Orta made a motion to approve the minutes and Trustee Malatesta seconded the motion. A roll call vote was taken: “Ayes” – Orta, Malatesta, and Moehrlin. “Nays” – None.

6. New Business

a. *Consideration of Sikich Engagement Letter*

Brian LeFevre from Sikich presented the new three-year agreement which he stated is the same as the previous agreement, with 3% increases built-in for Fiscal Years, 2022, 2023, and 2024. Trustee Orta made a motion to accept Sikich for a three-year agreement and Trustee Malatesta seconded the motion. A roll call vote was taken: “Ayes” – Orta, Malatesta, and Moehrlin. “Nays” – None.

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

a. *Contribution Refunds, as necessary – Burke Resigned 03/31/2022*

Trustee Moehrlin reported that there were no retirements and one resignation. Detective Burke went to the Romeoville Police Department and left on March 31<sup>st</sup>. He will need to give notice to the board in regards to what his intentions are and what he wants to do with his money. Brian added that Detective Burke started on March 29, 2018 and his contributions are \$30,764.00 through March.

b. *Applications for Membership, as necessary*

None

c. *Special Contributions, as necessary*

None

8. Application for Retirement/Disability Benefits

a. *Approve Regular Retirement Benefits, as necessary*

None

b. *Disability Application Status Update, as necessary – Cruz approval*

Attorney Atwell stated that he provided the board a draft of the Cruz written decision as required. After it is entered, Attorney Atwell will send a signed copy to his counsel. He asked if everyone had a chance to review it, and if there is motion to have it entered. As part of the motion, the draft of the written decision is consistent with the board's decision in this matter and there is findings of fact and their analysis. Trustee Orta made a motion as stated, and Trustee Malatesta seconded the motion. A roll call vote was taken: "Ayes" – Orta, Moehrlin, and Malatesta. "Nays" – None. Attorney Atwell stated that attached to it is the Warrant for Benefits, the effective date of pension, and the amount of the pension, etc. The board had moved to commence the benefit immediately on the calculation without waiving the written decision, and the entry date is April 19<sup>th</sup>.

c. *Deceased Pensioner, as necessary*

Brian LeFevre from Sikich reported that there is still an open item related to Louis Sciarra, in which they need a death certificate showing the date of death, and he is still due his partial amount for January.

Discussion ensued about the widow from Idaho, Donna Oleski. Trustee Moehrlin has been holding her checks since July, when there was no response last year after the interrogatories had been sent out. Trustee Orta did some research and the local police were also contacted, but nothing has been found, and it is believed that she may have passed away. It was decided that a FOIA request will be done to see if they have a death certificate on file.

Brian LeFevre stated that the affidavits have gone out for this year, and Oleski's has not come back along with five others. They will be given another chance to send it in and Brian suggested that the status of the affidavits be on the next agenda along with Donna Oleski's status.

9. Communication and Reports

a. *Trustee Training Update*

Discussion ensued about the Trustee Training for the year.

10. Accountant's Report – Sikich, LLP

a. *Monthly Financial Report*

Brian LeFevre from Sikich presented the Compilation Report for the first three months of the fiscal year ending March 31, 2022, which reflected a decrease of \$3,451,593.49. The Expense Report for the current month of March, for the pension was \$368,193.29. 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 98.58% collected.

Brian went over the Cash Projection Report to show all of the activity including member contributions, property taxes, and pension payments. Currently Mary and her team takes care of everything and it is business as usual, but upon consolidation a minimum cash balance of three months will be needed and the board will need to make decisions each quarter as to whether money will need to be drawn from the consolidation fund. Mary stated that currently there is \$1.5 million and the fund is running around \$400,000 a month, with more taxes coming in.

Lastly, the report concluded with the Disbursement Warrant which shows the expenses from January 1, 2022 through March 31, 2022 totaling \$1,201,814.40.

Trustee Orta made a motion to approve the Compilation Report and the Disbursement Warrant for the three months ending March 31, 2022 and Trustee Malatesta seconded the motion. A roll call vote was taken: “Ayes” – Orta, Malatesta, and Moehrlin. “Nays” – None.

*b. Presentation and Approval of Bills*

None

*c. Additional Bills, as necessary*

None

11. Actuarial Report, as necessary

None

12. Attorney’s Report – Atwell & Atwell

*a. Legal Updates*

Attorney Atwell reported that consolidation still has not made decision on the litigation at this time, and a resolution has not been signed regarding the direction to the custodian to transfer. A letter was sent requesting an extension until June. He stated that some boards are going to weigh out the determination by the Supreme Court in this matter. It is up to the board as to how they want to approach this and he cannot give a recommendation. Discussion ensued.

Alderman Moran asked the board if there are costs to waiting from an overall investment advisory fee standpoint and will that drop dramatically when the funds move into the consolidation accounts. Mary replied that there are lots of fees either way and there are many layers of consultants and advisors hired for the combined funds and they have not been transparent to what those fees are. Trustee Moehrlin added that the boards will still need to have accountants and will also need to keep a checking account, and there are a lot of questions that still haven’t been answered. Discussion ensued. Trustee Orta made a motion to request Attorney Atwell to direct a letter to the consolidated board that the board is waiting for the Supreme Court to make a final determination on this matter and Trustee Malatesta seconded the motion. A roll call vote was taken: “Ayes” – Orta, Malatesta, and Moehrlin. “Nays” – None.

Attorney Atwell reported as an FYI, that there is a bill pending waiting for the Governor's signature dealing with marriage after retirement for police officers. If a police officer is married after retirement, and if that marriage lasts five years, then there will be a spousal benefit once the spouse obtains 62 years of age, that would last for the next 15 years.

*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 down 5.5%. Interest rates have been going up and equities have been going down, and should continue to expect volatility moving forward. The feds have been very transparent about raising rates and balance sheet reductions, and would expect very nominal returns from fixed income, and equities to be volatile. The active managers as well as the allocation impacted the equity returns. They were down a little bit more than the policy benchmark on the year-to-date basis. The one year is pretty close to policy on equities and outperformed on fixed. Small and mid-cap stocks didn't do as well both in domestic and international markets. The allocations have an overweight to equities by 2% points and she recommended balancing it back to 65%. The two areas that she suggested to get back to target would be the small cap and international and she suggested selling \$1,000,000 of the Vanguard Small Cap Index, that would get the fund close to target on the small cap side and a reduction of the two international small cap funds of \$250,000 each from Fidelity and Virtus, which would get the target of 10% on the international side. Discussion ensued.

Trustee Orta made a motion to liquidate a \$1,000,000 of Vanguard Small Cap Index Fund and to sell \$250,000 of Fidelity Advisory International Small Cap and sell \$250,000 of Virtus International Small Cap and with the proceeds of a total of \$1,500,000 invest that in Vanguard and Morgan Stanley Money Market Funds and Trustee Malatesta seconded the motion. A roll call vote was taken: "Ayes" – Orta, Malatesta, and Moehrlin. "Nays" – None.

There was discussion about Mary needing authorization signatures and it was decided that Finance Director, Chris Lipman would be a signer. A motion was made by Trustee Malatesta to make Chris Lipman a signer and Trustee Orta seconded the motion. A roll call vote was taken: "Ayes" – Orta, Malatesta, and Moehrlin. "Nays" – None.

Lastly, Mary stated that a GASB Report was done over two time periods from May 1<sup>st</sup> to December 31<sup>st</sup>, and the return for the fund was 6.46%, and for the full year of 2021 was 13.48%. She stated that it was a really solid year and the long-term rate of return calculated was 7% based on the asset allocation.

Trustee Orta made a motion to approve the Pension Fund Quarterly Report ending March 31, 2022 and Trustee Malatesta seconded the motion. A roll call vote was taken: "Ayes" – Orta, 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 Moehrlin made a motion to adjourn the meeting at 1112 hours and Trustee Orta seconded the motion. A roll call vote was taken: “Ayes” – Orta, Malatesta, and Moehrlin. “Nays” – None.

**BOARD OF TRUSTEES OF THE  
PARK RIDGE POLICE PENSION FUND**

IN THE MATTER OF THE DISABILITY )  
CLAIM OF: )  
 )  
**HECTOR CRUZ,** )  
 )  
 )  
Applicant. )

**WARRANT FOR BENEFITS**

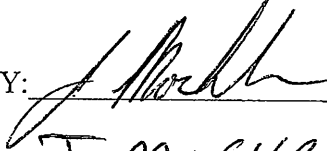
Pursuant to 40 ILCS 5/3-114.1, this is to certify, as follows:

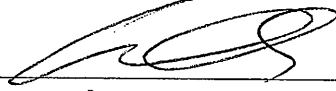
- Applicant, **HECTOR CRUZ**, is entitled to a “line of duty” disability pension of sixty-five percent (65%) of his salary attached to rank as computed on November 30, 2021.
- Applicant has attained nineteen (19) years of creditable service; his date of hire being July 8, 2002.
- Applicant’s effective date of pension is December 1, 2021.
- Applicant’s salary attached to rank is \$101,267.92.
- Applicant’s sixty-five percent (65%) annual pension is \$65,824.15, resulting in a monthly benefit of \$ 5,485.35, the same being based on the attached benefit calculation sheet, as verified by the City Treasurer pursuant to Statute, showing “salary attached to rank” as determined by the Board of Trustees of the Park Ridge Police Pension Fund.

That this "Warrant for Benefits" along with the attached calculations, shall be attached to and incorporated in the Board's formal written "Decision and Order" and shall be made apart thereof.

Date of Entry: April 19, 2022.

**BOARD OF TRUSTEES OF THE PARK RIDGE  
POLICE PENSION FUND**

BY:   
J MOEHLIN, President  
(Print Name)

BY:   
Gregory Osor, Secretary  
(Print Name)

**Illinois Department of Insurance - Pension Division  
Benefit Calculator Report**

<b>Participant Summary</b>			
<b>Fund Name:</b>	Park Ridge Police Pension Fund	<b>Participant Name:</b>	Hector Cruz
<b>Benefit Summary</b>			
<b>Fund Type:</b>	Police		
<b>Benefit Type:</b>	Disability: Duty Disability		
<b>Reciprocity:</b>	No		
<b>Birth Date:</b>	[REDACTED]		
<b>Hire Date:</b>	7/8/2002	<b>Unpaid Break Days:</b>	0
<b>Disability Date:</b>	11/30/2021	<b>Effective Date of Benefit:</b>	12/1/2021
<b>Annual Salary:</b>	\$101,267.92		
<b>Creditable Service:</b>	19 Year(s) 4 Month(s) 23 Day(s)		

<b>Initial Benefit Summary</b>	
<b>Initial Benefit Date:</b>	12/1/2021
<b>Initial Annual Benefit:</b>	\$65,824.15 = 65.00% of \$101,267.92 (Annual Salary)
<b>Prorated Benefit Summary</b>	
<b>Prorated Date Range:</b>	12/1/2021 - 12/31/2021
<b>Prorated Benefit:</b>	\$5,485.35 = 31 Prorated Day(s) x \$5,485.35 (Monthly Benefit)/31 Days in the Month
<b>Total Prorated Benefit:</b>	\$5,485.35

<b>Benefit Schedule</b>					
Benefit Type	Benefit Date	Monthly Increase	Monthly Benefit	Annual Benefit	Increase Rate
Initial Annual Benefit	12/1/2021	\$0.00	\$5,485.35	\$65,824.15	
First Increase	1/1/2028	\$987.36	\$6,472.71	\$77,672.52	18.00%
Annual Increase	1/1/2029	\$164.56	\$6,637.27	\$79,647.24	3.00%
Annual Increase	1/1/2030	\$164.56	\$6,801.83	\$81,621.96	3.00%
Annual Increase	1/1/2031	\$164.56	\$6,966.39	\$83,596.68	3.00%
Annual Increase	1/1/2032	\$164.56	\$7,130.95	\$85,571.40	3.00%
Annual Increase	1/1/2033	\$164.56	\$7,295.51	\$87,546.12	3.00%
Annual Increase	1/1/2034	\$164.56	\$7,460.07	\$89,520.84	3.00%
Annual Increase	1/1/2035	\$164.56	\$7,624.63	\$91,495.56	3.00%
Annual Increase	1/1/2036	\$164.56	\$7,789.19	\$93,470.28	3.00%
Annual Increase	1/1/2037	\$164.56	\$7,953.75	\$95,445.00	3.00%
Annual Increase	1/1/2038	\$164.56	\$8,118.31	\$97,419.72	3.00%
Annual Increase	1/1/2039	\$164.56	\$8,282.87	\$99,394.44	3.00%
Annual Increase	1/1/2040	\$164.56	\$8,447.43	\$101,369.16	3.00%
Annual Increase	1/1/2041	\$164.56	\$8,611.99	\$103,343.88	3.00%



**Illinois Department of Insurance - Pension Division**  
**Benefit Calculator Report**

<b>Benefit Schedule</b>					
<b>Benefit Type</b>	<b>Benefit Date</b>	<b>Monthly Increase</b>	<b>Monthly Benefit</b>	<b>Annual Benefit</b>	<b>Increase Rate</b>
Annual Increase	1/1/2042	\$164.56	\$8,776.55	\$105,318.60	3.00%
Annual Increase	1/1/2043	\$164.56	\$8,941.11	\$107,293.32	3.00%
Annual Increase	1/1/2044	\$164.56	\$9,105.67	\$109,268.04	3.00%
Annual Increase	1/1/2045	\$164.56	\$9,270.23	\$111,242.76	3.00%
Annual Increase	1/1/2046	\$164.56	\$9,434.79	\$113,217.48	3.00%
Annual Increase	1/1/2047	\$164.56	\$9,599.35	\$115,192.20	3.00%
Annual Increase	1/1/2048	\$164.56	\$9,763.91	\$117,166.92	3.00%
Annual Increase	1/1/2049	\$164.56	\$9,928.47	\$119,141.64	3.00%
Annual Increase	1/1/2050	\$164.56	\$10,093.03	\$121,116.36	3.00%
Annual Increase	1/1/2051	\$164.56	\$10,257.59	\$123,091.08	3.00%
Annual Increase	1/1/2052	\$164.56	\$10,422.15	\$125,065.80	3.00%
Annual Increase	1/1/2053	\$164.56	\$10,586.71	\$127,040.52	3.00%
Annual Increase	1/1/2054	\$164.56	\$10,751.27	\$129,015.24	3.00%
Annual Increase	1/1/2055	\$164.56	\$10,915.83	\$130,989.96	3.00%
Annual Increase	1/1/2056	\$164.56	\$11,080.39	\$132,964.68	3.00%
Annual Increase	1/1/2057	\$164.56	\$11,244.95	\$134,939.40	3.00%
Annual Increase	1/1/2058	\$164.56	\$11,409.51	\$136,914.12	3.00%
Annual Increase	1/1/2059	\$164.56	\$11,574.07	\$138,888.84	3.00%
Annual Increase	1/1/2060	\$164.56	\$11,738.63	\$140,863.56	3.00%
Annual Increase	1/1/2061	\$164.56	\$11,903.19	\$142,838.28	3.00%
Annual Increase	1/1/2062	\$164.56	\$12,067.75	\$144,813.00	3.00%
Annual Increase	1/1/2063	\$164.56	\$12,232.31	\$146,787.72	3.00%
Annual Increase	1/1/2064	\$164.56	\$12,396.87	\$148,762.44	3.00%
Annual Increase	1/1/2065	\$164.56	\$12,561.43	\$150,737.16	3.00%
Annual Increase	1/1/2066	\$164.56	\$12,725.99	\$152,711.88	3.00%
Annual Increase	1/1/2067	\$164.56	\$12,890.55	\$154,686.60	3.00%
Annual Increase	1/1/2068	\$164.56	\$13,055.11	\$156,661.32	3.00%
Annual Increase	1/1/2069	\$164.56	\$13,219.67	\$158,636.04	3.00%
Annual Increase	1/1/2070	\$164.56	\$13,384.23	\$160,610.76	3.00%
Annual Increase	1/1/2071	\$164.56	\$13,548.79	\$162,585.48	3.00%
Annual Increase	1/1/2072	\$164.56	\$13,713.35	\$164,560.20	3.00%
Annual Increase	1/1/2073	\$164.56	\$13,877.91	\$166,534.92	3.00%
Annual Increase	1/1/2074	\$164.56	\$14,042.47	\$168,509.64	3.00%
Annual Increase	1/1/2075	\$164.56	\$14,207.03	\$170,484.36	3.00%
Annual Increase	1/1/2076	\$164.56	\$14,371.59	\$172,459.08	3.00%