

PARK RIDGE POLICE PENSION FUND

BOARD OF TRUSTEES

APRIL 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 April 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 1004 hours.

2. Roll Call

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

Also in attendance were Debbie Crabtree from Sikich LLP, Mary Tomanek from Graystone Consulting, Charles Atwell (Board Attorney), Andrea Lamberg, City Finance Director, Annmarie Mampe, Interim Finance Director, Katy Darr, City HR Generalist, 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 20, 2021*

The minutes from the previous quarterly meeting held on January 20, 2021 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" – Cavender, Orta, Moehrlin, Hejza, 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. *Active officer election result (Orta seat)*

Trustee Orta reported that he was elected 30 to 1 to the board for another two years. A motion was made by Trustee Cavender to accept the results and Trustee Moehrlin seconded the motion. A roll call vote was taken: "Ayes" – Stonebridge, Orta, Moehrlin, Cavender, and Hejza. "Nays" – None.

b. *New mayoral appointee (Stonebridge seat)*

Trustee Stonebridge reported that this is his last meeting and that his term ends at midnight on April 30th. He reached out to the Mayor but has not heard back regarding a subsequent appointee. Andrea Lamberg responded that per City Manager Gilmore, the mayor identified someone who will be appointed at an upcoming City Council meeting. Attorney Atwell added that there will be an empty seat on the board until someone is appointed at the next meeting.

c. *Board officer elections for year starting 5/1/21*

Trustee Stonebridge asked about the appointments of officers, and Attorney Atwell responded that the election of officers is usually done in July.

d. *IDOI audit report*

Trustee Stonebridge stated that a report was received of items that had been identified in the audit. Attorney Atwell replied that any questions or issues were either responded to or will be resolved when the information is available.

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

a. *Contribution Refunds, as necessary - Boesche*

Trustee Stonebridge announced that Officer Boesche recently was accepted into the fund but has now left. Debbie Crabtree has not yet received a request for a refund of his contributions. She will also need some information including his new member form. Trustee Moehrlin will try and reach out to him and forward the information to Debbie.

b. *Applications for Membership, as necessary – Sweeney, Farley*

Trustee Stonebridge stated that there are two new applications for membership, Officer Sweeney and Officer Farley. Debbie Crabtree has not yet received their new member forms. Trustee Moehrlin made a motion to accept Officer Michael Sweeney into the fund effective February 15, 2021 and Trustee Hejza seconded the motion. A roll call vote was taken: “Ayes” – Hejza, Moehrlin, Orta, Cavender, and Stonebridge. “Nays” – None.

Trustee Moehrlin made a motion to accept Officer Frederick Farley into the fund effective March 12, 2021 and Trustee Hejza seconded the motion. A roll call vote was taken: “Ayes” – Cavender, Orta, Moehrlin, Hejza, and Stonebridge. “Nays” – None.

c. *Special Contributions, as necessary*

None

8. Application for Retirement/Disability Benefits

a. *Approve Regular Retirement Benefits, as necessary*

Trustee Moehrlin stated that there are two pending retirements of Officer Arnie Sanetra on May 7th and Officer Bob Evans on July 1st.

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

Attorney Atwell reported that letters have gone out to Inspee for recommendations for three selected positions for medical examination, as required by the pension code. He has received the responses from Inspee on dates, and will need to provide a letter to the applicant or their counsel, giving them sufficient

time if they need to cancel. Once the examinations are done, they have to generate a letter as far as their medical report and set a hearing date, which may be late summer or early fall.

c. *Deceased Pensioner – MacDonald (dependent)*

Trustee Stonebridge reported that MacDonald, who is a dependent, has passed away. Debbie Crabtree added that payment had stopped in January based on the email that was received, and recommended that a copy of the death certificate be kept for the file.

9. Communication and Reports

a. *Trustee Training Update*

Trustee Stonebridge stated that there are four hours of consolidation training and eight hours of regular training. Trustees Cavender, Orta and Moehrlin have all completed their training. Trustees Hejza and Stonebridge will complete their training by the end of the month. Any certificates of completion should be submitted to Trustee Moehrlin for the file.

10. Accountant's Report – Sikich, LLP

a. *Monthly Financial Report*

Debbie Crabtree from Sikich presented the Compilation Report for the Fiscal Year ending March 31, 2021, which reflected an increase of \$14.3 million. The Cash and Investments show the Mutual Funds at 65% and Stock Equities at 2%, which total 67%.

The Disbursement Warrant for the time period of January 1, 2021 through March 31, 2021 totaled \$1,033,746.53. Trustee Moehrlin made a motion to approve the Disbursement Warrant through March 31, 2021 in the amount of \$1,033,746.53 and Trustee Hejza seconded the motion. A roll call vote was taken: "Ayes" – Hejza, Cavender, Orta, Moehrlin, and Stonebridge. "Nays" – None.

Trustee Moehrlin made a motion to approve the Compilation Report dated March 31, 2021 for eleven months and Trustee Cavender seconded the motion. A roll call vote was taken: "Ayes" – Hejza, Moehrlin, Orta, Cavender, and Stonebridge. "Nays" – None.

Debbie Crabtree stated that the affidavit requests were sent out in February and were due on April 15th. She has received all but six back. Sikich will send out a second request letter and Trustee Moehrlin will also follow-up as well.

b. *Presentation and Approval of Bills*

None

c. *Additional Bills, as necessary*

None

11. Actuarial Report – Lauterbach & Amen

a. *As necessary*

Debbie Crabtree reminded everyone that the end of the fiscal year of April 30, 2021 is nearing. The next steps will be to do the accounting for the end of the year and also the audit preparations. Once all of the accounting is completed, the DOI Annual Statement will be done. Starting March 1st there were revisions to the interrogatory questions, along with additional requests for documentation that will need to be provided by either the fund or the city. Once the annual statement is drafted, approval will be needed by

October 31st. Andrea Lamberg stated that the Pension Fund will need an updated engagement letter with the actuaries to reflect the new fiscal year for the upcoming tax levy.

12. Attorney's Report – Atwell & Atwell

a. *Legal Updates*

None

b. *Consolidation Update*

Attorney Atwell reported that Fire is moving more rapidly than Police on consolidation, and it is his understanding that Police has yet to employ a consultant as far as management from the investment side. Fire has hired Marquette and has sent out to the boards a request to appoint the president and secretary to communicate with the consolidation board. For both Fire and Police, there is no transfer required as far as assets before the end of June, 2022. Attorney Atwell also reported that there has been a lawsuit filed in regards to consolidation in Kane County. There are approximately fifteen boards that have joined in the lawsuit, mostly Police and a few Fire boards as well. There is nothing to be done at this time and he doesn't believe that anything is going happen on the police side at this stage. Attorney Atwell thinks it will be fall before there is a resolution, and in the event there is any injunction by the court, nothing is going to happen as far as any transfer until there is a determination from that case.

13. Investment Report – Graystone Consulting

a. *Quarterly Investment Performance Report*

Mary Tomanek from Graystone Consulting reported that the returns for the quarter were just under 3% and the trailing return for the past year was at 41%. There was some underperformance by CS McKee for the quarter, however, it was still beating the benchmark on the one year quite substantially. The economy is doing well as things progress with Covid, and is better than expected. Equity was up a little more than 7% and almost 67% for the year to date. There was some underperformance from Clearbridge and JP Morgan Equity Income for the quarter. In the index funds, Large Cap growth underperformed, transitioning to a higher interest rate. Overweight value did well. Total Capital appreciation is just about \$2 million at the end of March and the total value of the fund is \$66.6 million, which is an incredible year. The equities vs fixed is closer to about 67% equity. The value to growth overweight is almost 60% value and 41% growth. Mary made suggestions regarding rebalancing to 65/35 and discussion ensued.

Trustee Stonebridge made a motion to sell all of the Vanguard Value Index holdings and move \$1.0 million of those proceeds into CS McKee and the balance into the internal money market account. The entire Clearbridge Large Growth will be liquidated and transferred into the Fidelity Advisor Growth Opportunities I Fund and \$1.7 million will be liquidated out of the JP Morgan Equity Income Fund and will be reinvested into the Fidelity Advisory Growth Opportunities I Fund. Trustee Cavender seconded the motion. A roll call vote was taken: "Ayes" – Hejza, Moehrlin, Orta, Cavender, and Stonebridge. "Nays" – None.

Mary stated that she sent everyone a link to a training opportunity with the IFOA on the Pension Institute which will be held virtually the following week.

Trustee Orta made a motion to approve the Quarterly Investment Report dated March 31, 2021 and Trustee Hejza seconded the motion. A roll call vote was taken: "Ayes" – Orta, Moehrlin, Hejza, Cavender, and Stonebridge. "Nays" – None.

Trustee Hejza made a motion to thank Trustee Stonebridge for all of his work, insight, and thoughts on investments for the pension board and Trustee Cavender seconded the motion. Trustee Stonebridge stated that it has been great and thanked everyone for believing and supporting the general approach.

b. Review of Investment Policy and Amendments, as necessary

None

14. Closed Session, as necessary

None

15. Adjournment – Roll Call

Trustee Stonebridge made a motion to adjourn the meeting at 1156 hours by Trustee Orta seconded the motion. A roll call vote was taken: “Ayes” – Hejza, Cavender, Orta, Moehrlin, and Stonebridge. “Nays” – None.