

PARK RIDGE POLICE PENSION FUND

BOARD OF TRUSTEES

APRIL 24TH, 2018 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 24th, 2018 at 1000 a.m. at City Hall, 505 Butler Place, Park Ridge, Illinois.

Call to Order: Trustee Stonebridge called the meeting to order at 1008 hours. A roll call vote was taken of trustees. Present were trustees Laura Kappler, Greg Orta, Jon Moehrlin, Jeff Hejza, and James Stonebridge. Also in attendance was Debbie Crabtree and Brett Vogt from Sikich LLP, Mary Tomanek from Graystone Consulting, Charles Atwell (Board Attorney), Andrea Lamberg City Finance Director, and Carl Brauweiller citizen of Park Ridge.

Approval of Minutes: The minutes from the previous quarterly meeting (01/23/2018) were reviewed. A motion was made by Greg Orta to approve the minutes and was seconded by Jon Moehrlin. All were in favor and the minutes were unanimously approved by the board.

Accounting Firm: Sikich presented the Compilation report for the preceding 11 months, ending 03/31/2018. The fund is on target for complying with the State regulations for investments (65% equity and 35% fixed). Two new officers joined the fund Dissanti and Taylor, however Dissanti left. Officer Steve Tracy, Deputy Chief Jogmen, and Commander Leavitt all retired. Debbie Crabtree relayed that the DOI Annual Statement will be coming up soon and Sikich will request additional documents from the board. Sikich will send a draft of interrogatories. Trustee Kappler made a motion to accept the report and Trustee Stonebridge seconded. All were in favor and report was accepted.

Expenditures/Warrants Disbursements: Sikich presented the disbursement warrant from January to March 2018 of \$904,552.84. A motion was made by Trustee Orta and was seconded by Trustee Hejza to accept the report. A roll call vote was taken: "Ayes" – Moehrlin, Orta, Kappler, Stonebridge, and Hejza. "Nays"-none.

Police Officer Status: New Tier II hires Taylor and Dissanti (who left) will be deferred to the July meeting pending getting all paperwork in. Deputy Chief Jogmen and Commander Leavitt retired on February 21st, 2018.

Travel Training and expense policy: Attorney Atwell believes that it does not apply to board. Current policies are compliant. No new information.

Firefighter Raymond Wolff: Former Park Ridge police officer and current Park Ridge fire fighter Wolff elected to take advantage of a newly passed state law that allowed a six month window for those who worked for both police and fire in the same municipality to buy back their time of service. Wolff paid \$60,921.21 to the police fund. The police fund paid \$95,394.75 to the fire fund. All calculations were provided by Sikich. Trustee Stonebridge made a motion to accept the transaction and Trustee Kappler seconded. A roll call vote was taken: "Ayes- Moehrlin, Orta, Stonebridge, Hejza, and Kappler. "Nays"- none.

Trustee Elections: Trustee board elections were conducted prior to meeting. The ballots were counted and certified by Sikich LLP at the meeting. The results are as follow:

Retiree Trustee- Robert Kristie 21 votes Robert Hanson 1 vote- Robert Kristie new retiree trustee.

Active officer Trustee- Jon Moehrlin 23 votes no others received votes. Jon Moehrlin will serve a second two year term as trustee.

Trustee Kappler made a motion to accept the election results. Trustee Stonebridge seconded. "Ayes"- Kappler, Stonebridge, Orta, Hejza, and Moehrlin. "Nays"- none.

Attorney Report: Attorney Atwell stated he is monitoring the Harvey situation as it pertains to Article 3 pension funds. Harvey fund significantly was underfunded. Watching for rulings on if a municipality becomes insolvent. Who is then responsible for the fund? Monitoring situation but should not pertain to our fund as Park Ridge police fund is well funded. Also Attorney Atwell advised that board meeting minutes in the future should reflect any benefit approvals and attach any calculation

Financial Reports: Mary Tomanek from Graystone Consulting, a business of Morgan Stanley, presented the quarterly financial report. In summary, volatility returned after a year-long hiatus. Inflation and interest rates increased. The top performing sector was technology

(+3.53%) and the worst was telecom (-7.48%). Emerging markets were positive, and developed international (MSCI EAFE) fell. Looking ahead, earnings growth rate is expected to peak this year. Also the relative performance of International vs US equities appears to be turning. Items for board to consider in future include considering Active/Passive blend analysis and to revisit cash flow analysis after completion of the 2018 Actuarial report. Graystone in the quarter assisted with the Ray Wolff fund transfer, completed Active/Passive asset allocation analysis, and updated cash flow analysis. Trustee Stonebridge made a motion to accept the proposed allocation dated 04/13/18 by Graystone to move funds according to the proposal on the attached page 11 from Graystone's analysis. Roll call vote: "Ayes"- Moehrlin, Orta, Hejza, Stonebridge, and Kappler. Nays"- none. Trustee Kappler made a motion to raise monthly allocation for Graystone from \$300,000 to \$350,000 without board approval. (Allocation covers payroll, fees, etc.) Seconded by Trustee Stonebridge. Roll call vote; "Ayes"- Moehrlin, Orta, Hejza, Stonebridge, and Kappler. "Nays"- none. Trustee Stonebridge made a motion to approve Graystone's financial report. Seconded by Trustee Orta. Roll call vote: "Ayes"- Moehrlin, Kappler, Orta, Stonebridge, and Hejza.

Adjournment: Trustee Kappler made a motion to adjourn the meeting at 1218 hours. Trustee Stonebridge seconded motion. Roll call vote- All in favor.