

**PARK RIDGE POLICE PENSION FUND
BOARD OF TRUSTEES
April 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 10:05 a.m. Trustee Kappler took a roll call vote of trustees. Present were trustees Laura Kappler, James Stonebridge, Carl Brauweiler and Duane Mellema. Robert Kristie was absent. Also in attendance was Brian LeFevre from Sikich LLP, Charles Atwell the board attorney, and 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 January 26th, 2016. Upon a motion by Carl Brauweiler, seconded by James Stonebridge the minutes were unanimously approved by the board.

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 recommended moving from Cambiar to JP Morgan. She stated there was approximately \$3.1 in assets. A motion was made by Jim Stonebridge to move one third of the assets or 1,000,050 not to exceed \$1.1 million from Cambiar to JP Morgan income select and the same for share class Investico. It was seconded by Carl Brauweiler. A roll call vote was taken: "Yeas - Mellema, Kappler, Stonebridge, and Brauweiler. "Nays – none.

In other business a draft asset allocation was done by Mary and presented to the board. The board wanted it to be part of the minutes going forward along with adding language that will require a re-balance to target when there are changes. Jim Stonebridge moved to adopt the target min/max as targets going forward and Carl Brauweiler seconded it. A roll call vote was taken "Yeas – Brauweiler, Stonebridge, Mellema, and Kappler. "Nays – none.

A motion was made by Jim Stonebridge to re-balance half or \$250,000 from Ziegler and Red Granite to JP Morgan and Investco and seconded by Mellema. A roll call vote was taken: "Yeas – Mellema, Brauweiler, Stonebridge and Kappler. "Nays –none.

Lastly, discussion about mutual fund watch criteria was presented and placed on the July agenda for discussion.

A motion was made by Jim Stonebridge and seconded by Carl Brauweiler to approve the investment financial report as submitted dated March 31st, 2016. A roll call vote was taken: "Yeas – Mellema, Kappler, Stonebridge and Brauweiler. "Nays" – none.

Election Results:

Ballots Results for Active and retired trustees on the board as presented by Duane Mellema.

Active Officers

55 sent out 25 returned

Officer Orta 21

Officer Moehrlin 19

Cmdr Shaughnessy 8

Sgt Luehr (write In) 1

Officer Orta and Moehrlin voted onto the board.

Retiree

38 Sent out 30 returned

Ret Officer Kappler 30

Retired Officer Laura Kappler voted onto the board.

A motion was made by Duane Mellema to accept the election results and seconded by Jim Stonebridge.

All were in favor of the motion.

A review of the investment request for proposal results from the April 5th meeting was discussed.

Although both Marquette Associates and Sawyer Falduto were both professional and in line with the fees the board voted in favor of staying with Mary Tomanek from Graystone Consulting.

A motion was made by Carl Brauweiler to stay with Graystone Consulting and Duane Mellema seconded the motion. A roll call vote was taken: "Yeas – Mellema, Brauweiler, Kappler and Stonebridge. "Nays – none.

Jim Stonebridge will send out letters to Sawyer and Falduto and Marquette Associates in the coming days.

Trustee Duane Mellema left the meeting after the vote. (11:55am)

Accounting Firm: Brian LeFevre from Sikich presented the financial statement for the 11 months ending March 31st, 2016. 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 Jim Stonebridge to approve the accounting financial report dated March 31st, 2016 and it was seconded by Carl Brauweiler. A roll call vote was taken: "Yeas" – Brauweiler, Kappler and Stonebridge. "Nays" – none.

The warrant disbursement sheet for the past three months totaling \$838,295.03 was presented to the board by Sikich. A motion was made by Carl Brauweiler and seconded by Jim Stonebridge to accept the expenditure report ending March 31st, 2016. A roll call vote was taken: "Yeas" – Brauweiler, Kappler, and Stonebridge. "Nays" – none.

Brian asked Joe Gilmore to provide them with the officer's pensionable salaries as of April 30, 2016 for the annual report. He also asked for up to date info on Officer Abbinante's pension contributions.

Over the past two years the city has been using Lauterbach and Amen to do an independent actuary report on behalf of the police pension fund. At this time since Tim Sharpe does not provide the needed information on GASB standards as part of the report. The city does need the info for their reports.

Discussion was had about getting a proposal from Todd Schroeder of Lauterbach and Amen to complete the upcoming actuary report. Charlie Atwell stated the board should get a proposal and then have a special meeting to have the board vote on using them. President Kappler asked Joe Gilmore if the city would split the cost and he said they would. President Kappler said she would get a proposal and a special meeting will be scheduled to vote on the proposal. President Kappler asked if everyone was in agreement that they would switch over to Lauterbach and Amen. Trustee Stonebridge and Mr. Hejza noted their agreement by saying yes. Trustee Stonebridge went out and solicited three other proposals that will be discussed at the special meeting.

Attorney Atwell Report:

Attorney Charles Atwell said there's still a lot pending in Springfield regarding the consolidation issues. He said there was a bill that was attached to the PSEBA benefits that will affect people on disability. He went over the open meetings act and told them they need to include any issue or topic that might impact a person's benefits when voted on their agenda's. He cautioned that if they did not include items being voted on their agenda's that they would be in violation of the Open Meetings Act. He said that notification needs to be done to the individual of the meeting they will be voting on and the vote needs to be recorded in the minutes. If it is not recorded in the minutes there could be an issue taken with the action and could be a potential concern.

Retiree and Officer Status Update:

Officer Daniel Alonso has resigned his employment with the city and gone to the City of Des Plaines Police Department effective February 16, 2016. He will be contacted in reference to portability of his pension contributions.

Retired Officer Douglas Dostert passed away on April 3rd, 2016 he was 71 years old. Duane Mellema issued his wife a widow's application and was told to get a death certificate for the fund. He retired on October 8th, 1999. His current yearly benefit is \$63,071.28.

Signor on Account:

With the election that created two new active officers and one new mayoral appointee to the board. Replaced were Duane Mellema, Robert Kristie, and Carl Brauweiler. The board would like to thank all of these trustees for their dedicated time and service to the pension fund.

With the new members there needs to be new signor's on the bank account. I propose Jim Stonebridge and Jon Moehrlin be on the account to sign checks. Two signatures are needed for the checks. Carl made a motion to put Stonebridge and Moehrlin on the account at Graystone for next fiscal year and it was seconded by Jim Stonebridge. All were in favor of this change.

Adjournment: On a motion made by Jim Stonebridge and seconded Laura Kappler the meeting was adjourned at 1:15 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 July, 26th, 2016
These minutes were prepared by Laura Kappler