

PARK RIDGE POLICE PENSION FUND

BOARD OF TRUSTEES

JULY 18, 2023 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 July 18, 2023, 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 1001 hours.

2. Roll Call

Roll call was taken. Present were Trustees Jon Moehrlin, Ruth Hahn, and Michael Malatesta. Trustees Rodney Cavender and Jeff Hejza were not in attendance.

Also in attendance were Anna Cadmus from Sikich LLP, Kevin Cavanaugh from Lauterbach & Amen, Charles Atwell (Board Attorney), Chris Lipman, City Finance Director, Sara Hayes, Police Administrative Assistant, and Sue Tunzi, Senior 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 **April 4, 2023***

The minutes from the previous quarterly meeting held on April 4, 2023 were reviewed. Trustee Malatesta made a motion to approve the minutes, and Trustee Hahn seconded the motion. All were in favor.

b. Special Meeting Minutes, as necessary

None

c. Semi-Annual Review of Closed Session Meeting Minutes, as necessary

None

6. New Business

a. Consolidation Transfer Update/IPOPIF

Anna Cadmus from Sikich reported that all the investments have been transferred, and she needs information for Trustee Hahn to be an authorized agent.

b. *Active-Duty board elections*

Trustee Moehrlin announced that the slate needs to be selected, and made a motion to nominate himself as President, Trustee Cavender as Vice-President, and Trustee Hahn as Secretary. Trustee Malatesta seconded the motion. All were in favor.

c. *Mayoral appointed position*

Trustee Moehrlin reported that he is still waiting to hear about Trustee Hejza's appointment. Trustee Hejza will remain on the board until someone has been appointed.

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

a. *Contribution Refunds, as necessary – **Burke, Farley***

Trustee Moehrlin reported that Farley requested a refund of his contributions to transfer over his time. Anna Cadmus stated that Burke's transfer is complete, and he no longer holds any credible service in the fund.

b. *Applications for Membership, as necessary – **Franco, Norberg***

Trustee Moehrlin reported that Franco had been voted in at the last meeting. Trevor Norberg is in the academy and is a Tier 2. Trustee Malatesta made a motion to accept Trevor Norberg into the fund and Trustee Hahn seconded the motion. All were in favor.

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*

None

c. *Deceased Pensioner, as necessary - **Sciarra***

Attorney Atwell announced that he received additional information on Sciarra, and needs to review it. This item will be tabled until the next meeting.

9. Communication and Reports

a. *Trustee Training Update – R. Hahn to complete Trustee Training*

Trustee Hahn needs to complete the Trustee Training. Trustee Moehrlin made a motion for Sikich to pay \$500.00 for the Trustee training for Trustee Hahn. Trustee Malatesta seconded the motion. A roll call vote was taken: "Ayes" – Moehrlin, Hahn, and Malatesta. "Nays" – None.

10. Accountant's Report – Sikich, LLP

a. *Monthly Financial Report*

Anna Cadmus from Sikich presented the Compilation Report for the five months ending May 31, 2023. There is a total of \$2.76 million in cash, and \$60.5 million for IPOPIF. She noted that the report was prepared before receiving the final adjustment from the FY22 audit. During that audit there was an

adjustment of about \$586,000 for Property Tax accruals, due to the property taxes being delayed in 2022. Anna reported that there was a net increase for the five months ended May 31, 2023 of \$3.96 million. So far in 2022, \$1.46 million was collected related to 2022 and 2021 taxes. The levy information is not out.

Anna went over the Disbursement Warrant for the time period of March 31, 2023 through June 30, 2023 which totaled \$1.282 million.

Trustee Malatesta made a motion to accept the Disbursement Warrant and the Compilation Report and Trustee Hahn seconded the motion. A roll call vote was taken: "Ayes" – Moehrlin, Malatesta, and Hahn. "Nays" – None.

b. Presentation and Approval of Bills

None

c. Additional Bills, as necessary

None

d. Annual Statement

None

e. Keller Quildro

Anna Cadmus reported that this is set to be paid in July.

f. Chase Checking Account Update Board to Decide Min-Max Balances

Nothing to report.

g. Property Tax to Chase Update

Anna stated that the board has been notified that they are no longer using the Morgan Stanley account to fund disbursements, and the goal is to move everything to Chase. The Chase account is receiving employee contributions and property taxes, and is confirmed and on file with IPOPIF.

h. Close Morgan Stanley Checking 1st Week of August

Anna stated that there is no longer anything flowing into the Morgan Stanley account. The processing of the July payroll has begun, and she asked if the board would approve to have Morgan Stanley send the extra funds to the Chase account in the first week or two of August.

Discussion ensued about the ten outstanding Olesky checks in the Morgan Stanley account from July 2021 through April 2022 and she asked if the board wanted Sikich to void and reissue those checks. The pension money is currently being direct deposited. Anna has not heard back from Olesky from the annual affidavits, and it was decided to send the 2nd request to the nursing home, and to keep the direct deposit for now.

Anna asked if the board would approve to close the Morgan Stanley Account and transfer all excess cash over to Chase, other than keeping enough money to cover any current checks that are still outstanding.

Trustee Malatesta made a motion to approve to close the Morgan Stanley account as stated and Trustee Hahn seconded the motion. A roll call vote was taken: “Ayes” – Moehrlin, Hahn, and Malatesta. “Nays” – None.

i. *Affidavit Update*

Anna reported that the affidavits for the 1st request were due on July 17th. A 2nd request will be sent to those who didn’t respond, which will be due prior to the next Pension Board meeting.

Lastly, Anna reported that they were waiting on accrual from the audit regarding the Department of Insurance report, which she has now received, and is ready to file. Trustee Moehrlin made a motion to file the Department of Insurance Report and Trustee Malatesta seconded the motion. A roll call vote was taken: “Ayes” – Moehrlin, Hahn, and Malatesta. “Nays” – None.

11. Actuarial Report, as necessary

a. *Review of Actuarial Valuation – Lauterbach & Amen, LLP*

Kevin Cavanaugh from Lauterbach & Amen introduced himself and presented to the board the condensed version of the Actuary presentation for the contribution year ending December 31, 2023 for funding purposes. He reported that the recommended contribution increased by 19.49% from the prior valuation. He also went over the demographic changes, age and service distribution, and expected benefit payments. He reported that benefit payments are anticipated to increase 29% in the next 5 years and 62% in the next 10 years. Also discussed were the plan changes, and change in fair value of assets. The rate of return on investments on a fair value of assets basis for the fund was approximately (16.14%) of administrative expense. The expected rate of return on investments is 6.75%. Lastly discussed was Risk Management and alternative contributions. Discussion ensued. Trustee Moehrlin made a motion to accept the Actuarial Report and Trustee Malatesta seconded the motion. A roll call vote was taken: “Ayes” – Moehrlin, Hahn, and Malatesta. “Nays” – None.

12. Attorney’s Report – Atwell & Atwell

a. *Legal Updates*

Attorney Atwell reported that the Illinois Supreme Court has accepted the appeal on the consolidation litigation and will wait to hear once a ruling is made. He also reported that the Supreme Court ruled on the no cash bail and reversed the lower court.

13. Investment Report

a. *Quarterly Investment Performance Report*

Anna reported that the IPOPIF statements for June showed a 4.99% return and year to-date as 7.3%. Going forward the quarterly investment performance report will go under Sikich.

14. Closed Session, as necessary

None

15. Adjournment – Roll Call

Trustee Malatesta made a motion to adjourn the meeting at 1055 hours and Trustee Moehrlin seconded the motion. A roll call vote was taken: “Ayes” – Moehrlin, Hahn, and Malatesta. “Nays” – None.