

# PARK RIDGE POLICE PENSION FUND

## BOARD OF TRUSTEES

### OCTOBER 19, 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 October 19, 2021 at 1000 a.m. at City Hall, 505 Butler Place, Park Ridge, Illinois.

1. Call to Order

Trustee Moehrlin began the meeting at 1007 hours.

2. Roll Call

Roll call was taken. Present were Trustees Rodney Cavender, Greg Orta, Jon Moehrlin, and Jeff Hejza. A new Trustee, Michael Malatesta was appointed to the board on October 18<sup>th</sup>, but was out of town, and 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, 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 July 20, 2021*

The minutes from the previous quarterly meeting held on July 20, 2021 were reviewed. Attorney Atwell noted that the dates of birth on the Benefit Calculator Reports attached to the previous minutes need to be redacted. Trustee Hejza made a motion to approve the minutes subject to the redaction of personal information and Trustee Cavender seconded the motion. A roll call vote was taken: “Ayes” – Orta, Cavender, Hejza, and Moehrlin. “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. *New mayoral appointee (Stonebridge seat)*

Trustee Moehrlin announced that the new mayoral candidate, Michael Malatesta was appointed on October 18<sup>th</sup>. Trustee Cavender made a motion to accept Michael Malatesta as a member of the board, and Trustee Orta seconded the motion. A roll call vote was taken: “Ayes” – Moehrlin, Orta, Hejza, and Cavender. “Nays” – None.

b. *Consolidation-Police board wants Authorized rep from PRPD board*

Trustee Moehrlin reported that the Consolidation Police Board would like the contact information for all of the board members. Attorney Atwell replied that there currently is a consolidation lawsuit and until the court rules, he would hold off at this time. Trustee Moehrlin made a motion to table the resolutions to appoint an authorized representative to the new Illinois Police Officers Pension investment fund and Trustee Orta seconded the motion. All were in favor.

c. *Ullico Trustee Insurance*

Trustee Moehrlin stated that the insurance had lapsed. Attorney Atwell recommended renewing the policy. Trustee Cavender made a motion to renew the board's fiduciary liability insurance policy through the provider, Ullico Casualty Group LLC, and Trustee Orta seconded the motion. A roll call vote was taken: "Ayes" – Orta, Cavender, Hejza, and Moehrlin. "Nays" – None.

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

a. *Contribution Refunds, as necessary -*

Trustee Moehrlin stated that Police Officer Marco Tello had inquired about buying back his time from IMRF. Brian LeFevre from Sikich responded that he is going to have to pay interest on the money from when he worked at IMRF through the current date, and all payments would need to be made by January 22<sup>nd</sup>. The only piece of the statute that is unclear is what interest rate is to be used, and the board would need to determine that. Discussion ensued. Trustee Cavender made a motion to recommend 6% interest rate for the Sikich calculations on Marco Tello to transfer from IMRF to the Park Ridge Police Pension Fund, and Trustee Hejza seconded the motion. A roll call vote was taken: "Ayes" – Orta, Cavender, Hejza, and Moehrlin. "Nays" – None.

b. *Applications for Membership, as necessary – **Ledford, Alduino, Tello***

Trustee Moehrlin stated that Ledford, Alduino, and Tello need to be voted into the fund. Trustee Moehrlin made a motion to accept Steven Ledford into the fund and Trustee Cavender seconded the motion. All in favor.

Trustee Moehrlin made a motion to accept Amanda Alduino into the fund and Trustee Cavender seconded the motion. All in favor.

Trustee Moehrlin made a motion to accept Marco Tello into the fund and Trustee Cavender seconded the motion. All in favor.

c. *Special Contributions, as necessary*

None

8. Application for Retirement/Disability Benefits

a. *Approve Regular Retirement Benefits, as necessary*

Brian LeFevre from Sikich reported that there was a revised benefit calculation for Duane Mellema. His salary has been corrected and the revised amount is \$136,564.06. Trustee Cavender made a motion to approve the updated salary for Deputy Chief Duane Mellema and Trustee Orta seconded the motion. A roll call vote was taken: "Ayes" – Orta, Cavender, Moehrlin, and Hejza. "Nays" – None.

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

Attorney Atwell reported that now that a new board member has been appointed, he will contact the new trustee about his availability for potential hearing dates, and he will communicate back to the board.

c. *Deceased Pensioner, as necessary (What to do about Donna Olesky)*

Trustee Moehrlin stated that he has not been able to get in contact with a widow who lives in Boise, Idaho who is in her middle 90's with no next of kin. He has been holding her pension checks for the last four months. Brian LeFevre responded that unless there is a death certificate, they are obligated to keep paying her every month. A follow-up will be done with the police department in Boise, Idaho to try and get some information.

9. Communication and Reports

a. *Trustee Training Update*

Trustee Moehrlin reported that he, Trustee Orta, and Trustee Cavender all went to the conference and are waiting for their certificates. Trustee Hejza will forward his training certificate.

10. Accountant's Report – Sikich, LLP

a. *Monthly Financial Report*

Brian LeFevre from Sikich presented the Compilation Report for the five months ending September 30, 2021, which reflected an increase of \$750,019.90. He stated that the next report will be on December 31<sup>st</sup>, which will also be the end of the new fiscal year. The Cash and Investments show the Mutual Funds at 66%.

Brian stated that in regards to consolidation, the board needs to keep in mind that they are still going to have to pay benefits and bills at the local level and will still need a bank account to do that. He believes that the account that the property taxes and employee contributions go into should be kept open. He added that if this can't be done, a pension board would need more than a quarter's notice. In the future, Sikich will do a cash analysis in each of the board's reports as to what the projections will be, so that it can be determined if there is enough in that account. He stated that a comfort zone would be anywhere from three to six months. Discussion ensued.

Brian stated that Property Taxes through September 30<sup>th</sup> was 71% collected. The Disbursement Warrant for July through September, totals \$1,103,778.71.

Trustee Cavender made a motion to approve the Compilation Report for the five months ending September 30, 2021 and Trustee Orta seconded the motion. A roll call vote was taken: "Ayes" – Cavender, Orta, Hejza, and Moehrlin. "Nays" – None.

Trustee Cavender made a motion to accept the Disbursement Warrant from Sikich in the amount of \$1,103,778.71 and Trustee Hejza seconded the motion. A roll call vote was taken: "Ayes" – Cavender, Orta, Hejza, and Moehrlin. "Nays" – None.

Trustee Cavender made a motion to request the Tax Levy Actuarial Report and the Municipal Compliance Report for the fiscal year ending April 30, 2021 from the City in the higher amount of \$2,852,292 and Trustee Hejza seconded the motion. A roll call vote was taken: "Ayes" – Cavender, Orta, Hejza, 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*

Nothing further to report.

*b. Consolidation Update*

Nothing further to report.

13. Investment Report – Graystone Consulting

*a. Quarterly Investment Performance Report*

Mary Tomanek from Graystone Consulting reported that it was a flat quarter for the returns on the fund, primarily due to what was going on in the stock market. The year to date was at 8.5%. On the equities side, the fund was down about a point with international being the weaker spot.

Mary reported that the Virtus International small to mid cap fund has had a pretty significant change. The fund company has decided to change the capitalization level. She added that in regards to allocations, as of September, the fund is slightly underweight on the large cap side and overweight on the small cap side as well as the international side. The fund is running 66% which is 1% over or roughly \$700,000. Discussion ensued about getting out of the Virtus Small Cap International fund because of the changes in the strategy, and putting the proceeds in the CS McKee account which is the fixed income account, and it was decided to ride it out another quarter and see what the change does. Mary was asked to mark it for next quarter and revisit it at the next meeting.

Trustee Orta motioned to approve the Pension Fund Quarterly Report ending September 30, 2021 and Trustee Cavender seconded the motion. A roll call vote was taken: "Ayes" – Orta, Cavender, Hejza, and Moehrlin. "Nays" – None.

Trustee Moehrlin stated that the board needs to pick meeting dates for next year. Discussion ensued. Trustee Orta made a motion to accept the meeting dates for 2022. The dates will be: Tuesday, January 18, 2022, Tuesday, April 19, 2022, Tuesday, July 19, 2022, and Tuesday, October 18, 2022. All of the meetings will be at 10:00 am. Trustee Moehrlin seconded the motion. A roll call vote was taken: "Ayes" – Cavender, Hejza, Orta, 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 Orta made a motion to adjourn the meeting at 1152 hours and Trustee Cavender seconded the motion. All in favor.

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

**Participant Summary**

**Fund Name:** Park Ridge Police Pension Fund      **Participant Name:** Duane Mellema

**Benefit Summary**

**Fund Type:** Police  
**Benefit Type:** Retirement  
**Reciprocity:** No  
**Birth Date:** ██████████  
**Hire Date:** 1/28/1991      **Unpaid Break Days:** 0  
**Retired Date:** 7/2/2021      **Effective Date of Benefit:** 7/3/2021  
**Annual Salary:** \$136,564.06  
**Creditable Service:** 30 Year(s) 5 Month(s) 5 Day(s)

**Initial Benefit Summary**

**Initial Benefit Date:** 7/3/2021  
**Initial Annual Benefit:** \$102,423.05 = 75.00% of \$136,564.06 (Annual Salary)

**Prorated Benefit Summary**

**Prorated Date Range:** 7/3/2021 - 7/31/2021  
**Prorated Benefit:** \$7,984.59 = 29 Prorated Day(s) x \$8,535.25 (Monthly Benefit)/31 Days in the Month  
**Total Prorated Benefit:** \$7,984.59

**Benefit Schedule**

<b>Benefit Type</b>	<b>Benefit Date</b>	<b>Monthly Increase</b>	<b>Monthly Benefit</b>	<b>Annual Benefit</b>	<b>Increase Rate</b>
Initial Annual Benefit	7/3/2021	\$0.00	\$8,535.25	\$102,423.05	
First Increase	8/1/2022	\$256.06	\$8,791.31	\$105,495.72	3.00%
Annual Increase	1/1/2023	\$263.74	\$9,055.05	\$108,660.60	3.00%
Annual Increase	1/1/2024	\$271.65	\$9,326.70	\$111,920.40	3.00%
Annual Increase	1/1/2025	\$279.80	\$9,606.50	\$115,278.00	3.00%
Annual Increase	1/1/2026	\$288.20	\$9,894.70	\$118,736.40	3.00%
Annual Increase	1/1/2027	\$296.84	\$10,191.54	\$122,298.48	3.00%
Annual Increase	1/1/2028	\$305.75	\$10,497.29	\$125,967.48	3.00%
Annual Increase	1/1/2029	\$314.92	\$10,812.21	\$129,746.52	3.00%
Annual Increase	1/1/2030	\$324.37	\$11,136.58	\$133,638.96	3.00%
Annual Increase	1/1/2031	\$334.10	\$11,470.68	\$137,648.16	3.00%
Annual Increase	1/1/2032	\$344.12	\$11,814.80	\$141,777.60	3.00%
Annual Increase	1/1/2033	\$354.44	\$12,169.24	\$146,030.88	3.00%
Annual Increase	1/1/2034	\$365.08	\$12,534.32	\$150,411.84	3.00%
Annual Increase	1/1/2035	\$376.03	\$12,910.35	\$154,924.20	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	1/1/2036	\$387.31	\$13,297.66	\$159,571.92	3.00%
Annual Increase	1/1/2037	\$398.93	\$13,696.59	\$164,359.08	3.00%
Annual Increase	1/1/2038	\$410.90	\$14,107.49	\$169,289.88	3.00%
Annual Increase	1/1/2039	\$423.22	\$14,530.71	\$174,368.52	3.00%
Annual Increase	1/1/2040	\$435.92	\$14,966.63	\$179,599.56	3.00%
Annual Increase	1/1/2041	\$449.00	\$15,415.63	\$184,987.56	3.00%
Annual Increase	1/1/2042	\$462.47	\$15,878.10	\$190,537.20	3.00%
Annual Increase	1/1/2043	\$476.34	\$16,354.44	\$196,253.28	3.00%
Annual Increase	1/1/2044	\$490.63	\$16,845.07	\$202,140.84	3.00%
Annual Increase	1/1/2045	\$505.35	\$17,350.42	\$208,205.04	3.00%
Annual Increase	1/1/2046	\$520.51	\$17,870.93	\$214,451.16	3.00%
Annual Increase	1/1/2047	\$536.13	\$18,407.06	\$220,884.72	3.00%
Annual Increase	1/1/2048	\$552.21	\$18,959.27	\$227,511.24	3.00%
Annual Increase	1/1/2049	\$568.78	\$19,528.05	\$234,336.60	3.00%
Annual Increase	1/1/2050	\$585.84	\$20,113.89	\$241,366.68	3.00%
Annual Increase	1/1/2051	\$603.42	\$20,717.31	\$248,607.72	3.00%
Annual Increase	1/1/2052	\$621.52	\$21,338.83	\$256,065.96	3.00%
Annual Increase	1/1/2053	\$640.16	\$21,978.99	\$263,747.88	3.00%
Annual Increase	1/1/2054	\$659.37	\$22,638.36	\$271,660.32	3.00%
Annual Increase	1/1/2055	\$679.15	\$23,317.51	\$279,810.12	3.00%
Annual Increase	1/1/2056	\$699.53	\$24,017.04	\$288,204.48	3.00%
Annual Increase	1/1/2057	\$720.51	\$24,737.55	\$296,850.60	3.00%
Annual Increase	1/1/2058	\$742.13	\$25,479.68	\$305,756.16	3.00%
Annual Increase	1/1/2059	\$764.39	\$26,244.07	\$314,928.84	3.00%
Annual Increase	1/1/2060	\$787.32	\$27,031.39	\$324,376.68	3.00%
Annual Increase	1/1/2061	\$810.94	\$27,842.33	\$334,107.96	3.00%
Annual Increase	1/1/2062	\$835.27	\$28,677.60	\$344,131.20	3.00%
Annual Increase	1/1/2063	\$860.33	\$29,537.93	\$354,455.16	3.00%
Annual Increase	1/1/2064	\$886.14	\$30,424.07	\$365,088.84	3.00%
Annual Increase	1/1/2065	\$912.72	\$31,336.79	\$376,041.48	3.00%
Annual Increase	1/1/2066	\$940.10	\$32,276.89	\$387,322.68	3.00%
Annual Increase	1/1/2067	\$968.31	\$33,245.20	\$398,942.40	3.00%
Annual Increase	1/1/2068	\$997.36	\$34,242.56	\$410,910.72	3.00%
Annual Increase	1/1/2069	\$1,027.28	\$35,269.84	\$423,238.08	3.00%
Annual Increase	1/1/2070	\$1,058.10	\$36,327.94	\$435,935.28	3.00%