

**PARK RIDGE POLICE PENSION FUND
BOARD OF TRUSTEES
October 20th, 2015 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, October 20th, 2015 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 the trustees. Present were trustees Laura Kappler, Jim Stonebridge, Robert Kristie, Carl Brauweiler and Duane Mellema. Also in attendance was Brian LeFevre from Sikich LLP, Charles Atwell the board attorney, Mary Tomanek from Graystone Consulting, Alderman John Moran, former trustee Tom Ahlbeck and the city finance director Joe Gilmore with the City of Park Ridge.

Approval of Minutes: The Trustees reviewed the minutes from the July 28th, 2015 meeting. Upon a motion made by Carl Brauweiler, seconded by Robert Kristie the minutes of the July 28th, 2015 meeting were unanimously approved.

Investment Report: Mary Tomanek from Graystone Consulting a business of Morgan Stanley presented the quarterly investment report on the new ipads. Mrs Tomanek reviewed the performance of the portfolio and the current equity strategy. Mary asked to have Tim Sharpe prepare a schedule of expected pension liabilities so she can create an asset liability study. Mary made recommendations to the board on moving investments.

A motion was made by Carl Brauweiler to move \$500,000 from Atalanta to Vanguard Total Stock Market Index fund due to under performance. Jim Stonebridge seconded the motion. A roll call vote was taken: "Yeas" – Kristie, Kappler, Mellema, Stonebridge, and Brauweiler. "Nays" – none.

A motion was made by Duane Mellema and seconded by Robert Kristie to approve the investment financial report as submitted dated September 30th, 2015. A roll call vote was taken: "Yeas – Kristie, Mellema, Brauweiler, Kappler and Stonebridge. "Nays – none.

Accounting Firm: Brian LeFevre from Sikich LLP presented the financial statement for the 5 months ending September 30th, 2015. He reviewed the report and the various schedules. He reviewed the financial, the mix of investments, and the levy payments. The graph which provided an excellent visual representation of the various issues including the amount of administrative expenses in relation to the pensions paid.

Mary Tomanek left the meeting at 11:15 a.m.

A motion was made by Carl Brauweiler and seconded by Robert Kristie to approve the accounting financial report dated September 30th, 2015. A roll call vote was taken: “Yeas – Kristie, Mellema, Brauweiler, Kappler, and Stonebridge. “Nays” – none. Note: Correction on last page

A motion was made by Jim Stonebridge to accept the new contract with Sikich that reflects a 4% raise from two years ago. It was seconded by Carl Brauweiler. A roll call vote was taken: “Yeas” – Kristie, Mellema, Brauweiler, Kappler, and Stonebridge. “Nays – none.

The warrant disbursement sheet for the past three months totaling \$ 808,681.17 was presented to the board by Sikich. A motion was by Robert Kristie and seconded by Duane Mellema to accept the expenditure report ending September 30th, 2015. A roll call vote was taken: “Yeas – Kristie, Mellema, Brauweiler, Kappler, and Stonebridge. “Nays – none.

Brian LeFevre explained that there is a new mortality table as of 2012 that can now be used for the actuary report.

John Moran left the meeting at 11:30 a.m.

The board had been given prior to the meeting the preliminary report by actuary Tim Sharpe. He recommended using an assumption rate of 6.5% with 100% funding level. A motion was made by Carl Brauweiler to request that the city levy in the amount of \$2,250,618 and this was seconded by Robert Kristie. A roll call vote was taken: Kristie, Mellema, Brauweiler, Kappler, and Stonebirdge. “Nays” – none.

A letter will be drafted by Laura Kappler along with the final report and given to the Shawn Hamilton the city Manager along with the current investment policy.

President Kappler brought up that there was a new patrolman’s contract and a first ever Sergeant’s contract. The information was given to Debbie Crabtree at Sikich and they sent it off to the DOI for a decision on what is and what is not pensionable pay. We should have that decision in the coming weeks. It will then be given the payroll at the City of Park Ridge.

Brian LeFerve left the meeting at 11:40 a.m.

Employment and retiree status update: The board found that Officer Myles Klein resigned as of September 8th, 2015 he had been hired September 15th, 2014. He was Tier 2 and not eligible for portability since he had less than two years on the job. The board will work on getting his contributions back to him.

Due to the new contract for the patrolman retiree Laura Kappler is due an increase in her pension since she was still actively working at the time the contract would have been in effect. A motion was made by Duane Mellema to approve the change to her original benefit based on calculations from Sikich and reviewed by city Finance Director Joe Gilmore. The original benefit was \$64,023.00 and the new benefit

is \$64,947.00 annually and Seconded by Jim Stonebridge. A roll call vote was taken: “Yeas” – Kristie, Mellema, Stonebridge, and Brauweiler. Trustee Kappler Abstained from the vote.

President Kappler advised the board that on October 6th, Officer Vallejo was terminated from the police department. He is in the process of going to an arbitration hearing on the issue.

The board discussed the 5 year requirement of looking into other investment advisor’s / consultants. The board would like to put out a request for proposal to 3 or 4 qualified companies to see if they are interested at the beginning of 2016. A special meeting will be held at the time.

Trustee Training: Trustee’s Kappler and Kristie attended the Midwest Pension Conference in Lake Geneva October 7-9, 2015. Trustee Carl Brauweiler attended a half day accountant seminar on September 17th. A certificate was placed in the file on his behalf.

Our next board meeting will be January 26th, 2016. A motion was made by Robert Kristie that we hold the meeting January 26th, 2016 at 10:00 a.m at city Hall and seconded by Jim Stonebridge. All were in favor of the meeting date.

Adjournment: On a motion made by Duane Mellema and seconded Jim Stonebridge the meeting was adjourned at 12:20 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 January 26th, 2016.
These minutes were prepared by Laura Kappler.

