

PARK RIDGE POLICE PENSION FUND

BOARD OF TRUSTEES

OCTOBER 22, 2019 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 22, 2019 at 1000 a.m. at City Hall, 505 Butler Place, Park Ridge, Illinois.

1. Call to Order

Trustee Stonebridge called the meeting to order at 1008 hours.

2. Roll Call

Roll call was taken. Present were Trustees James Stonebridge, Jon Moehrlin, Greg Orta, and Jeff Hejza. Also in attendance were Brian LeFevre from Sikich LLP, Mary Tomanek from Graystone Consulting, Charles Atwell (Board Attorney), Andrea Lamberg, City Finance Director, Sue Tunzi, Police Administrative Assistant and Carl F. Brauweiler, Citizen of Park Ridge.

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 23, 2019

The minutes from the previous quarterly meeting held on July 23, 2019 were reviewed. A motion was made by Trustee Orta to approve the minutes and was seconded by Trustee Hejza. 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. Board Elections

Trustee Orta announced that there is a vacancy for a retiree which expires Spring of 2020. Trustee Moehrlin reported that an email had gone out to the retirees but he did not receive any responses, but did state that one of the new retirees is interested. Discussion ensued and it was decided that the interim vacancy will not be filled, but there will be a formal notice looking for additional nominees for an election to be held in April of 2020 for the term starting May 1, 2020.

Also discussed was that Trustees Orta and Stonebridge's appointments are up in 2021 and Trustees Hejza and Moehrlin's appointments are up in 2020. Trustee Moehrlin will be on the ballot for a new term for 2020.

b. 2020 Board Meeting Dates

Trustee Stonebridge proposed some dates for the Pension Board meetings for 2020. Dates proposed were: January 21st, April 21st, July 21st and October 20th all at 10:00 am at City Hall. Trustee Hejza made a motion to accept these dates and Trustee Orta seconded the motion. All were in favor.

7. Applications for Membership/Withdrawals from Fund

a. Contribution Refunds, as necessary

None

b. Applications for Membership, as necessary – Taylor, Szwejkowski

Trustee Moehrlin stated that Officer Emery Taylor was hired on January 5, 2018 but had not been officially accepted into the fund. He is currently on military leave. Finance is keeping track of his contributions and are going to do a repayment plan. Trustee Moehrlin made a motion to accept Officer Taylor into the fund and Trustee Hejza seconded the motion. A roll call vote was taken: "Ayes" – Stonebridge, Moehrlin, Hejza and Orta. "Nays" – None.

Trustee Moehrlin stated that Officer Artur Szwejkowski is on his fourth day of Field Training but had been a Chicago Police Officer for a little over a year. Both he and Taylor are Tier 2. Trustee Orta made a motion to accept Officer Szwejkowski into the fund and Trustee Hejza seconded the motion. A roll call vote was taken: "Ayes" – Stonebridge, Moehrlin, Hejza and Orta. "Nays" – None.

8. Application for Retirement/Disability Benefits

a. Approve Regular Retirement Benefits – Broderick, Wisniewski (Suarez) & Cavendar

Brian LeFevre from Sikich reported that Broderick's initial benefit date was October 5, 2019. She will be receiving a prorated benefit for October of \$3,411.95 and her full monthly payment beginning in November will be \$3,917.42. Trustee Orta made a motion to accept Officer Broderick for the retirement benefit as stated and Trustee Hejza seconded the motion. A roll call vote was taken: "Ayes" – Stonebridge, Moehrlin, Hejza and Orta. "Nays" – None.

Brian LeFevre reported that the effective date for Officer Wisniewski (Suarez) is October 12th. She will receive \$2,950.22 for her prorated benefit and her benefit beginning in November will be \$4,572.84 a month. Trustee Orta made a motion to accept Officer Wisniewski for the retirement benefit as stated and Trustee Hejza seconded the motion. A roll call vote was taken: "Ayes" – Stonebridge, Moehrlin, Hejza and Orta. "Nays" – None.

Brian LeFevre reported that the effective date for Officer Cavender is October 12th. His prorated benefit for October will be \$3,486.62 and his monthly benefit beginning in November will be \$5,404.26. Trustee Moehrlin made a motion to accept Officer Cavender for the retirement benefit as stated and Trustee Hejza seconded the motion. A roll call vote was taken: "Ayes" – Stonebridge, Moehrlin, Hejza and Orta. "Nays" – None.

b. *Disability Application Status Update, as necessary*

Trustee Moehrlin stated that one officer has been out for eight months and is on light duty. He also added that there is a bill for \$50 from Illinois Spine for Agnes Szpiganowicz' annual disability exam.

c. *Deceased Pensioner, as necessary – **Rochocki & Scheunemann***

As mentioned at the last quarterly meeting, Trustee Stonebridge reported that there were two deceased pensioners. Former Officer Rochocki passed away on July 10th and Former Officer Scheunemann passed away on April 28th. There were no surviving spouses for either of them.

9. Communication and Reports

a. *Affidavits of Continued Eligibility Update*

None

b. *Active Member File Update*

None

c. *Trustee Training Update*

Trustee Stonebridge believes that this is covered and that they have copies of everything for the current fiscal year.

10. Accountant's Report – Sikich, LLP

a. *Monthly Financial Report*

Brian LeFevre from Sikich presented the Compilation Report for the first five months of the Fiscal Year ending September 30, 2019, which reflected a gain of \$1.027 million. The Cash and Investments show the Mutual Funds at 61% and Stock Equities at 3%, which total 64%, which is in line with the statute.

The Expense Report for the current month of September, for the pension was at \$291,973.97. The Member Contribution Report and the total contributions for the year were at \$209,618.11. As of September 30th, the fund collected \$2.427 million for the Property Tax Receipt Report for the 2018 taxes, tax extended is \$2.489 million, and 97.50% is collected.

Andrea Lamberg stated that at the last meeting there was a question about the fiduciary insurance policy and she put together a comparison of the coverage and rate and passed it around. The main coverage is the same. There were some things that were silent on the Police policy that are explicitly stated for Fire and she doesn't know if Police have that coverage as it is not stated. Trustee Stonebridge will send a note to the broker and show the side by side to see if it is covered.

Trustee Orta made a motion to approve the September 30, 2019 Compilation Report and Trustee Hejza seconded the motion. A roll call vote was taken: "Ayes" – Stonebridge, Moehrlin, Hejza and Orta. "Nays" – None.

b. *Presentation and Approval of Bills*

Brian LeFevre reported that the Disbursement Warrant for the time period July 1, 2019 through September 30, 2019 totaled \$918,377.34.

Trustee Moehrlin made a motion to approve the Disbursement Warrant Report for the period of July 1, 2019 through September 30, 2019 in the total amount of \$918,377.34 and Trustee Hejza seconded the motion. A roll call vote was taken: “Ayes” – Stonebridge, Moehrlin, Hejza and Orta. “Nays” – None.

c. *Additional Bills, as necessary*

Trustee Moehrlin made a motion to approve the \$50 charge for Illinois Spine for Agnes Szpiganowicz for her annual disability exam and Trustee Hejza seconded the motion. A roll call vote was taken: “Ayes” – Stonebridge, Moehrlin, Hejza and Orta. “Nays” – None.

Trustee Stonebridge added that there were three bills for Atwell and Atwell to be approved and reviewed for payment. The bills are dated August 12, 2019 for \$1,850.00, September 12, 2019 for \$200.00 and October 7, 2019 for \$300.00. Trustee Hejza made a motion to approve them as stated and Trustee Orta seconded the motion. A roll call vote was taken: “Ayes” – Stonebridge, Moehrlin, Hejza and Orta. “Nays” – None.

d. *DOI Interrogatories*

Trustee Stonebridge announced that everything will be filed prior to the end of the month and gave kudos for the huge team effort to produce all of the items that are requested.

Brian LeFevre stated that they have everything that is needed including the audit report from the city and asked the board to approve Sikich to file the annual statement. Trustee Orta made a motion to approve the submission and Trustee Hejza seconded the motion. A roll call vote was taken: “Ayes” – Stonebridge, Moehrlin, Hejza and Orta. “Nays” – None.

11. Actuarial Report

a. *Tax Levy Request/Municipal Compliance Report*

Trustee Stonebridge reported that the final draft version amount was sent out to the group and includes all of the spousal information. It was noted that this draft is considered to be the Final Actuarial Report.

Trustee Orta made a motion to approve the Tax Levy Actuarial Report for the fiscal year ending April 30, 2019 in the amount of \$2,567,818 and Trustee Hejza seconded the motion. A roll call vote was taken: “Ayes” – Stonebridge, Moehrlin, Hejza and Orta. “Nays” – None.

Trustee Moehrlin made a motion to approve the Municipal Compliance Report for the Fiscal Year ending April 30, 2019 in the amount of \$2,567,818 and the Tax Levy Request Letter and Trustee Hejza seconded the motion. A roll call vote was taken: “Ayes” – Stonebridge, Moehrlin, Hejza and Orta. “Nays” – None. Trustee Stonebridge will send the letter.

12. Attorney’s Report – Atwell & Atwell

a. *Legal Updates*

Attorney Atwell reported that the consolidation issue is currently in the veto session. The committee had already suggested the consolidation and the question is whether it will go through in the veto session. Attorney Atwell’s understanding is that they would move the investment portfolios, accounting audit actuarial services to the State of Illinois and the

administrative functions would remain with the board at this time. There is still a lot of uncertainty regarding what the mechanics of this process is going to be if it does go through. Discussion ensued.

Trustee Stonebridge reported that on October 14th, the board submitted a resolution regarding consolidation of Pension Funds requesting that the legislation delay any action until there is a better sense of what is going on.

13. Investment Report – Graystone Consulting

a. *Quarterly Investment Performance Report*

Mary Tomanek from Graystone Consulting reported that it has been a great year. The quarter came in a little over 1% and the year to date came in a little over 15%. The fixed side was a little over 9% and CS McKee was just under 10%. Because interest rates have come down, the fixed income returns have benefited from gains. Money market has currently been running a little high. On the equities side there have been good relative return, just under 1%, bringing the year's equity return just under 19%. The index funds are all within expectation. She is still feeling positive about International in terms of it doing better than the domestic market. She stated that International is a little bit overweight right now and Large and Mid Cap are a tad under. None are outside of the range. Cash is running at \$2.2 million. She recommended allocating \$500,000, still staying within the equities fixed allocation, as well as getting a little closer to target.

Trustee Hejza made a motion to allocate \$250,000 from the Money Market to the Vanguard Total Stock Market Index and another \$250,000 from the Money Market Fund to the Vanguard Mid Cap Index and Trustee Orta seconded the motion. A roll call vote was taken: "Ayes" – Stonebridge, Moehrlin, Hejza and Orta. "Nays" – None.

Trustee Moehrlin made a motion to approve the Quarterly Investment Report dated September 30, 2019 and Trustee Orta seconded the motion. A roll call vote was taken: "Ayes" – Stonebridge, Moehrlin, Hejza and Orta. "Nays" – None.

b. *Review of Investment Policy and Amendments, as necessary*
None

14. Closed Session, as necessary

None

15. Adjournment – Roll Call

A motion was made to adjourn the meeting at 11:23 hours by Trustee Orta and was seconded by Trustee Moehrlin. All were in favor.