

**PARK RIDGE POLICE PENSION
FUND BOARD OF TRUSTEES
APRIL 16, 2024, 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 April 16, 2024, 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 1009 hours.

2. Roll Call

Roll call was taken. Present were Trustees Jon Moehrlin, Ruth Hahn, and Jeff Hejza

Trustee Michael Malatesta and Rodney Cavender were not in attendance.

Also in attendance were Brian LeFevre from Sikich LLP, Anthony Gedvilas Lauterbach & Amen, LLP, Charles Atwell (Board Attorney), Christopher Lipman (City Finance Director), Nate Giacalone (City Asst. Finance Director), and Sarah Hayes - Police Administrative Assistant

3. Public Comment – Limited to 3 Minutes per Comment

None

4. Old Business

None

5. Approval of Meeting Minutes

*Regular Meeting Minutes of **JANUARY 16, 2024***

a. The minutes from the previous quarterly meeting held on January 16, 2024, were reviewed. Trustee Hejza made a motion to approve the minutes, and Trustee Moehrlin seconded the motion. Motion carried unanimously by voice vote.

b. Special Meeting Minutes, as necessary

None

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

None

6. New Business

a. Mayoral appointed position

Trustee Hejza will remain on the Park Ridge Police Pension Board until there is a new appointee.

b. Board Elections (Ofc Moehrlin and retired Officer Cavender)

Trustee J. Moehrlin's active-duty term expires April 30, 2024. The election for new trustees will be complete by April 30th, 2024. All votes will be counted, and the result will be posted before the next

meeting. All open board positions will be approved at the next quarterly meeting. The retiree open position election will be administered by Sikich, LLC.

c. *Actuarial Reports - Municipal Compliance Report*

Anthony Gedvilas from Lauterbach & Amen, LLC presented the results of the Actuarial Funding Report for the fiscal year ending December 31, 2023. He reported that the Recommended Contribution's current valuation is \$3.1 million which is an increase of 6.49% year over year. The Percent Funded is 70.19% for the fiscal year end which is well above average. He went over the demographic changes, and benefit experience compared to expectation. He reported that benefit payments are anticipated to increase 32% in the next 5 years and 62% in the next 10 years.

Also discussed were the plan changes. The Public Act 102-0811 was passed on May 13, 2022, and was effective January 1, 2023. It states that the surviving spouse of a deceased police retiree can receive benefits payments at age 62 for up to 15 years if the police officer gets married after retirement and stays married for 5 years.

The rate of return on investments on a Fair Value of Assets basis for the fund was approximately 15.73% net of administrative expense. Risk Management data showed the ratio of benefit payments to the Fair Value of Assets to be 6.79% compared to an Expected Rate of Return on Investments of 6.75%. The Five-Year Employer Contribution History shows that the City is funding the plan based on actuarial recommended amounts. The audit will be complete by the next quarterly meeting and any changes will be approved at that time.

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

a. Contribution Refunds, as necessary – Brown, Pearson, and Lynch

Trustee Moehrlein reported that Officers Brown and Lynch wish to buy back their time for portability. Officer Pearson is not transferring to another department and just wishes to receive a refund. Trustee Moehrlein made a motion to approve a refund of \$46, 884.43 to Officer Pearson. Trustee Hejza seconded the motion. Motion carried unanimously by voice vote.

Trustee Moehrlein reported that he signed off on a request from Lauterbach & Amen, LLC from Aurora regarding Officer Brown and is waiting to hear back how much needs to be paid to them. Brian LeFevre stated that Officer Brown needs to sign off on whether he wishes to pay any additional amount up to the true cost of his portability. The Park Ridge Police Pension Fund will pay the requested amount to Aurora Police Pension Fund for Officer Brown's time with Park Ridge Police once they receive the paperwork.

Trustee Moehrlein reported that Officer Lynch's wishes to start the process of transferring his funds over to Arlington Heights Police Pension Fund. No paperwork has been received so far.

b. Applications for Membership, as necessary (Jace Koerner)

Trustee Moehrlein reported that Jace Koerner will be sworn in on April 17, 2024. Trustee Moehrlein made a motion to accept Jace Koerner into the Park Ridge Police Pension Fund. Trustee Hejza seconded the motion. Motion carried unanimously by voice vote.

c. Special Contributions, as necessary

None

8. Application for Retirement/Disability Benefits

a. Approve Regular Retirement Benefits, as necessary (Garcia 01/17/2024)

Trustee Moehrlein made a motion to accept Officer Lenny Garcia into the Park Ridge Police Pension Fund as a

retiree with a monthly retirement benefit of \$6,395.76, effective January 17, 2024. Trustee Hahn seconded the motion. Motion carried unanimously by voice vote.

- b. Disability Application Status Update, as necessary
None
- c. Deceased Pensioner, as necessary
None

9. Communication and Reports

a. *Trustee Training Update*

Trustees Moehrlin will be attending the IPPFA conference for annual training in the Fall of 2024.

10. Accountant's Report – Sikich, LLP

a. *Monthly Financial Report*

Brian LeFevre from Sikich presented the prepared Financial Statements Report through 2/29/2024. There is a total of \$1.65 million in cash in the Chase Checking account and the value of Park Ridge Police Pension Fund's share of the Consolidated IPOPIF is \$67.2 million which gives total assets of \$68.4 million. Brian reviewed the Operating Statements and reported that there was a Year-to-Date Net Investment Income of \$1.2 million. Total deductions were \$798,552. The Net Increase for the year ended February 29, 2024, was \$756,318.52. February pension expenses are \$401,265.28. First installment property taxes were received from the city in the amount of \$948,526. March pension payments were \$398,657. Plan is working efficiently. Brian went over the Disbursement Warrant for the period of January 1, 2024, through March 31, 2024, which totaled \$1.2 million.

Trustee Moehrlin made a motion to approve the prepared Financial Statements for period ending February 29, 2024. Trustee Hahn seconded the motion. Motion carried unanimously by voice vote.

b. *Presentation and Approval of Bills*

None

c. *Additional Bills, as necessary*

None

d. *Annual Statement – Department of Insurance (DOI)*

Brian LeFevre reported that a draft of the Annual Statement has been sent to the actuaries which was presented today by Lauterbach & Amen at the meeting. To be ready for the filing of the annual statements Sikich needs copies of all the minutes from the 2023 meetings and any training certificates from the trustees to file by the end of June 2024. The filing of Annual Statements will be ratified at the next meeting of the Park Ridge Police Pension fund.

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

None

f. *Affidavit Update*

Brian LeFevre reported that affidavits went out on February 16th to the beneficiaries. They were due back

April 15, 2024. He is still waiting on 8 individuals to respond. Sikich will send a second request in a week via email to remind them to return the affidavits. Updates will be presented at the next meeting.

g. *Quarterly Investment Performance Report (IPOPIF)*

Brian LeFevre summarized the quarterly Investment Report. As of February 29, 2024, the return on investment is 1.77%. One year return on investment is 12.45% and 10.55% since inception 12/01/2022.

Trustee Moehrlin made a motion that the IPOPIF Investment Fund Report was reviewed through February 29, 2024. Trustee Hejza seconded the motion. Motion carried unanimously by voice vote.

h. *Fiscal year end - DOI and Audit update*

Brian reported that all work papers have been sent to the auditor and testing is scheduled for later this month.

11. Attorney's Report – Atwell & Atwell

Legal Updates

Attorney Atwell stated that the overpayment to the estate of Sciarra is still outstanding and he will update the Board as soon as he has any information. He added that a current Cook County case has been filed by several judges challenging the constitutionality of Tier 2 employees. This is raising the issue that pursuant to the legislative requirements that there must be 3 readings of any bill, and questioning whether the legislator has complied with that rule as far as the reading requirements.

12. Investment Report

Quarterly Investment Performance Report

None

13. Closed Session, as necessary

None.

14. Adjournment – Roll Call

Trustee Hejza made a motion to adjourn the meeting at 1047 hours and Trustee Moehrlin seconded the motion. Motion carried unanimously by voice vote.