

**PARK RIDGE POLICE PENSION FUND
BOARD OF TRUSTEES
April 25th, 2017 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 Wednesday April 25th, 2017 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 trustees. Present were trustees Laura Kappler, James Stonebridge, Jon Moehrlin, Greg Orta and Jeff Hejza. Also in attendance was Brian LeFevre from Sikich LLP, Charles Atwell the board attorney, and Mary Tomanek from Graystone Consulting, City Secretary Julie Zarlenga, and citizen Carl Brauweiler.

Approval of Minutes: The trustees reviewed the minutes from the January 25th, 2017. A motion was made by Jeff Hejza to approve the minutes and a second by Jon Moehrlin. All were in favor the minutes were unanimously approved by the board.

Accounting Firm: Debbie Crabtree from Sikich presented the financial statement for the 11 months ending March 31st, 2017. She reviewed the report and the various schedules included. She also reviewed the finances, the investments that are coming due and the tax levy payments schedule. A motion was made by Jim Stonebridge and seconded by Jeff Hejza. A roll call vote was taken: "Yeas" – Kappler, Stonebridge, Orta, Moehrlin and Hejza. "Nays" – None.

The warrant disbursement sheet for the past three months January 1st, 2017 thru March 31st, 2017 totaling \$998,172.28 was presented to the board by Sikich. A motion was made by Jim Stonebridge and seconded by Greg Orta to accept the expenditure report ending March 31st, 2017. A roll call vote was taken: "Yeas" – Kappler, Stonebridge, Orta, Moehrlin and Hejza. "Nays" – none.

Police Officer Status: Probationary Officer Elitsa Aptsheva resigned as of February 16th, 2017. Officer James Novy resigned as of March 17th, 2017 paperwork will need to be sent to both to return their pension contributions.

Trustee Travel and training expenses was brought up at the last meeting. For now the policy is part of our Rules and Regulations due to this no action will be taken.

Retired Officer Taylor will make payments until May 31st, 2017 per his child support order as his son will be finishing high school. No further information at this time.

Attorney Atwell has no report.

The investment policy will be tabled until the July pension meeting.

Attorney Atwell suggested we contact the state in reference to the files that need to be destroyed after they are saved to DVD's. President Kappler suggested it would be time for some new filing cabinets. Discussion was had and she will find out what two fire proof cabinets would cost for the July meeting.

Trustee Training: Trustees Kappler and Moehrlin attended the 8 hour training hosted by the IPPFA.

Investment Report: Mary Tomanek from Graystone Consulting a business of Morgan Stanley presented the quarterly investment report. Risk markets globally made new highs in the first quarter of 2017. While many attribute this to the pro-growth potential of "Trumponomics", we believe it has more to do with the powerful global reflationary rebound, positive earnings revisions, and strong earnings growth forecasts. The Federal Open Market Committee made news as it hike rates for the second meeting in a row and signaled 2 further hikes in 2017.

For the quarter, US equities posted strong performance, especially the Tech sector, which returned 12.6%. The energy sector was a clear laggard (-6.7%) as fears of a substantial decline in crude oil prices weighed on returns in 1Q17. The largest returns for the quarter actually came from abroad with Emerging Markets registering 11.5% total return and Europe 7.6%.

The bond market had slightly positive returns during the first quarter as interest rates decreased. The Bloomberg U.S. Aggregate Bond Index, a general measure of the bond market, increased 0.8% for the quarter.

Recommendations: Transfer \$750,000 from Cambiar Large Value and \$500,000 from Red Granite Large Growth and invest \$1,250,000 in Vanguard Total Stock Market Index Fund.

After discussion on this recommendation a motion by Jim Stonebridge and seconded by Jeff Hejza to move \$500,000 from Cambiar Large Value and \$750,000 from Red Granite Large Growth and invest \$1,250,000 in Vanguard Total Stock Market Index Fund. A roll call vote was taken: "Yeas" – Stonebridge, Hejza, Orta, Moehrlin and Kappler. "Nays" – none.

The next recommendation was to review Mid Core Analysis, transfer \$2M from Madison Mid Cap Core to Vanguard Mid Cap Index Fund. A motion was made by Jim Stonebridge and seconded by Jeff Hejza. A roll call vote was taken: "Yeas" – Stonebridge, Hejza, Orta, Moehrlin and Kappler. "Nays" – none.

The last recommendation was to transfer remaining "internal" holdings to CSMcKee.

A motion was made by Jim Stonebridge and seconded by Greg Orta to transfer face value Federal Home Loan Bank due 6/12/26 and 8/15/24 to CSMcKee. A roll call vote was taken: "Yeas" – Stonebridge, Hejza, Orta, Moehrlin and Kappler. "Nays" – none.

A motion to approve the 11 month investment financial report as submitted dated March 31st, 2017 was made by Jim Stonebridge and seconded by Jeff Hejza. A roll call vote was taken: "Yeas" – Stonebridge, Hejza, Orta, Moehrlin and Kappler. "Nays" – none.

Fiduciary Insurance: President Kappler will get one of the two companies to come to the July meeting to present the pros and cons to having this insurance.

Adjournment: On a motion made by Jon Moehrlin and seconded by Jim Stonebridge the meeting was adjourned at 11:50 am p.m. Approved unanimously carried in a roll call vote.

Respectfully submitted,

Laura Kappler, President

Jon Moehrlin, Secretary

Approved by the Board of Trustees on July 26th, 2017.

These minutes were prepared by Laura Kappler