



Village of Hanover Park Police Department

Police Administration
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hpil.org

Village President
Rodney S. Craig

Village Clerk
Eira Corrat Sepulveda

Trustees
James Kemper
Jon Kunkel
Herb Porter
Bob Prigge
Rick Roberts
Sharmin Shahjahan

Village Manager
Juliana A. Maller

MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE HANOVER PARK POLICE PENSION FUND JANUARY 8, 2019

A regular meeting of the Board of Trustees of the Hanover Park Police Pension Fund was held on Tuesday, January 8, 2019 at 4:00 p.m. at Village Hall located at 2121 W. Lake St., Hanover Park, IL for the purpose of conducting regular business.

CALL TO ORDER: The meeting was called to order by Trustee Sullivan at 4:02 p.m.

ROLL CALL:

PRESENT: Trustees George Sullivan, Thomas Langhenry, Mark Walther, Ray Seidel and Remy Navarrete
ABSENT: None
ALSO PRESENT: Board Attorney Robert Zelek, Law Offices of Robert M. Zelek; Craig Larsen, AHC Advisors, Inc.; Tom Sawyer, Sawyer Falduto Asset Management, LLC; Amanda Secor, Lauterbach & Amen, LLP (L&A); Chief Michael Menough and Active Member Kevin Pini, Hanover Park Police Department

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *October 9, 2018 Regular Meeting Minutes:* The Board reviewed the minutes from the October 9, 2018 regular meeting. A motion was made by Trustee Sullivan and seconded by Trustee Walther to approve the October 9, 2018 regular meeting minutes as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Meeting Minutes: There were no closed session meeting minutes to review.

INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC: *Quarterly Investment Performance Report:* Mr. Sawyer presented the Quarterly Investment Performance Report for the period ending 12/31/2018. As of 12/31/2018, the investment return for the fourth quarter is \$108,995 for an ending market value of \$6,019,241. The current asset allocation is as follows: Fixed Income at 95.9% and Cash Equivalents at 4.1%. Mr. Sawyer reviewed the Fixed Income Portfolio with the Board and answered all questions.

ACCOUNTANT’S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report & Presentation and Approval of Bills:* L&A presented the Monthly Financial Report for the period ended November 30, 2018. The net position held in trust for pension benefits is \$32,991,119.26, with a change in position of \$(388,286.42) for the eleven-month period ending 11/30/2018. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal. The Board also reviewed the Vendor Check Report for the period of 09/01/2018-11/30/2018, for total disbursements in the amount of \$122,878.77. A motion was made by Trustee Sullivan and seconded by Trustee Seidel to accept the Monthly Financial Report and to approve the disbursements listed on the Vendor Check Report as presented. Motion carried by roll call vote.

AYES: Trustees Sullivan, Langhenry, Walther, Seidel and Navarrete
NAYS: None
ABSENT: None

Additional Bills, if any: There were no additional bills presented for approval.

INVESTMENT REPORT – AHC ADVISORS, INC.: *Quarterly Investment Report:* Mr. Larsen of AHC Advisors Inc. presented the Quarterly Investment Report for the period ending December 31, 2018. As of 12/31/2018, the quarter-to-date total net return is (8.2)% for a change in investment value of \$(2,825,983) and an ending market value of \$31,298,746. The current asset allocation is as follows: Fixed Income at 43.61%, Equities at 55.41% and Cash Equivalents at 0.98%. Mr. Larsen reviewed the Market Commentary, Equity Portfolio, Fixed Income Portfolio and Transaction Ledger Report with the Board.

The Board discussed interim cash flow requisite for the purpose of pension benefit payments. A motion was made by Trustee Sullivan and seconded by Trustee Walther to authorize Trustee Navarrete to raise up to \$500,000 in expenses from the Investments for the purpose of remitting pension benefit payments, if needed. Motion carried by roll call vote.

AYES: Trustees Sullivan, Langhenry, Walther, Seidel and Navarrete
NAYS: None
ABSENT: None

INVESTMENT REPORT – PNC CAPITAL ADVISORS: There was no Investment Report presented by PNC Capital Advisors. A representative from PNC Capital Advisors will attend the next regular meeting of the Fund.

Approve Investment Reports/Transactions: The Board reviewed the Investment Reports and transactions in summary. A motion was made by Trustee Sullivan and seconded by Trustee Seidel to approve the investment reports and transactions as presented. Motion carried unanimously by voice vote.

Review/Update Investment Policy: There were no updates necessary to the Investment Policy at this time.

Review/Possible Approval – Updated AHC Advisors, Inc. Consultant Agreement: The Board reviewed the updated AHC Advisors, Inc. consultant agreement. A motion was made by Trustee Sullivan and seconded by Trustee Langhenry to accept the agreement pursuant to the terms outlined; provided that the amendments to the fax number and County are executed as discussed. Motion carried by roll call vote.

AYES: Trustees Sullivan, Langhenry, Walther, Seidel and Navarrete
NAYS: None
ABSENT: None

COMMUNICATIONS OR REPORTS: *Statements of Economic Interest:* The Board noted that the List of Filers must be submitted to the County by the Village by February 1, 2019. Statements of Economic Interest will be sent to all registered filers, who will need to respond by the deadline of May 1, 2019.

2019 IRS Mileage Rate: The Board noted that the IRS standard business mileage rate used for reimbursement increased to \$0.58 per mile, effective January 1, 2019.

TRUSTEE TRAINING UPDATES: The Board reviewed the updated Trustee Training Summary and discussed upcoming training opportunities. Trustees were reminded to submit all certificates of completion to L&A for recordkeeping.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Contribution Refund – John Wisniewski:* The Board reviewed the contribution refund request submitted by John Wisniewski. A motion was made by Trustee Sullivan and seconded by Trustee Walther to approve John Wisniewski's contribution refund in the amount of \$17,905.02 payable directly to himself. Motion carried by roll call vote.

AYES: Trustees Sullivan, Langhenry, Walther, Seidel and Navarrete
NAYS: None
ABSENT: None

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Regular Retirement Benefits – Joseph Ciancio:* The Board reviewed the regular retirement benefit calculation for Joseph Ciancio. Deputy Chief Ciancio had an entry date of 10/08/1990; retirement date of 12/07/2018; effective date of pension of 12/08/2018; 52 years old at date of

retirement; 28 years of creditable service; applicable salary of \$133,321.50; and an applicable pension percentage of 70%. The amount of originally granted annual pension is \$93,325.08 and the amount of originally granted monthly pension is \$7,777.09. A motion was made by Trustee Sullivan and seconded by Trustee Walther to approve the regular retirement benefits for Joseph Ciancio as calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Sullivan, Langhenry, Walther, Seidel and Navarrete
NAYS: None
ABSENT: None

Approve Regular Retirement Benefits – Edgardo Lopez: The Board reviewed the regular retirement benefit calculation for Edgardo Lopez. Patrol Officer Lopez had an entry date of 05/04/1992; retirement date of 11/30/2018; effective date of pension of 12/01/2018; 50 years old at date of retirement; 26 years of creditable service; applicable salary of \$90,041.51; and an applicable pension percentage of 65%. The amount of originally granted annual pension is \$58,527 and the amount of originally granted monthly pension is \$4,877.25. A motion was made by Trustee Sullivan and seconded by Trustee Walther to approve the regular retirement benefits for Edgardo Lopez as calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Sullivan, Langhenry, Walther, Seidel and Navarrete
NAYS: None
ABSENT: None

Approve Regular Retirement Benefits – George Sullivan: The Board reviewed the regular retirement benefit calculation for George Sullivan. Patrolman Sullivan had an entry date of 05/15/1989; retirement date of 02/01/2019; effective date of pension of 02/02/2019; 51 years old at date of retirement; 29 years of creditable service; applicable salary of \$90,041.51; and an applicable pension percentage of 72.50%. The amount of originally granted annual pension is \$65,280.12 and the amount of originally granted monthly pension is \$5,440.01. A motion was made by Trustee Sullivan seconded by Trustee Walther to approve the regular retirement benefits for George Sullivan as calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Sullivan, Langhenry, Walther, Seidel and Navarrete
NAYS: None
ABSENT: None

Approval of Surviving Spouse Benefits – Dolores Lane: Board Attorney Zelek informed the Board that the IDOI responded to his correspondence and stated that the Board's request will be reviewed and an opinion will be issued when the IDOI has staff available. Board Attorney Zelek also apprised the Board that the IDOI will no longer be issuing written advisory opinions. The Board tabled this item and will discuss at the next regular meeting or will hold a special meeting upon receipt of a written advisory opinion from the IDOI.

Deceased Pensioner – Johann Leitner/Approval of Surviving Spouse Benefits – Inge Leitner: The Board noted that Johann Leitner passed away on November 26, 2018. The Board reviewed the surviving spouse benefit calculation for Inge Leitner with an effective date of November 27, 2018 for a monthly benefit of \$3,513.50 with no additional increases. A motion was made by Trustee Sullivan and seconded by Trustee Walther to approve the surviving spouse benefit of Inge Leitner as calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Sullivan, Langhenry, Walther, Seidel and Navarrete
NAYS: None
ABSENT: None

OLD BUSINESS: *Discussion/Possible Action Regarding Retroactive Holiday Pay Contributions:* Board Attorney Zelek informed the Board that Union and Village counsel will be available to present their respective findings regarding retroactive holiday pay contributions at a special meeting, to be held February 26, 2019 or February 27, 2019. A status update of the findings will be provided at the next regular meeting.

NEW BUSINESS: *Review/Possible Approval – Lauterbach & Amen, LLP Engagement Letter:* The Board reviewed the Lauterbach & Amen, LLP five-year engagement letter. A motion was made by Trustee Sullivan and seconded by Trustee

Langhenry to engage L&A for five years in the annual amounts as follows: \$27,790 for the year ended 12/31/2019; \$28,650 for year ended 12/31/2020; \$29,465 for the year ended 12/31/2021; \$30,335 for the year ended 12/31/2022 and \$31,205 for the year ended 12/31/2023. Motion carried by roll call vote.

AYES: Trustees Sullivan, Langhenry, Walther, Seidel and Navarrete
NAYS: None
ABSENT: None

Approve Annual Cost of Living Adjustments for Pensioners: The Board reviewed the 2019 Cost of Living Adjustments (see attached) as calculated by L&A. A motion was made by Trustee Sullivan and seconded by Trustee Walther to approve the 2019 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried unanimously by voice vote.

Review Trustee Term Expirations and Election Procedures: The Board noted that the appointed term currently held by Trustee Seidel will expire May 14, 2019. Trustee Seidel informed the Board that he will provide a written letter of resignation to the Mayor in April 2019. The Board will contact the Mayor to seek appointment of a replacement Trustee for Trustee Seidel's position.

IDOI Annual Statement: The Board noted that completion of the IDOI Annual Statement is in process. An update will be provided at the next regular meeting.

ATTORNEY'S REPORT: *Legal Updates:* There was no Attorney's Report presented.

CLOSED SESSION, IF NEEDED: There was no need for closed session.

ADJOURNMENT: A motion was made by Trustee Seidel and seconded by Trustee Navarrete to adjourn the meeting at 6:01 p.m. Motion carried unanimously by voice vote.

Respectfully Submitted,

Thomas Langhenry, Board Secretary

The next regular meeting is scheduled for April 9, 2019 at 4:00 p.m.

Minutes prepared by Amanda Secor, Pension Services Administrator