



Village of Hanover Park Police Department

Police Administration
2011 West Lake Street, Hanover Park, IL 60133
630-823-5500 tel 630-823-5499 fax

hpiil.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 HANOVER PARK POLICE PENSION FUND BOARD OF TRUSTEES APRIL 9, 2019

A regular meeting of the Hanover Park Police Pension Fund Board of Trustees was held on Tuesday, April 9, 2019 at 4:00 p.m. at the Village Hall located at 2121 W. Lake St., Hanover Park, Illinois 60133 pursuant to notice.

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

ROLL CALL:

PRESENT: Trustees George Sullivan, Thomas Langhenry, Mark Walther and Ray Seidel

ABSENT: Trustee Remy Navarrete

ALSO PRESENT: Jorie Pitt, AHC Advisors, Inc.; Jeff Eberhardt, PNC Capital Advisors; A.J. Weber, Bob Rietz and Amanda Secor, Lauterbach & Amen, LLP (L&A); Dave Jonen, Appointed Trustee Designate (arrived at 4:07 p.m.)

PUBLIC COMMENT: There was no public comment.

A motion was made by Trustee Sullivan and seconded by Trustee Walther to open the meeting at 4:02 p.m. Motion carried unanimously by voice vote.

Mayor Craig arrived at the meeting at 4:07 p.m. to introduce Trustee Jonen to the Board as the newly appointed Trustee. Mayor Craig thanked Trustee Seidel for his years of service to the Board and left the meeting at 4:09 p.m.

INVESTMENT REPORT – PNC CAPITAL ADVISORS: *Portfolio Review:* Jeff Eberhardt presented the Board with the Portfolio Review for the first quarter of 2019. As of March 31, 2019, the quarter-to-date total net return is 1.6% and the ending market value is \$6,214,236. Year-to-date, the total net return is 1.6%. All questions were answered by PNC Capital Advisors.

APPROVAL OF MEETING MINUTES: *January 8, 2019 Regular Meeting:* The Board reviewed the January 8, 2019 regular meeting minutes. A motion was made by Trustee Sullivan and seconded by Trustee Walther to approve the January 8, 2019 regular meeting minutes as written. Motion carried unanimously by voice vote.

OLD BUSINESS: *IDOI Annual Statement:* The Board noted that completion of the IDOI Annual Statement is in process and the final report will be sent to the Board for review upon completion. An update will be provided at the next regular meeting.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the two-month period ending February 28, 2019 prepared by L&A. As of February 28, 2019, the net position held in trust for pension benefits is \$33,187,604.78 for a change in position of \$1,888,986.86. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal and the Vendor Check Report for the period of December 1, 2018 through February 28, 2019, for total disbursements in the amount of \$136,943.50. A motion was made by Trustee Sullivan and seconded by Trustee Seidel to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount \$136,943.50. Motion carried by roll call vote.

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

Additional Bills, if any – Illinois Department of Insurance Compliance Fee: The Board noted that the Illinois Department of Insurance Compliance Fee invoice will be issued. A motion was made by Trustee Sullivan and seconded by Trustee Walther to approve payment of the IDOI Compliance Fee upon receipt of the invoice. Motion carried by roll call vote.

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

NEW BUSINESS: *Review Preliminary Actuarial Valuation:* The Board reviewed the preliminary Actuarial Valuation prepared by L&A. The final report will be reviewed by the Board at the next regular meeting.

Discussion Regarding Lauterbach & Amen, LLP Pensioner Information Mailings: L&A reviewed the current process for distribution of the annual reemployment memorandum sent to pensioners under the age of 59 ½ that have been reemployed by the Village. The Board also reviewed the potential tax implications that reemployment may have.

The Board noted that there is currently no opportunity for Article 3 members to transfer creditable service from Article 7 at this time.

INVESTMENT REPORT – AHC ADVISORS, INC.: *Quarterly Investment Report:* Ms. Pitt of AHC Advisors Inc. presented the Quarterly Investment Report for the period ending March 31, 2019. As of March 31, 2019, the quarter-to-date total net return is 7.03% for a change in investment value of \$2,208,294 and an ending market value of \$33,507,040. The current asset allocation is as follows: Fixed Income at 41.41%, Equities at 57.63% and Cash Equivalents at 0.96%. Ms. Pitt 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. The Board noted that the authorization in place to raise up to \$500,000 in expenses from the Investments for the purpose of remitting pension benefit payments as executed at the previous meeting remains in place.

INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC: *Quarterly Investment Performance Report:* The Board was provided with the Quarterly Investment Performance Report prepared by Sawyer Falduto Asset Management, LLC.

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 Walther 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.

COMMUNICATIONS AND REPORTS: *Statements of Economic Interest:* The Board was reminded that the Statements of Economic Interest are due by May 1, 2019.

Affidavits of Continued Eligibility: The Board noted that L&A will mail Affidavits of Continued Eligibility to all pensioners with the June payroll cycle. A status update will be provided at the next regular meeting.

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.

Approval of Trustee Training Registration Fees and Reimbursable Expenses: The Board discussed the IPFA Spring Pension Seminar. A motion was made by Trustee Sullivan and seconded by Trustee Langhenry to approve the registration fee for Trustee Walther and to approve any reimbursable expenses incurred by Trustee Walther. Motion carried by roll call vote.

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

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Contribution Refund – Nicholas Salloum:* The Board reviewed the contribution refund request submitted by Nicholas Salloum. A motion was made by Trustee Sullivan and seconded by Trustee Langhenry to approve Nicholas Salloum’s contribution refund in the amount of \$5,996.97 paid in a direct rollover issued on March 28, 2019. Motion carried by roll call vote.

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

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approval of Surviving Spouse Benefits – Dolores Lane:* The Board noted that no additional response has been received from the IDOI since the response issued to Attorney Zelek stating that the Board’s request will be reviewed and an opinion will be issued when the IDOI has staff available. The Board will discuss at the next regular meeting or will hold a special meeting upon receipt of a written advisory opinion from the IDOI.

OLD BUSINESS (CONTINUED): *Discussion/Possible Action Regarding Retroactive Holiday Pay Contributions:* The Board held a special hearing February 26, 2019 to review the respective findings regarding retroactive holiday pay contributions. Attorney Zelek will issue correspondence to the Village and Union Attorneys on behalf of the Fund. Trustee Sullivan informed the Board that he has received six letters from the retired members affected by the holiday pay issue and that the correspondence requests immediate recalculation of their benefits with the updated salary. A status update of the findings will be provided at the next regular meeting.

NEW BUSINESS (CONTINUED): *Appointed Member Term Expiration – Ray Seidel:* The Board note that Trustee Seidel’s appointed term expires April 30, 2019. Trustee Seidel will not seek reappointment. The Board thanked Trustee Seidel for his service to the Board. The Board noted that Mayor Craig has appointed David Jonen to serve in the appointed member position, effective May 1, 2019.

Portability Update – Abigail Lauer: The Board reviewed correspondence issued by L&A to Abigail Lauer for the transfer of creditable service of 5 years, 10 months and 17 days with Hanover Park Police Department. A motion was made by Trustee Sullivan and seconded by Trustee Langhenry to authorize the transfer of \$96,784.10 to the Lombard Police Pension Fund. Motion carried by roll call vote.

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

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: The Board reviewed the Application for Membership submitted by Thomas Tyrrell. A motion was made by Trustee Sullivan and seconded by Trustee Langhenry to accept Thomas Tyrrell into the Hanover Park Police Pension Fund effective March 11, 2019, as a Tier II participate with a salary of \$63,092.15. Motion carried unanimously by voice vote.

The Board reviewed the Application for Membership submitted by Ryan Rhode. A motion was made by Trustee Sullivan and seconded by Trustee Langhenry to accept Ryan Rhode into the Hanover Park Police Pension Fund effective March 11, 2019, as a Tier II participate with a salary of \$63,092.15. Motion carried unanimously by voice vote.

The Board reviewed the Application for Membership submitted by Carissa Cruz. A motion was made by Trustee Sullivan and seconded by Trustee Langhenry to accept Carissa Cruz into the Hanover Park Police Pension Fund effective March 11, 2019, as a Tier II participant with a salary of \$63,092.15. Motion carried unanimously by voice vote.

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 Sullivan and seconded by Trustee Langhenry to adjourn the meeting at 5:40 p.m. Motion carried unanimously by voice vote.

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

_____ Date Approved by Board _____
Board President or Secretary

Minutes prepared by Amanda Secor, Pension Services Administrator, Lauterbach & Amen, LLP