



Village of Hanover Park Administration

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hpil.org

Village President
Rodney S. Craig

Village Clerk
Eira L. Corral Sepúlveda

Trustees
James Kemper
Fanny Y. López Benitez
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 14, 2020

A regular meeting of the Hanover Park Police Pension Fund Board of Trustees was held on Tuesday, April 14, 2020 at 4:00 p.m. via videoconference in accordance with Section 5 of Governor Pritzker's Executive Order 2020-18 (COVID-19 Executive Order No. 16), pursuant to notice.

CALL TO ORDER: Trustee Sullivan called the meeting to order at 4:00 p.m.

ROLL CALL:

PRESENT: Trustees George Sullivan, Thomas Langhenry, Remy Navarrete (*joined the meeting at 4:11 p.m.*) and Dave Jonen

ABSENT: Trustee Mark Walther

ALSO PRESENT: Craig Larsen, AHC Advisors, Inc.; Amanda Secor and Robert Rietz, Lauterbach & Amen, LLP (L&A); Attorney Robert M. Zelek, Law Offices of Robert M. Zelek

A motion was made by Trustee Sullivan and seconded by Trustee Jonen to begin the meeting at 4:00 p.m. Motion carried unanimously by voice vote.

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *January 14, 2020 Regular Meeting:* The Board reviewed the January 14, 2020 regular meeting minutes. A motion was made by Trustee Sullivan and seconded by Trustee Jonen to approve the January 14, 2020 regular meeting minutes as written. Motion carried unanimously by voice vote.

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 29, 2020 prepared by L&A. As of February 29, 2020, the net position held in trust for pension benefits is \$33,580,189.67 for a change in position of \$(2,807,435.86). 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, 2019 through February 29, 2020 for total disbursements in the amount of \$154,911.31. A motion was made by Trustee Sullivan and seconded by Trustee Jonen to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount \$154,911.31. Motion carried by roll call vote.

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

Trustee Navarrete joined the meeting at 4:11 p.m.

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 Navarrete to approve payment of the IDOI Compliance Fee upon receipt of the invoice. Motion carried by roll call vote.

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

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.

INVESTMENT REPORT – AHC ADVISORS, INC.: *Quarterly Investment Report:* Mr. Larsen presented the Quarterly Investment Report for the period ending March 31, 2020. As of March 31, 2020, the quarter-to-date total net return is (17.8)% for a change in investment value of \$(6,423,188) and an ending market value of \$29,889,401. The current asset allocation is as follows: Fixed Income at 44.14%, Equities at 53.98% and Cash Equivalents at 1.88%. Mr. Larsen reviewed the Market Commentary, Equity Portfolio, Fixed Income Portfolio and Transaction Ledger Report with the Board.

The Board discussed upcoming cash flow needs. A motion was made by Trustee Sullivan and seconded by Trustee Navarrete to authorize AHC Advisors, Inc. to direct bond managers PNC and Sawyer Falduto Asset Management, LLC to each raise \$600,000, for a total of \$1,200,000 in order to rebalance the equity portfolio to within 5% of the target threshold and to reallocate \$700,000 of the proceeds to equities and \$500,000 to cash for the purpose of remitting pension benefit payments and expenses. Motion carried by roll call vote.

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

Mr. Larsen informed the Board that Occidental Petroleum Corp. (OXY) has dropped below investment grade and will need to be sold. Mr. Larsen stated that PNC is monitoring the Fund and will sell it within the required 90-day timeframe.

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

Approve Investment Reports/Transactions: The Board reviewed the Investment Reports and transactions in summary listed on the custodial statements. A motion was made by Trustee Langhenry and seconded by Trustee Sullivan to approve the Investment Reports and transactions listed on the custodial statements. Motion carried unanimously by voice vote.

Review/Update Investment Policy: The Board discussed the Investment Policy and determined that no changes are required at this time.

COMMUNICATIONS AND REPORTS: *Statements of Economic Interest:* The Board was reminded that Statements of Economic Interest are due by May 1, 2020.

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: There were no trustee training registrations or reimbursable expenses presented for approval.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Applications for Membership – Diego Diaz, Gabriel Duran, Chris Knight and Luis Rivas:* The Board reviewed the Applications for Membership submitted by Diego Diaz, Gabriel Duran, Chris Knight and Luis Rivas. A motion was made by Trustee Jonen and seconded by Trustee Langhenry to accept Diego Diaz effective March 16, 2020 as a Tier II participant with the starting salary of \$68,286.40, Gabriel Duran effective March 9, 2020 as a Tier II participant with the starting salary of \$68,286.40, Chris Knight effective March 9, 2020 as a Tier I participant with the starting salary of \$68,286.40 and Luis Rivas effective March 10, 2020 as a Tier II participant with the starting salary of \$68,286.40 into the Hanover Park Police Pension Fund. Motion carried unanimously by voice vote.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Deceased Pensioner – David Hansen/Approval of Surviving Spouse Benefits – Lynnette Hansen:* The Board noted that David Hansen passed away on January 13, 2020. The Board reviewed the surviving spouse benefit calculation for Lynnette Hansen with an effective date of January 14, 2020 for a monthly benefit of \$5,266.74 with no additional increases. A motion was made by Trustee Sullivan and seconded by Trustee Jonen to approve the surviving spouse benefit of Lynnette Hansen calculated by L&A. Motion carried by roll call vote.

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

Approve Regular Retirement Benefits – Daniel Granias: The Board reviewed the regular retirement benefit calculation for Daniel Granias prepared by L&A. Detective/Investigator Granias had an entry date of April 23, 1990, retirement date of May 1, 2020, effective date of pension of May 2, 2020, 53 years of age at date of retirement, 30 years of creditable service, applicable salary of \$101,458.40, applicable pension percentage of 75%, amount of originally granted monthly pension of \$6,341.15 and amount of originally granted annual pension of \$76,093.80. A motion was made by Trustee Sullivan and seconded by Trustee Langhenry to approve Daniel Granias's regular retirement benefit calculated by L&A. Motion carried by roll call vote.

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

OLD BUSINESS: *Discussion/Possible Action Regarding Retroactive Holiday Pay Contributions:* Attorney Zelek informed the Board that the Village filed a complaint for administrative review for the

written Decision & Order regarding retroactive holiday pay contributions. Oral arguments are scheduled to be heard by the court on June 11, 2020 but may be delayed, due to COVID-19. A status update will be provided at the next regular meeting.

Attorney Zelek informed the Board that Dolores Lane's attorney filed a complaint in the Cook County chancellery division, stating that the prior Board action issuing the written Decision & Order was not final. A hearing is scheduled for June 2, 2020 but may be delayed, due to COVID-19. Attorney Zelek will file a motion to dismiss the complaint, pending the agreed upon court order from the complainant's attorney. A status update will be provided at the next regular meeting

IDOI Annual Statement: The Board noted that the IDOI Annual Statement is in process and the final report will be sent to the Board for review upon completion.

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

NEW BUSINESS (CONTINUED): *Certify Board Election Results – Active and Retired Member Positions:* L&A is in the process of conducting an election for both of the active member positions on the Hanover Park Police Pension Fund Board of Trustees. The election results will be presented for certification at the next regular meeting. L&A also conducted an election for the retired member position. George Sullivan ran unopposed and was elected for a two-year term, expiring May 10, 2022. A motion was made by Trustee Langhenry and seconded by Trustee Navarrete to certify the retired member election results. Motion carried unanimously by voice vote.

Military Service Purchase Update – Juan Gonzalez: The Board noted that Juan Gonzalez remitted payment in full to purchase twenty-four months of military service to the Hanover Park Police Pension Fund in the amount of \$34,513.12. A motion was made by Trustee Sullivan and seconded by Trustee Jonen to recognize the purchase as paid in full and to acknowledge Juan Gonzalez's revised date of hire from March 24, 2013 to March 24, 2011. Motion carried by roll call vote.

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

QILDRO – Andrew Johnson: The Board noted that QILDRO documentation has been received for Andrew Johnson and placed on file for execution upon his retirement.

QILDRO – Eric Villanueva: The Board noted the QILDRO Order, Calculation Order, Consent to Issuance and \$50 processing fee for Eric Villanueva have been received and approved by the Board Attorney. Payment to the alternate payee commenced with the March payroll cycle. A motion was made by Trustee Sullivan and seconded by Trustee Navarrete to approve payment to the alternate payee as discussed. Motion carried by roll call vote.

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

Portability Update – Ashley O'Herron: The Board reviewed correspondence issued by L&A to former Hanover Park Police Officer Ashley O'Herron for the transfer of 3 years, 10 months and 25 days of creditable service from the Hanover Park Police Pension Fund to the McHenry Police Pension Fund.

A motion was made by Trustee Sullivan and seconded by Trustee Navarrete to ratify the transfer in the amount of \$61,476.56 to the McHenry Police Pension Fund. Motion carried by roll call vote.

AYES: Trustees Sullivan, Langhenry, Navarrete and Jonen

NAYS: None

ABSENT: Trustee Walther

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 Navarrete to adjourn the meeting at 6:04 p.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for July 14, 2020 at 4:00 p.m.

_____ Date Approved by Board _____
Board President or Secretary

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