



Village of Hanover Park Administration

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hpil.org

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Yasmeen Bankole
Liza Gutierrez
Syed Hussaini
James Kemper
Herb Porter
Bob Prigge

Village Manager
Juliana A. Maller

MINUTES OF A REGULAR MEETING OF THE HANOVER PARK POLICE PENSION FUND BOARD OF TRUSTEES APRIL 12, 2022

A regular meeting of the Hanover Park Police Pension Fund Board of Trustees was held on Tuesday, April 12, 2022 at 4:00 p.m. via videoconference without a quorum of the public body physically present and without any singular member of the public body present at the Board's regular meeting location because of a disaster declaration related to COVID-19 public health concerns affecting the Village of Hanover Park. The Hanover Park Police Pension Fund Board President has determined that an in-person meeting with all participants is not practical, prudent or feasible because of the disaster, pursuant to notice.

CALL TO ORDER: Trustee Sullivan called the meeting to order at 4:03 p.m.

ROLL CALL:

PRESENT: Trustees George Sullivan, Thomas Langhenry, Remy Navarrete and Kevin Pini

ABSENT: Trustee Dave Jonen

ALSO PRESENT: Craig Larsen, Mission Wealth; Amanda Secor, Megan Snell and Robert Rietz, Lauterbach & Amen, LLP (L&A); Attorney Robert M. Zelek, Law Offices of Robert M. Zelek; Greg Kiesewetter, Cook Castle Associates, LLC

A motion was made by Trustee Sullivan and seconded by Trustee Navarrete to call the regular meeting of the Hanover Park Police Pension Fund Board of Trustees to order. Motion carried by roll call vote.

AYES: Trustees Sullivan, Langhenry and Navarrete

NAYS: None

ABSENT: Trustees Pini and Jonen

All attendees present acknowledged the meeting as a public meeting and provided their individual consent to be monitored via audioconference and/or videoconference and to be recorded.

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *January 11, 2022 Regular Meeting:* The Board reviewed the January 11, 2022 regular meeting minutes. A motion was made by Trustee Sullivan and seconded by Trustee Navarrete to approve the January 11, 2022 regular meeting minutes as written. Motion carried by roll call vote.

AYES: Trustees Sullivan, Langhenry and Navarrete

NAYS: None

ABSENT: Trustees Pini and Jonen

Trustee Pini joined the meeting at 4:06 p.m.

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/Possible Action – Fiduciary Liability Insurance Renewal and Broker Selection: The Board noted the current fiduciary liability insurance policy expires September 1, 2022. Mr. Kiesewetter presented an overview of his firm and answered all questions. A motion was made by Trustee Sullivan and seconded by Trustee Navarrete to execute a broker of record letter to reappoint the current fiduciary liability insurance policy to Cook Castle Associates, LLC as the broker effective immediately for the current policy that has a renewal date of September 1, 2022. Motion carried by roll call vote.

AYES: Trustees Sullivan, Langhenry, Navarrete and Pini

NAYS: None

ABSENT: Trustee Jonen

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, 2022 prepared by L&A. As of February 28, 2022, the net position held in trust for pension benefits is \$44,844,049.38 for a change in position of (\$597,180.99). 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, 2021 through February 28, 2022 for total disbursements in the amount of \$226,396.86. A motion was made by Trustee Sullivan and seconded by Trustee Navarrete to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount \$226,396.86. Motion carried by roll call vote.

AYES: Trustees Sullivan, Langhenry, Navarrete and Pini

NAYS: None

ABSENT: Trustee Jonen

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 Pini to approve payment of the IDOI Compliance Fee in an amount not to exceed \$8,000, upon receipt of the invoice. Motion carried by roll call vote.

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

INVESTMENT REPORTS: *Mission Wealth Portfolio Review:* Mr. Larsen presented the Portfolio Review for the period ending March 31, 2022. As of March 31, 2022, the quarter-to-date total net return is (3.57%) for a change in investment value of (\$1,622,341) and an ending market value of \$43,930,929. The current asset allocation is as follows: Fixed Income at 33.54%, Equities at 63.6% and Cash Equivalents at 2.86%. Mr. Larsen reviewed the Market Commentary, Equity Portfolio, Fixed Income Portfolio and Transaction Ledger Report with the Board.

The Board discussed cash flow requisite for the purpose of remitting pension benefits and expenses during the transition of the Fund's assets to IPOPIF and determined there is ample cash available in the Wintrust money market account for the transition period.

Sawyer Falduto Asset Management, LLC/PNC Quarterly Investment Performance Reports: The Board was provided with the Quarterly Investment Performance Reports prepared by Sawyer Falduto Asset Management, LLC and PNC.

The Board conducted robust discussion regarding the transfer of the Fund's assets to IPOPIF. The Board will await additional direction from IPOPIF until April 29, 2022 to determine the proper course of action. If direction is not received, the Board will conduct a special meeting on May 2, 2022 at 4:00 p.m. to address consolidation. A motion was made by Trustee Sullivan and seconded by Trustee Navarrete to schedule a special meeting on Monday, May 2, 2022. Motion carried by roll call vote.

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

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 Sullivan and seconded by Trustee Pini to approve the Investment Reports and transactions listed on the custodial statements. Motion carried by roll call vote.

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

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

COMMUNICATIONS AND REPORTS: *Affidavits of Continued Eligibility:* The Board noted that all 2021 Affidavits of Continued Eligibility have been received by L&A and the originals will be sent to the Board for their recordkeeping.

Statements of Economic Interest: The Board was reminded that the Statements of Economic

Interest are due by May 1, 2022.

TRUSTEE TRAINING UPDATES: The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities. Trustees were reminded to submit any 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 – Ivan Martinez and William Kopecky:* The Board reviewed the Application for Membership submitted by Ivan Martinez. A motion was made by Trustee Sullivan and seconded by Trustee Navarrete to accept Ivan Martinez into the Hanover Park Police Pension Fund effective February 3, 2022 as a Tier II participant, with a starting salary of \$80,329.60. Motion carried by roll call vote.

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

The board reviewed the Application for Membership submitted by William Kopecky. A motion was made by Trustee Pini and seconded by Trustee Navarrete to accept William Kopecky into the Hanover Park Police Pension Fund effective March 7, 2022 as a Tier II participant, with a starting salary of \$80,329.60. Motion carried by roll call vote.

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

Contribution Refund – Diego Diaz: The Board reviewed the contribution refund request submitted by Diego Diaz. A motion was made by Trustee Sullivan and seconded by Trustee Pini to approve Diego Diaz's contribution refund in the amount of \$12,051.92 paid directly to himself, issued on February 28, 2022. Motion carried by roll call vote.

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

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Regular Retirement Benefits – Terrance Sherrill:* The Board reviewed the regular retirement benefit calculation for Terrance Sherrill prepared by L&A. Deputy Chief Sherrill had an entry date of July 5, 1994, retirement date of December 31, 2021, effective date of pension of January 1, 2022, 58 years of age at date of retirement, 27 years of creditable service, applicable salary of \$141,249.99, applicable pension percentage of 67.5%, amount of originally granted monthly pension of \$7,945.31 and amount of originally granted annual pension of \$95,343.72. A motion was made by Trustee Pini and seconded by Trustee Sullivan to approve Terrance Sherrill's regular retirement benefit calculated by L&A. Motion carried by roll call vote.

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

OLD BUSINESS: *Transfer of Creditable Service from IMRF Pursuant to HB-126 – Kevin Pini:* The Board noted that Kevin Pini’s request to transfer creditable service from IMRF to the Hanover Park Police Pension Fund was denied by IMRF. Trustee Pini noted that SB3785 passed state legislation and he will resubmit his request if the legislation is signed by the Governor.

Discussion Regarding Holiday Pay Contributions due from Municipality: The Board noted that the affected members were refunded contributions or pursued portability and L&A remitted refunds or transfer amount that included withholdings on holiday pay. The Village subsequently refunded the holiday pay contributions as, rendering the Fund short in the following amounts for the respective members:

Berlin, Seth M.	\$466.54 transfer
Galto, Daniel A.	\$919.65 refund
Kisija, Irmel	\$466.54 refund
Knight, Christopher D.	\$187.24 refund
Lauer, Abigail H.	\$247.77 transfer
O’Herron, Ashley N.	\$498.15 transfer
Parducci, Marco G.	\$732.59 transfer
Pearce, Justin T.	\$243.65 transfer
Wisniewski, John R.	\$128.67 refund

The Village issued correspondence via USPS Certified Mail to the affected members seeking repayment of the overpaid holiday pay contributions and two members have remitted payment to date. A status update will be provided at the next regular meeting.

Discussion/Possible Action – Interim Cash Management Policy: The Board discussed this item during the investment report.

Discussion/Possible Action – Cash Reserve Balance: The Board discussed this item during the investment report.

Discussion/Possible Action – Local Account Collateralization: The Board reviewed the memorandum prepared by L&A regarding the opportunity to collateralize the BMO Harris Bank operating account in excess of the standard \$250,000 FDIC insurance coverage. The Board will review the memorandum at the special meeting to be scheduled once IPOPIF establishes and disseminates additional guidance.

The Board noted there is currently an opportunity for Article 3 members to transfer creditable service from Article 7.

NEW BUSINESS (CONTINUED): *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.

Certify Board Election Results – Active and Retired Member Positions: L&A conducted an election for both of the active member positions and the retired member position on the Hanover Park Police Pension Fund Board of Trustees. Tom Langhenry, Kevin Pini and George Sullivan ran unopposed and were reelected for two-year terms expiring May 14, 2024. A motion was made by Trustee Sullivan and seconded by Trustee Langhenry to certify the active and retired member election results. Motion carried by roll call vote.

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

Discussion/Possible Action – Enterprise Cash Flow Module and My State Street.com Set-Up Access Form: The Board reviewed the Enterprise Cash Flow Module and My State Street.com Set-Up Access Form and determined that no action is required at this time.

ATTORNEY’S REPORT: *Legal Updates:* There were no legal updates.

Status Update – Dolores Lane Surviving Spouse Benefit: Attorney Zelek apprised the Board that the court ruled in the Board’s favor in the matter. The plaintiff has the option to appeal but will need to petition the Illinois Supreme Court within thirty-five days. No additional action is required.

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 6:22 p.m. Motion carried by roll call vote.

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

The next regular meeting is scheduled for July 12, 2022 at 4:00 p.m.

Board President or Secretary

Minutes approved by the Board of Trustees on _____

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