



Village of Hanover Park
Fire Department

Fire Administration—Station #1
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hpi.org

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James Kemper
Jon Kunkel
Heidi Porter
Bob Prigge
Rick Roberts
Sharrin Shahjahan
Village Manager
Juliana A. Miller

**MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES
OF THE HANOVER PARK FIREFIGHTERS' PENSION FUND
JANUARY 24, 2019**

A regular meeting of the Board of Trustees of the Hanover Park Firefighters' Pension Fund was held on Thursday, January 24, 2019 at 9:00 a.m. at Village Hall located at 2121 W. Lake Street, Hanover Park, IL for the purpose of conducting regular business.

CALL TO ORDER: Trustee Ordinario called the meeting to order at 9:12 a.m.

ROLL CALL:

PRESENT: Trustees Isidore Ordinario, Remy Navarrete, Paul Lanctot (*arrived at 9:27 a.m.*) and Dean Deldin

ABSENT: Trustee Lee Kelleher

ALSO PRESENT: Board Attorney Cary Collins, Collins & Radja; Craig Larsen, AHC Advisors Inc.; Jeff Eberhardt, PNC Capital Advisors; Amanda Secor, Lauterbach & Amen, LLP (L&A); Chief Craig Haigh, Active Members Dylan Noncek, Rosa Gonzalez, Larry Anselmo and Mark Thomzak, Hanover Park Fire Department

INVESTMENT REPORT: *PNC Capital Advisors – Fixed Income Portfolio Review:* Jeff Eberhardt presented the Board with the Fixed Income Portfolio Review for the fourth quarter of 2018. As of 12/31/2018, the quarter-to-date total net return is 2.05% and the ending market value is \$7,340,533. Year-to-date, the total net return is 1.13%. Mr. Eberhardt also reviewed the market commentary. All questions were answered by PNC Capital Advisors.

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *January 26, 2017 Regular Meeting Minutes:* The Board tabled approval of the January 26, 2017 regular meeting minutes until the next regularly scheduled meeting.

October 25, 2018 Regular Meeting Minutes: The Board reviewed the minutes from the October 25, 2018 regular meeting. A motion was made by Trustee Ordinario and seconded by Trustee Navarrete to approve the October 25, 2018 regular meeting minutes as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Meeting Minutes: The Board reviewed the closed session meeting minutes and determined that the minutes will not be released at this time due to pending matters.

Trustee Lanctot arrived at 9:27 a.m.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* Lauterbach & Amen, LLP presented the Monthly Financial Report for the period ended December 31, 2018. The net position held in trust for pension benefits is \$18,462,894.13, with a change in position of \$(1,095,419.68) for the twelve-month period ending 12/31/2018. L&A reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal with the Board. A motion was made by Trustee Navarrete and seconded by Trustee Lanctot to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

Presentation and Approval of Bills: The Board reviewed the disbursements shown on the Vendor Check Report for the period 10/01/2018 through 12/31/2018, for total disbursements of \$82,832.92. A motion was made by Trustee Lanctot and seconded by Trustee Navarrete to approve the disbursements shown on the Vendor Check Report in the amount of \$82,832.92. Motion carried by roll call vote.

AYES: Trustees Ordinario, Navarrete, Lanctot and Deldin

NAYS: None

ABSENT: Trustee Kelleher

Additional Bills, if any: The Board reviewed the IPPFA invoice #1806 in the amount of \$795 for annual membership dues. The Board will not renew membership at this time.

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 return is (8.1)%. The change in investment value for the fourth quarter was \$(1,913,291) and the ending market value of the portfolio was \$18,471,645. Year-to-date, the total net return is (7.28)%. The current asset allocation is: Fixed Income at 44.15%, Equities at 54.51% and Cash Equivalents at 1.34%. A motion was made by Trustee Ordinario and seconded by Trustee Navarrete to authorize AHC Advisors, Inc. to work with Trustee Navarrete to raise up to \$300,000 in Cash from the Investments, if needed, for the purpose of remitting pension benefit expenses. Motion carried unanimously by voice vote.

Mr. Larsen reviewed the Market Commentary, Equity Portfolio, Fixed Income Portfolio and Transaction Ledger Report with the Board. All questions were answered by Mr. Larsen. A motion was made by Trustee Ordinario and seconded by Trustee Deldin to accept the Quarterly Investment Report and to ratify the trades and transactions as presented. Motion carried unanimously by voice vote.

Review/Possible Approval – Updated AHC Advisors Consultant Agreement: Mr. Larsen informed the Board that he will present an updated AHC Advisors Consultant Agreement at the next regularly scheduled meeting.

Review/Update Investment Policy: The Board reviewed the Investment Policy and determined that no changes were necessary.

OLD BUSINESS: There was no old business to discuss.

NEW BUSINESS: *Review/Approve – Fiduciary Liability Insurance Renewal:* The Board reviewed the fiduciary liability insurance renewal provided by Mesirow Insurance Services, Inc. through Ullico Casualty Group, LLC. A motion was made by Trustee Ordinario and seconded by Trustee Lanctot to approve payment of the fiduciary liability insurance renewal effective 03/01/2019- 03/01/2020, upon receipt of the invoice. Motion carried by roll call vote.

AYES: Trustees Ordinario, Navarrete, Lanctot and Deldin

NAYS: None

ABSENT: Trustee Kelleher

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 Lanctot and seconded by Trustee Navarrete to approve the 2019 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Ordinario, Navarrete, Lanctot and Deldin

NAYS: None

ABSENT: Trustee Kelleher

Review Trustee Term Expirations and Election Procedures: The Board noted that the active member term currently held by Trustee Lanctot and the retired member term currently held by Trustee Deldin are expiring in April 2019. Trustees Lanctot and Deldin expressed their wishes to remain on the Board, if nominated. L&A will conduct an election on behalf of the Pension Fund for one of the two active member Trustee positions and the retired member Trustee position. The Board also noted that the appointed Trustee position held by Trustee Kelleher is expiring in April 2019 and he wishes to remain on the Board. The Board will contact the Village to seek reappointment of Trustee Kelleher to the Board.

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

COMMUNICATIONS AND 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.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Application for Membership – Tyler Hite:* The Board reviewed the Application for Membership submitted by Tyler Hite. A motion was made by Trustee Lanctot and seconded by Trustee Ordinario to accept Tyler Hite into the Hanover Park Firefighters' Pension Fund effective October 4, 2018, as a Tier II participant. Motion carried unanimously by voice vote.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: There were no applications for retirement or disability benefits.

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

ATTORNEY'S REPORT: *Legal Updates:* Mr. Collins discussed current legal and legislative updates pertaining to Article 4 Pension Funds; including recent case rulings and Pension reform.

Disability Status Update – Darren Nocks: Mr. Collins apprised the Board that Darren Nocks attended his independent medical examination on January 17, 2019 and he is awaiting the results from the IME provider.

Annual Independent Medical Examinations – George Carrillo: Mr. Collins will send correspondence to George Carrillo instructing him to attend his annual independent medical examination. Further discussion will be held at the next scheduled meeting.

CLOSED SESSION, IF NEEDED: A motion was made by Trustee Lanctot and seconded by Trustee Ordinario to enter closed session at 10:19 a.m. pursuant to 5 ILCS 120/2(C)(11) of the Open Meetings Act to discuss probable or threatened litigation. Motion carried by roll call vote.

AYES: Trustees Ordinario, Navarrete, Lanctot, Deldin

NAYS: None

ABSENT: Trustee Kelleher

A motion was made by Trustee Lanctot and seconded by Trustee Ordinario to reconvene open session at 11:13 a.m. Motion carried unanimously by voice vote.

ADJOURNMENT: A motion was made by Trustee Lanctot and seconded by Trustee Ordinario to adjourn the meeting at 11:15 a.m. Motion carried unanimously by voice vote.

Board President or Secretary

Date approved by Board

The next regular meeting is scheduled for April 25, 2019 at 9:00 a.m.

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