



VILLAGE OF HANOVER PARK
POLICE PENSION COMMITTEE
REGULAR MEETING

Municipal Building: 2121 W. Lake Street
Hanover Park, IL 60133

Tuesday April 17, 2012
4:00p.m.

MINUTES

1. CALL TO ORDER - ROLL CALL

Chairman Sullivan called meeting to order at 4:02pm.

PRESENT: Committee President Sullivan, Secretary Langhenry,
Members: Trustee Seidel, Trustee Walther

ABSENT: Committee Trustee Flakus
Members:

ALSO PRESENT: Bob Zelek-Fund Attorney, Craig Larsen-Apple Hill
Consulting, Nathan Gaskill-Lauterbach & Amen, Kay Nees-
Assistant Finance Director

2. ACCEPTANCE OF AGENDA

Motion by President Sullivan to accept agenda

Second by Trustee Seidel.

Voice Vote:

All Ayes. Motion Carried.

3. PRESENTATIONS/REPORTS

3-a None Sawyer Falduto and PNC not present

3-b Craig Larsen-Apple Hill Consulting, reported on the quarterly investment

performance ending March 2012. He distributed the Review and Analysis and provided the board with current economic conditions that may be influencing the funds performance. Mr. Larson discussed the equity market returns and bond investment outlook. Hanover Park Police Pension Fund performance for the quarter was at 5.88% growth. The benchmark came in at 5.79%. Sawyer Falduto fixed income returns for the quarter was at -.07% and beat the benchmark at -.38%. PNC had a return of -.49% and missed the benchmark at -.38%. The investment strategy for the fund is 50% equity markets, 49% fixed income and 1% cash/equivalents. Mr. Larson informed the Board the total allocation of all the funds is on target. Fixed income is 47.53%, equity investments is 49.96% and cash at 2.51%. The total fund balance is \$21,077,271

- 3-c Nathan Gaskill from Laturbach and Amen provided to the board the monthly financial report for the period ending February 29, 2012. The expenses/Vendor checks report totaled \$122,871.55.

A discussion was had between Nathan and the Board on the most recent Illinois Department of Insurance Audit report. The audit determined the fund was not in compliance regarding the collection of member contributions for holiday pay earned in November. Nathan informed the board the Pension code allows for the collection of contributions from income earned including holiday pay. A union collective bargaining agreement with the Village of Hanover Park prevented the board from collecting contributions from holiday pay. The issue would have to be negotiated and a change agreed upon between the Members Union and the Village.

- 3-d Fund Attorney Bob Zelek reported to the board on a class action suit against Investment group AIG regarding investment holdings during the years 1999 through 2005. The pension fund was given notice of a possible settlement in the suit and claim deadline. It was investigated and the amount of shares owned by the fund during that time were too small of an amount to pursue a claim.

Mr Zelek also reported to the Board and discussed case law involving errors in benefit calculations. He presented to the board the court order for Rossler V Morton Grove Pension Fund and Sola V Roselle Pension Fund. The court determined in each case the board has only 35 days from board approval to reverse a decision and change an award of benefits to a member. A discussion was had between board members regarding retired member Michael Lane. During a recent audit it was discovered Mr. Lane's benefits were incorrectly calculated at the time of his retirement conversion in the year 2003. The board accepted as a final order a benefit amount calculated by the now deceased former finance director. Upon

discovering the error the Board requested a meeting with Mr. Lane. Mr. Lane refused to meet with the board and retained the console of an attorney. He informed the board by a letter no meeting was necessary and the board does not have jurisdiction. The Board reviewed the current case law and found no action could be taken.

4. APPROVAL OF MINUTES:

Motion by President Sullivan to approve minutes for January 17, 2012.

Motion seconded by Trustee Walther.

Voice Vote:

All Ayes. Motion Carried

5. ACTION ITEMS:

5-a. Motion Motion by President Sullivan to approve 1st quarter accounts payable and pension benefits totaling \$527,323.55 Seconded by Trustee Walther.

Voice Vote:

All Ayes. Motion Carried

5-b. Motion Motion by President Sullivan to approve pension refund in the amount of \$21,648.51 to former Police Officer Hugo Villa. Officer Villa had requested the refund. He had resigned employment on July 1, 2011. Seconded by Trustee Walther.

Voice Vote:

All Ayes. Motion Carried

5-c. Motion Motion by President Sullivan to approve pension refund in the amount of \$3,400.61 to former Police Officer Kory McLaughlin. Officer McLaughlin had requested the refund. He resigned employment on November 10, 2011. Seconded by Trustee Walther.

Voice Vote:

All Ayes. Motion Carried

5-d. Motion Motion by President Sullivan to accept into the record continual training and education completed by Trustee Walther and Trustee Flakus. They completed one hour Open Meetings Act training. Also on March 14, 2012 Trustee Walther, Seidel, Sullivan and Langhenry attended an eight hours training seminar at the Northern Illinois University campus in Hoffman Estates

Seconded by Trustee Walther.

Voice Vote:

All Ayes. Motion Carried

5-e. Motion Motion by President Sullivan to accept the election results for appointment to the Hanover Park Police Pension Fund for Trustee Langhenry, Sullivan and Walther. The nomination deadline for active and retired members was on February 17, 2012. The elections were held and closed on April 2, 2012. The results are as follows

Sullivan	38
Langhenry	32
Colucci	5
Gatz	4

The term for Trustee Sullivan, Walther and Langhenry start on May 8, 2012.

Seconded by Trustee Walther.

Voice Vote:

All Ayes. Motion Carried

5-f Motion Motion by President Sullivan to approve resolution #1 dated April 17, 2012 approving /authorizing execution of a second amended and restated declaration of trust entered into and agreed upon establishing an account with Illinois Metropolitan Fund account (IMET).

Seconded by Trustee Walther.

Voice Vote:

All Ayes. Motion Carried

5-g Motion Motion by President Sullivan to accept the Village of Hanover Park Tax Levy valued at \$1,657,706. The board reviewed and discussed Timothy W Sharpe Actuarial valuation report dated February 22, 2012.

Seconded by Trustee Walther.

Voice Vote:

All Ayes. Motion Carried

6. TOWNHALL SESSION: None

7. OLD BUSINESS (NON-ACTION ITEMS):

7- a. None

8. NEW BUSINESS (NON-ACTION ITEMS):

8-a. None

9. ADJOURNMENT:

Motion by President Sullivan to adjourn at 6:10pm.
Second by Trustee Seidel.

Voice Vote:
All Ayes. Motion Carried.

Recorded and transcribed by,
Trustee Langhenry
Hanover Park Police Pension Secretary