

Village of Hanover Park

Municipal Building
2121 West Lake Street
Hanover Park, Illinois
60133-4398

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VILLAGE OF HANOVER PARK POLICE PENSION COMMITTEE REGULAR MEETING

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

Tuesday January 14, 2014
4:00p.m.

MINUTES

1. CALL TO ORDER - ROLL CALL

Chairman Sullivan called meeting to order at 4:05pm.

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

ABSENT: Committee None
 Members:

ALSO PRESENT: Bob Zelek-Fund Attorney, Craig Larsen-Apple Hill, Derek
 Flessner-Lauterbach & Amen

2. ACCEPTANCE OF AGENDA

Motion by President Sullivan to accept agenda

Second by Trustee Walther.

Voice Vote:

All Ayes. Motion Carried.

PRESENTATIONS/REPORTS

3. 3-a None Sawyer Falduto and PNC not present

3-b Craig Larsen-Apple Hill Consulting, reported on the quarterly investment performance ending Dec 2013. 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 overall performance for the quarter came in at 4.57% growth. The benchmark was at 3.39%. Sawyer/Falduto fixed income returns for the quarter was at -0.52% with a benchmark of -0.42%. PNC had a return of -0.48%. The equity markets remained strong through the end of 2013. The US bond market and global real estate came in slightly negative territory for the quarter.

Mr Larsen discussed at length the reallocation of equity into a corporate bond mutual fund (Vanguard short term investment grade) to diversify more into fixed income. He distributed an analyst report on the investment which provided great detail on the funds holdings and investment strategies.

3-c Derek Flessner from Lauterbach & Amen gave a presentation on the financial statement Of the fund for the period ending November 2013. He discussed the Statement of Net Position, Cash Analysis report, Revenue report, and Expense report.

4. APPROVAL OF MINUTES:

Motion by President Sullivan to approve minutes for Oct 15, 2013.

Motion seconded by Trustee Seidel.

Voice Vote:

All Ayes. Motion Carried

5. ACTION ITEMS:

5-a. Motion by President Sullivan to approve October and November accounts payable and pension benefits totaling \$282,350.38

Seconded by Trustee Seidel.

Voice Vote:

All Ayes. Motion Carried

5-b. Motion by President Sullivan to accept into the record training completed by President Sullivan, Trustee Seidel, Walther, and Flakus. They completed 8 hours of IPPFA training in the area of Ethics, Fiduciary duties and Investment Strategies in November 2013.

Seconded by Trustee Seidel.

Voice Vote:

All Ayes. Motion Carried

5-c. None. No new members to add to the pension fund

5-d. None

5-e. Motion by President Sullivan to approve a new pension benefit calculation for the calendar year 2014 for retired members COLA.

Seconded by Trustee Flakus.

Voice Vote:

All Ayes. Motion Carried

5-f. Motion by President Sullivan to transfer pension contributions by former Police Officer, Steve Cortese totaling \$57,809.38 to the Arlington Heights Police fund.

Seconded by Trustee Flakus.

Voice Vote:

All Ayes. Motion Carried

5-g. Motion by President Sullivan to transfer pension contribution by former Police Officer, Pedro Diaz totaling \$55,036.58 to the Bloomington Police pension fund.

Seconded by Trustee Walther.

Voice Vote:

All Ayes. Motion Carried

5-h. Motion by President Sullivan to accept the Municipal compliance report for the Village of Hanover Park Board for the Fiscal year ending 4/30/13 as prepared by Lauterbach & Amen.

Motion seconded by Trustee Walther.

Voice Vote:

All Ayes. Motion Carried

5-i Motion by President Sullivan to accept the pension recalculation for retired Officer Michael Kozenczak caused by the signing of a new Union contract which is retroactive. New ending salary will be \$82,211.58.

Motion seconded by Trustee Walther.

Voice Vote:

All Ayes. Motion Carried

5-j Motion by President Sullivan to accept the pension retirement application by Police Lieutenant Roy Hanold effective 01/11/14 on a retirement date of 01/10/14. Ending salary was at \$108,905.18. Monthly benefits would be \$6,353.80.

Motion seconded by Trustee Walther.

Voice Vote:

All Ayes. Motion Carried

5-k Treasurer Flakus reviewed the following requests for proposal (RFP) and briefed the board on each one.

Lowery Asset Consulting
LaSalle Street Consulting
Group of Raymond James
Capital gains, Inc.
AHC Advisors, Inc

A general discussion was made by the board on each of the RFP. It was noted Group of Raymond James proposal came in after the deadline.

A Motion by Trustee Seidel was made to accept the request for proposal (RFP) submitted by AHC Advisor for a 5 year contract.

Motion seconded by Trustee Walther.

Voice Vote:

All Ayes. Motion Carried

5-1 Motion by President Sullivan to open a Fidelity account to hold Vanguard short term investment grade Fund.

Motion seconded by Trustee Seidel.

Voice Vote:

All Ayes. Motion Carried

Motion by President Sullivan to adopt update asset allocation as listed in appendix A.

Motion seconded by Trustee Seidel.

Voice Vote:

All Ayes. Motion Carried

Motion by President Sullivan to reallocate Pension Fund Holdings to match asset allocation as listed in appendix A.

Motion seconded by Trustee Seidel.

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. Discussion led by Treasurer Flakus regarding the Pension Fund's fiscal year 2014 drafted budget and recommended tax levy amounts.

8-b. Discussion concerning the filing of Statement of Economic Interest with the Cook County Clerks Office.

- 8-c. Discussion regarding former Officer Miriam Uribe's request for transfer of her pension contribution to the Elgin Police Pension fund.
- 8-d. Discussion led by Pension Board Attorney Robert Zelek concerning options for the fund to verify retired officer's information on an annual basis.
- 8-e. Discussion led by the Board regarding future IMRF transfers to Police Pension funds.
- 8-f. Discussion led by the Board regarding the pending nomination and election for the expiring Board members term.

9. ADJOURNMENT:

Motion by President Sullivan to adjourn at 6:30 pm.

Second by Trustee Walther.

Voice Vote:

All Ayes. Motion Carried.

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