



**MINUTES OF A REGULAR MEETING OF THE
HAWTHORN WOODS POLICE PENSION FUND
BOARD OF TRUSTEES
MAY 19, 2020**

A regular meeting of the Hawthorn Woods Police Pension Fund Board of Trustees was held via videoconference in accordance with Section 6 of Governor Pritzker's Executive Order 2020-33 (COVID-19 Executive Order No. 31) on Tuesday, May 19, 2020 at 11:00 a.m. pursuant to notice.

CALL TO ORDER: Trustee Samz called the meeting to order at 11:23 a.m.

ROLL CALL:

PRESENT: Trustees Douglas Samz, Michael Viramontes and John Tennant

ABSENT: None

ALSO PRESENT: Attorney Brian LaBardi, Reimer & Dobrovolny PC; Keri O'Brien, Trinette Gardner and James Ritchie, Lauterbach & Amen, LLP (L&A); John Falduto and Tom Sawyer, Sawyer Falduto Asset Management, LLC

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *February 18, 2020 Regular Meeting:* The Board reviewed the February 18, 2020 regular meeting minutes. A motion was made by Trustee Tennant and seconded by Trustee Viramontes to approve the February 18, 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 three-month period ending March 31, 2020 prepared by L&A. As of March 31, 2020, the net position held in trust for pension benefits is \$4,636,410.96 for a change in position of (\$289,368.36). 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 January 1, 2020 through March 31, 2020 for total disbursements of \$16,435.48. A motion was made by Trustee Tennant and seconded by Trustee Samz to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$16,435.48. Motion carried by roll call vote.

AYES: Trustees Samz, Viramontes and Tennant

NAYS: None

ABSENT: None

Additional Bills, if any: The Board reviewed the following additional bills for approval:

- L&A invoice #43872 in the amount of \$870 for accounting, payroll and PSA services rendered for the month of February 2020.
- L&A invoice #44690 in the amount of \$870 for accounting, payroll and PSA services rendered for the month of March 2020.
- L&A invoice #45016 in the amount of \$595 for the preparation of Year End Auditor's Workpapers for the fiscal year ended December 31, 2019.

- L&A invoice #43475 in the amount of \$285 for the preparation of payroll tax returns (including 1099's) for the calendar year ended December 31, 2019.
- Reimer & Dobrovolny PC invoice #25911 in the amount of \$750 for legal services.

A motion was made by Trustee Tennant and seconded by Trustee Samz to approve the additional bills as presented. Motion carried by roll call vote.

AYES: Trustees Samz, Viramontes and Tennant
NAYS: None
ABSENT: None

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 Viramontes and seconded by Trustee Tennant to approve payment of the IDOI Compliance Fee, upon receipt of the invoice. Motion carried by roll call vote.

AYES: Trustees Samz, Viramontes and Tennant
NAYS: None
ABSENT: None

INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC: *Quarterly Investment Performance Report:* Mr. Falduto presented the Quarterly Investment Performance Report for the period ending March 31, 2020. As of March 31, 2020, the first quarter net return is (7.25%) versus the first quarter account benchmark of (8.32%). The investment return for the quarter is (\$356,503) for an ending market value of \$4,624,113. The current asset allocation is as follows: fixed income at 58.0%, equities at 41.0% and cash equivalents at 1.0%. Mr. Sawyer reviewed the Market Commentary, Equity and Fixed Income Portfolios, Credit Rating Report and Transaction Ledger Report with the Board. A motion was made by Trustee Tennant and seconded by Trustee Samz to accept the Quarterly Investment Performance Report as presented. Motion carried by roll call vote.

AYES: Trustees Samz, Viramontes and Tennant
NAYS: None
ABSENT: None

Review/Update Investment Policy: The Board reviewed the current investment policy. Mr. Falduto provided proposed language to update the policy to comply with the Illinois Sustainable Investment Act along with adjustments to allowable benchmarks. A motion was made by Trustee Tennant and seconded by Trustee Samz to accept changes to the investment policy and allow SFAM to implement the changes immediately. An updated investment policy will be available for signature at the next regular meeting. Motion carried by roll call vote.

AYES: Trustees Samz, Viramontes and Tennant
NAYS: None
ABSENT: None

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

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: There were no applications for membership or withdrawals from the Fund.

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

OLD BUSINESS: There was no old business to discuss.

NEW BUSINESS: 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.

BMO Harris Bank Signature Cards and Resolution Update: The Board discussed updating the signers on the BMO Harris Bank account with the current Board members and removing Board members who are no longer serving on the Hawthorn Woods Police Pension Funds Board of Trustees.

Certify Board Election Results – Active Member Position: L&A conducted an election for one of the active member positions on the Hawthorn Woods Police Pension Fund Board of Trustees. Michael Viramontes ran unopposed and was reelected for a two-year term expiring May 10, 2022. A motion was made by Trustee Tennant and seconded by Trustee Samz to certify the active member election results. Motion carried unanimously by voice vote.

Review Preliminary Actuarial Valuation: The Board reviewed the finalized Actuarial Valuation as prepared by L&A. The Board agreed to formally accept the Actuarial Valuation at the next regular meeting.

Appointed Member Vacancy: The Board discussed the appointed Trustee vacancy on the Hawthorn Woods Police Pension Fund's Board of Trustees. Trustee Tennant informed the Board that he will contact the Village of Hawthorn Woods to seek appointment to the Board for the vacant Trustee position.

The Board noted that Trustee Samz's appointment expired in May 2020. Trustee Samz wishes to remain on the Board. The Board will contact the Village of Hawthorn Woods and seek reappointment of Trustee Samz.

Discussion/Possible Action – Revising Vendor Payment Process: The Board discussed revising the vendor payment process in order to make it more efficient. A motion was made by Trustee Tennant and seconded by Trustee Viramontes to authorize Trustee Samz to approve payment upon receipt of all invoices and ratify paid invoices at the Boards quarterly meetings. Motion carried by roll call vote.

AYES: Trustees Samz, Viramontes and Tennant
NAYS: None
ABSENT: None

ATTORNEY'S REPORT – REIMER & DOBROVOLNY PC: *Legal Updates:* The Board reviewed the *Legal and Legislative Update* quarterly newsletter. Attorney LaBardi discussed COVID-19 and provided updates on the investment consolidated boards.

CLOSED SESSION, IF NEEDED: There was no need for closed session.

ADJOURNMENT: A motion was made by Trustee Tennant and seconded by Trustee Viramontes to adjourn the meeting at 12:19 p.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for August 18, 2020 at 11:00 a.m.



Board President or Secretary

Minutes approved by the Board of Trustees on 8/18/20

Minutes prepared by Keri O'Brien, Pension Services Administrator, Lauterbach & Amen, LLP