



**MINUTES OF A REGULAR MEETING OF THE
HAWTHORN WOODS POLICE PENSION FUND
BOARD OF TRUSTEES
MAY 18, 2021**

A regular meeting of the Hawthorn Woods Police Pension Fund Board of Trustees was held via videoconference on Tuesday, May 18, 2021 at 11:30 a.m. without a quorum of the public body physically present because of a disaster declaration related to COVID-19 public health concerns affecting the Village of Hawthorn Woods. The Hawthorn Woods Police Pension Fund Board President 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 Samz called the meeting to order at 11:32 a.m.

ROLL CALL:

PRESENT: Trustees Douglas Samz, Michael Viramontes (*arrived at 11:33 a.m.*), John Tennant and Karen Baird

ABSENT: None

ALSO PRESENT: Attorney Brian LaBardi, Reimer Dobrovolny & LaBardi PC; Keri O'Brien and James Ritchie, Lauterbach & Amen, LLP (L&A); Tom Sawyer, Sawyer Falduto Asset Management, LLC; Finance Director Katreina York, Village of Hawthorn Woods

PUBLIC COMMENT: There was no public comment.

Trustee Viramontes arrived at 11:33 a.m.

APPROVAL OF MEETING MINUTES: *February 16, 2021 Regular Meeting:* The Board reviewed the February 16, 2021 regular meeting minutes. A motion was made by Trustee Samz and seconded by Trustee Tennant to approve the February 16, 2021 regular meeting minutes with an amendment to the 2021 Village Contribution discussion as discussed by the Board. Motion carried by roll call vote.

AYES: Trustees Samz, Viramontes, Tennant and Baird

NAYS: None

ABSENT: None

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, 2021 prepared by L&A. As of March 31, 2021, the net position held in trust for pension benefits is \$6,067,637.97 for a change in position of \$155,678.91. 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, 2021 through March 31, 2021 for total disbursements of \$11,428.85. A motion was made by Trustee Baird and seconded by Trustee Tennant to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$11,428.85. Motion carried by roll call vote.

AYES: Trustees Samz, Viramontes, Tennant and Baird

NAYS: None

ABSENT: None

Additional Bills, if any – Illinois Department of Insurance Compliance Fee: The Board noted that the Illinois Department of Insurance Compliance Fee invoice was received. A motion was made by Trustee Baird and seconded by Trustee Samz to approve payment of the IDOI Compliance Fee in the amount of \$986.66. Motion

carried by roll call vote.

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

INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC: *Quarterly Investment Performance Report:* Mr. Sawyer presented the Quarterly Investment Performance Report for the period ending March 31, 2021. As of March 31, 2021, the first quarter net return is 1.2% versus the first quarter account benchmark of 1.4%. The investment return for the quarter is \$71,270. for an ending market value of \$6,053,331. The current asset allocation is as follows: fixed income at 53.8%, equities at 44.6% and cash equivalents at 1.5%. 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 Viramontes to accept the Quarterly Investment Performance Report as presented. Motion carried by roll call vote.

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

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

COMMUNICATIONS AND REPORTS: *Statements of Economic Interest:* The Board was reminded that the Statements of Economic Interest are due by May 1, 2021.

TRUSTEE TRAINING UPDATES: The Board 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: The Board discussed the upcoming 2021 IPPFA MidAmerican Pension Conference and the IPPFA 16-Hour Certified Trustee Program. A motion was made by Trustee Tennant and seconded by Trustee Viramontes to approve the registration fees for trustees interested in attending the 2021 MidAmerican Pension Conference and to direct L&A to register Trustees Samz, Tennant, Viramontes and Baird for the event and to register Trustee Baird for the IPPFA 16-Hour Certified Trustee Program. Motion carried by roll call vote.

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

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: *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.

NEW BUSINESS: *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 Samz and seconded by Trustee Baird to approve payment of the fiduciary liability insurance renewal effective March 14, 2021 through March 14, 2022 in the amount of \$2,365. Motion carried by roll call vote.

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

Certify Board Election Results – Active and Retired Member Positions: L&A conducted an election for one of the active member positions on the Hawthorn Woods Police Pension Fund Board of Trustees. John Tennant ran unopposed and was reelected for a two-year term expiring May 9, 2023. A motion was made by Trustee Viramontes and seconded by Trustee Samz to certify the active member election results. Motion carried by roll call vote.

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

The Board noted that L&A conducted an election for the vacant retired member Trustee position with no nominations being received and will leave the retired member Trustee position vacant at this time.

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.

OLD BUSINESS (CONTINUED): *Discussion – Assumed Rate of Return:* The Board discussed the current assumed rate of return for the Actuarial Valuation that was previously deliberated at the February 18, 2020 meeting and agreed to continue using the assumed rate of return of 6.5%.

NEW BUSINESS (CONTINUED): *BMO Harris Bank Signature Cards and Resolution Update:* L&A provided the Board with the necessary forms to update the signers on the BMO Harris Bank account with the current Board members and municipal representative. The Board will obtain signatures and submit the completed forms to L&A to update with BMO Harris Bank. A motion was made by Trustee Tennant and seconded by Trustee Baird to remove Kristin Kazenas and Timothy McCue and to designate Trustees Samz, Tennant and Viramontes and Finance Director York as signers on the BMO Harris Bank account. Motion carried by roll call vote.

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

ATTORNEY’S REPORT – REIMER DOBROVOLNY & LABARDI PC: *Legal Updates:* The Board reviewed the *Legal and Legislative Update* quarterly newsletter. Attorney LaBardi discussed recent court cases and decisions, as well as general pension matters with the Board.

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

ADJOURNMENT: A motion was made by Trustee Baird and seconded by Trustee Tennant to adjourn the meeting at 12:29 p.m. Motion carried by roll call vote.

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

The next regular meeting is scheduled for August 17, 2021 at 11:00 a.m.

Board President or Secretary

Minutes approved by the Board of Trustees on _____

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