



**MINUTES OF A REGULAR MEETING OF THE
HAWTHORN WOODS POLICE PENSION FUND
BOARD OF TRUSTEES
FEBRUARY 24, 2022**

A regular meeting of the Hawthorn Woods Police Pension Fund Board of Trustees was held via videoconference on Thursday, February 24, 2022 at 11:00 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 11:02 a.m.

ROLL CALL:

PRESENT: Trustees Douglas Samz, Michael Viramontes, John Tennant and Karen Baird
(arrived at 11:04 a.m.)

ABSENT: None

ALSO PRESENT: Attorney Brian LaBardi, Reimer Dobrovoly & LaBardi PC; Keri O'Brien and Jacquie Ondras, Lauterbach & Amen, LLP (L&A); John Falduto and Tom Sawyer, Sawyer Falduto Asset Management, LLC; Finance Director Katreina York, Village of Hawthorn Woods; Chief of Police Jennifer Paulus; Hawthorn Woods Police Department

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *November 16, 2021 Regular Meeting:* The Board reviewed the November 16, 2021 regular meeting minutes. A motion was made by Trustee Tennant and seconded by Trustee Samz to approve the November 16, 2021 regular meeting minutes as written. Motion carried by roll call vote.

AYES: Trustees Samz, Viramontes and Tennant

NAYS: None

ABSENT: Trustee Baird

Semi-Annual Review of Closed Session Meeting Minutes: There were no closed session meeting minutes for review.

Trustee Baird arrived at 11:04 a.m.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the one-month period ending January 31, 2022 prepared by L&A. As of January 31, 2022, the net position held in trust for pension benefits is \$6,485,544.47 for a change in position of (\$278,353.75). 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 November 1,

2021 through January 31, 2022 for total disbursements of \$13,649.70. A motion was made by Trustee Samz 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 \$13,649.70. Motion carried by roll call vote.

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

Additional Bills, if any: There were no additional bills presented for approval.

INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC: *Quarterly Investment Performance Report:* Mr. Falduto presented the Quarterly Investment Performance Report for the period ending December 31, 2021. As of December 31, 2021, the fourth quarter net return is 2.8% versus the fourth quarter account benchmark of 3.6%. The investment return for the quarter is \$181,153. for an ending market value of \$6,752,009. The current asset allocation is as follows: fixed income at 54%, equities at 44.4% and cash equivalents at 1.7%. 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 Samz and seconded by Trustee Tennant 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

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

Post Consolidation Services Proposal: The Board reviewed the post consolidation services proposal prepared by Sawyer Falduto Asset Management. A motion was made by Trustee Baird and seconded by Trustee Viramontes to accept the proposal as presented at the cost of \$500 per month, on a month-to-month basis, effective with the consolidation of assets. Motion carried by roll call vote.

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

Consolidation Related Matters: This item will be discussed under New Business.

COMMUNICATIONS AND REPORTS: *Affidavits of Continued Eligibility:* The Board noted that L&A mailed Affidavits of Continued Eligibility to all pensioners with the December payroll cycle and a due date of January 31, 2022. To date, one affidavit remains outstanding. L&A will mail a second request affidavit to the outstanding pensioner and a status update will be provided to the Board as they become available.

Statements of Economic Interest: The Board noted that the List of Filers was submitted to the County by the Village by February 1, 2022. Statements of Economic Interest will be sent to all

registered filers who will need to respond by the deadline of May 1, 2022.

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: There were no trustee training registration fees or reimbursable expenses presented for approval.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Application for Membership – Lawrence Maraviglia:* The Board noted that Lawrence Maraviglia withdrew his application for membership to the Hawthorn Woods Police Pension Fund. A motion was made by Trustee Tennant and seconded by Trustee Baird to accept Lawrence Maraviglia’s withdrawn application for withdraw discussed. Motion carried by roll call vote.

AYES: Trustees Samz, Viramontes, Tennant and Baird

NAYS: None

ABSENT: None

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Regular Retirement Benefits – Jennifer Paulus:* The Board discussed the regular retirement benefit calculation and determining the correct effective date for Jennifer Paulus’ pension. Attorney LaBardi advised the Board to schedule a hearing for further discussion on the retirement application of Chief Paulus. Further discussion will be held at a hearing on a date yet to be determined.

OLD BUSINESS: There was no old business to discuss.

NEW BUSINESS: *Approve Annual Cost of Living Adjustments for Pensioners:* The Board reviewed the 2021 Cost of Living Adjustments (see attached) calculated by L&A. A motion was made by Trustee Viramontes and seconded by Trustee Baird to approve the 2021 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Samz, Viramontes, Tennant and Baird

NAYS: None

ABSENT: None

Review Trustee Term Expirations and Election Procedures: The Board noted that the active member term currently held by Trustee Viramontes is expiring in May 2022. Trustee Viramontes 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.

The Board noted that the appointed Trustee position held by Trustee Samz is expiring in May 2022 and he wishes to remain on the Board. The Board will contact the Village and seek reappointment of Trustee Samz to the Board.

Review/Approve – Fiduciary Liability Insurance Renewal: The Board discussed the fiduciary liability insurance renewal provided by Mesirow Insurance Services, Inc. through Ullico Casualty Group, LLC. The Board will complete and submit the application for renewal of the fiduciary liability insurance. A motion was made by Trustee Samz and seconded by Trustee Viramontes to

approve payment of the fiduciary liability insurance renewal in an amount not to exceed \$3,000.
Motion carried by roll call vote.

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

Military Service Purchase – Edward Armijo: The Board noted that Edward Armijo completed his military service purchase to transfer 24 months of military service to the Hawthorn Woods Police Pension Fund in the amount of \$64,940. A motion was made by Trustee Tennant and seconded by Trustee Viramontes to accept the payment in the amount of \$64,940, recognize the purchase as paid in full and acknowledge Edward Armijo’s revised date of hire from July 6, 2003 to July 6, 2001.
Motion carried by roll call vote.

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

Acknowledge IPOPIF Notice of Asset Transfer, Adopt Resolution and Execute Exhibits: The Board discussed the IPOPIF Notice of Asset Transfer, Resolution and Exhibits. A motion was made by Trustee Tennant and seconded by Trustee Baird to direct Trustee Samz to request an extension of the May 2, 2022 tranche date to June 1, 2022. Motion carried by roll call vote.

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

The Board will discuss the exhibits at a special meeting on a date yet to be determined.

Discussion/Possible Action – Local Account Collateralization: The Board will discuss this item at a special meeting on a date yet to be determined.

Discussion/Adopt – Cash Management Policy: The Board will discuss this item at a special meeting on a date yet to be determined.

ATTORNEY’S REPORT – REIMER DOBROVOLNY & LABARDI PC: QILDRO – Gary Scharringhausen: The Board noted that Gary Scharringhausen’s QILDRO was approved at the November 16, 2021 regular meeting. No further action is required.

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 12:48 p.m. Motion carried by roll call vote.

AYES: Trustees Samz, Viramontes and Baird

NAYS: None
ABSENT: None

The next regular meeting is scheduled for May 17, 2022 at 11:00 a.m.

Board President or Secretary

Minutes approved by the Board of Trustees on _____

Minutes prepared by Jacquie Ondras, Pension Services Administrator, Lauterbach & Amen, LLP