



**MINUTES OF A REGULAR MEETING OF THE
HAWTHORN WOODS POLICE PENSION FUND
BOARD OF TRUSTEES
MAY 19, 2022**

A regular meeting of the Hawthorn Woods Police Pension Fund Board of Trustees was held via videoconference on Thursday, May 19, 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 and Karen Baird

ABSENT: Trustee John Tennant

ALSO PRESENT: Attorney Brian LaBardi, Reimer Dobrovolny & LaBardi PC; Tom Sawyer, Sawyer Falduto Asset Management, LLC; Finance Director Katreina York, Village of Hawthorn Woods; Sergeant Edward Armijo and Chief of Police Jennifer Paulus, Hawthorn Woods Police Department; Jacqueline Ondras, Keith Schemm and Anthony Gedvilas, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: Chief of Police Jennifer Paulus inquired about the retired member position on the Hawthorn Woods Police Department Pension Board of Trustees. The Board Attorney stated that the Board can request a special election and that this matter will be discussed further into the agenda.

APPROVAL OF MEETING MINUTES: *February 24, 2022 Regular Meeting:* The Board reviewed the February 24, 2022 regular meeting minutes. A motion was made by Trustee Baird and seconded by Trustee Viramontes to approve the February 24, 2022 regular meeting minutes as written. Motion carried by roll call vote.

AYES: Trustees Samz, Viramontes and Baird

NAYS: None

ABSENT: Trustee Tennant

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, 2022 prepared by L&A. As of March 31, 2022, the net position held in trust for pension benefits is \$6,406,192.02 for a change in position of (\$357,706.20). 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, 2022 through March 31, 2022 for total disbursements of \$18,274.60. A motion was made by Trustee Samz and seconded by Trustee Baird to accept the Monthly Financial Report as

presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$18,274.60. Motion carried by roll call vote.

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

Additional Bills, if any – 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 Samz and seconded by Trustee Viramontes to approve payment of the IDOI Compliance Fee, upon receipt of the invoice. Motion carried by roll call vote.

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

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, 2022. As of March 31, 2022, the first quarter net return is (6.0%) versus the first quarter account benchmark of (5.3%). The investment return for the quarter is (\$404,835) for an ending market value of \$6,396,728. The current asset allocation is as follows: fixed income at 53.5%, equities at 45.6% and cash equivalents at 0.9%. 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 Viramontes to accept the Quarterly Investment Performance Report as presented. Motion carried by roll call vote.

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

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 will continue post consolidation services by Sawyer Falduto Asset Management at the cost of \$500 per month, on a month-to-month basis. Further discussion will be held at the next regular meeting.

COMMUNICATIONS AND REPORTS: *Affidavits of Continued Eligibility:* L&A informed the Board that second request Affidavits of Continued Eligibility were mailed to the outstanding pensioners after the April 15, 2022 due date. To date, one affidavit remains outstanding. The Board authorized L&A to send a third request affidavit via certified mail to the outstanding pensioner. Further discussion will be held at the next regular meeting.

Statements of Economic Interest: The Board was reminded that the Statements of Economic Interest were due by 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: There were no applications for membership or withdrawals from the Fund.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Regular Retirement Benefits – Edward Armijo:* The Board reviewed the regular retirement benefit calculation for Edward Armijo prepared by L&A. Sergeant Armijo had an entry date of July 6, 2001, retirement date of March 31, 2022, effective date of pension of April 1, 2022, 53 years of age at date of retirement, 20 years of creditable service, applicable salary of \$106,703, applicable pension percentage of 50%, amount of originally granted monthly pension of \$4,445.96 and amount of originally granted annual pension of \$53,351.52. A motion was made by Trustee Viramontes and seconded by Trustee Baird to approve Edward Armijo’s regular retirement benefit calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Samz, Viramontes and Baird

NAYS: None

ABSENT: Trustee Tennant

Approve Regular Retirement Benefits – Jennifer Paulus: The Board reviewed the regular retirement benefit calculation for Jennifer Paulus prepared by L&A. Chief of Police Paulus had an entry date of December 19, 1998, retirement date of March 31, 2022, effective date of pension of April 1, 2022, 50 years of age at date of retirement, 23 years of creditable service, applicable salary of \$148,158, applicable pension percentage of 57.50%, amount of originally granted monthly pension of \$7,099.24 and amount of originally granted annual pension of \$85,190.88. The Board noted that the retirement benefit calculation for Jennifer Paulus was approved at the May 10, 2022 retirement hearing.

Jennifer Paulus left the meeting at 11:50 a.m.

Edward Armijo left the meeting at 11:52 a.m.

OLD BUSINESS: *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 Baird and seconded by Trustee Viramontes to approve the Resolution Appointing Authorized Agents No. 2022-01, appointing Trustees Tennant and Samz as Authorized Agents for the Hawthorn Woods Police Pension Fund. Motion carried by roll call vote.

AYES: Trustees Samz, Viramontes and Baird

NAYS: None

ABSENT: Trustee Tennant

Discussion/Possible Action – Local Account Collateralization: The Board discussed the memorandum prepared by L&A regarding the opportunity to collateralize the BMO Harris Bank operating account in excess of the standard \$250,000 FDIC insurance coverage. A motion was made by Trustee Samz and seconded by Trustee Baird to approve the Local Account

Collateralization Agreement, as amended by Reimer Dobrovolny & Labardi PC. Motion carried by roll call vote.

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

Discussion/Adopt – Cash Management Policy: The Board discussed the interim cash requisite for the purpose of remitting pension benefits and expenses during the transition period. The Board will further review and adopt a cash management policy post consolidation at the next regular meeting. A motion was made by Trustee Baird and seconded by Trustee Samz to instruct Sawyer Falduto to maintain \$120,000 in the Schwab account to fund pension benefits and expenses through the asset freeze period. Motion carried by roll call vote.

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

Discussion/Possible Action – eCFM Access Form: The Board discussed the eCFM Access Form. Further discussion will be held at the next regular meeting.

NEW BUSINESS: *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 14, 2024. A motion was made by Trustee Baird and seconded by Trustee Samz to certify the active member election results. Motion carried unanimously by voice vote.

Appointed Member Term Expiration – Douglas Samz: 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.

The Board discussed the vacant retired member position. A motion was made by Trustee Samz and seconded by Trustee Viramontes to request L&A to conduct a special election for the retired member position. Motion carried by roll call vote.

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

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.

Katreina York left the meeting at 12:35 p.m.

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.

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 Samz to adjourn the meeting at 12:43 p.m. Motion carried by roll call vote.

AYES: Trustees Samz, Viramontes and Baird

NAYS: None

ABSENT: John Tennant

The next regular meeting is scheduled for August 16, 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