



**MINUTES OF A REGULAR MEETING OF THE
HAWTHORN WOODS POLICE PENSION FUND
BOARD OF TRUSTEES
AUGUST 16, 2022**

A regular meeting of the Hawthorn Woods Police Pension Fund Board of Trustees was held via videoconference on Tuesday, August 16, 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 Tennant called the meeting to order at 11:01 a.m.

ROLL CALL:

PRESENT: Trustees John Tennant, Dennis Hoppe, Jennifer Paulus and Karen Baird
ABSENT: Trustee Michael Viramontes
ALSO PRESENT: Attorney Brian LaBardi, Reimer Dobrovlny & LaBardi PC; Tom Sawyer and John Falduto, Sawyer Falduto Asset Management, LLC; Finance Director Katreina York, Village of Hawthorn Woods; Keri O'Brien, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

NEW BUSINESS: *Certify Board Special Election Results – Retired Member Position:* L&A conducted an election for the retired member position on the Hawthorn Woods Police Pension Fund Board of Trustees. Jennifer Paulus ran unopposed and was elected for a two-year term expiring May 14, 2024. A motion was made by Trustee Baird and seconded by Trustee Tennant to certify the retired member election results. Motion carried by roll call vote.

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

APPROVAL OF MEETING MINUTES: *May 19, 2022 Regular Meeting:* The Board reviewed the May 19, 2022 regular meeting minutes. A motion was made by Trustee Tennant and seconded by Trustee Baird to approve the May 19, 2022 regular meeting minutes as written. Motion carried by roll call vote.

AYES: Trustees Tennant, Hoppe and Baird
NAYS: None
ABSENT: Trustee Viramontes
ABSTAIN: Trustee Paulus

June 2, 2022 Special Meeting: The Board reviewed the June 2, 2022 special meeting minutes. A motion was made by Trustee Hoppe and seconded by Trustee Tennant to approve the June 2, 2022 special meeting minutes as written. Motion carried by roll call vote.

AYES: Trustees Tennant, Hoppe and Baird
NAYS: None
ABSENT: Trustee Viramontes
ABSTAIN: Trustee Paulus

Semi-Annual Review of Closed Session Meeting Minutes: The Board reviewed the closed session meeting minutes and will not release them at this time. A motion was made by Trustee Tennant and seconded by Trustee Baird to not release the closed session meeting minutes as discussed. Motion carried by roll call vote.

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

ACCOUNTANT’S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the seven-month period ending July 31, 2022 prepared by L&A. As of July 31, 2022, the net position held in trust for pension benefits is \$6,184,106.50 for a change in position of (\$579,791.72). 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 May 1, 2022 through July 31, 2022 for total disbursements of \$17,597.53. A motion was made by Trustee Tennant and seconded by Trustee Paulus to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$17,597.53. Motion carried by roll call vote.

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

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 June 30, 2022. As of June 30, 2022, the second quarter net return is (9.1%) versus the second quarter account benchmark of (9.2%). The investment return for the quarter is (\$585,152) for an ending market value of \$5,888,436. The current asset allocation is as follows: fixed income at 56.6%, equities at 41.4% and cash equivalents at 2.0%. 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 Hoppe and seconded by Trustee Tennant to accept the Quarterly Investment Performance Report as presented. Motion carried by roll call vote.

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

Post Consolidation Services Proposal: The Board noted that this item was approved by the board at the May 19, 2022 regular meeting. No further action is required.

IPOPIF – Verus Advisory, Inc: There was no Verus Advisory, Inc. report available for presentation at this time.

State Street Statements: There were no State Street Statements available for presentation at this time.

COMMUNICATIONS AND REPORTS: *Affidavits of Continued Eligibility:* The Board noted that all 2021 Affidavits of Continued Eligibility have been received by L&A.

Active Member File Maintenance: The Board noted that L&A will prepare Active Member File Maintenance letters for distribution to all active members requesting any additional pension file documents.

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 2022 IPPFA MidAmerican Pension Conference. A motion was made by Trustee Paulus and seconded by Trustee Tennant to approve the registration fees and Trustee training reimbursements for Trustees interested in attending the 2022 IPPFA MidAmerican Pension Conference and to direct L&A to register Trustees Baird and Tennant for the event. Motion carried by roll call vote.

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

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: There were no applications for membership or withdrawals from the Fund.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Retro Pay – Jennifer Paulus:* The Board noted that Jennifer Paulus is due a retroactive payment in the amount of \$617.32 for the period April, 2022 through May, 2022 due to the recalculation of her regular retirement benefit as a result of the contract settlement. A motion was made by Trustee Baird and seconded by Trustee Hoppe to approve the retroactive payment to Jennifer Paulus in the amount of \$617.32 calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Tennant, Hoppe and Baird
NAYS: None
ABSENT: Trustee Viramontes
ABSTAIN: Trustee Paulus

OLD BUSINESS: *Discussion/Possible Action – Revised Local Account Collateralization:* The Board noted that this item was discussed at the May 19, 2022 regular meeting. No further action is required.

IDOI Annual Statement: This item was not discussed.

NEW BUSINESS (CONTINUED): *Board Officer Elections – President, Vice President, Secretary & Assistant Secretary:* The Board discussed Board Officer Elections and nominated the slate of Officers as follows: Trustee Tennant as President, Trustee Viramontes as Vice President, Trustee Baird as Secretary and Trustee Hoppe as Assistant Secretary. A motion was made by Trustee Paulus and seconded by Trustee Baird to elect the slate of Officers as stated. Motion carried by roll call vote.

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

FOIA Officer & OMA Designee: The Board discussed designating Trustee Tennant as the FOIA Officer and OMA Designee. A motion was made by Trustee Baird and seconded by Trustee Hoppe to designate the FOIA Officer and OMA Designee as stated. Motion carried by roll call vote.

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

Review/Approve – Actuarial Valuation & Tax Levy Request: The Board reviewed the finalized Actuarial Valuation as prepared by L&A. Based on data and assumptions, the recommended contribution amount is \$342,726 which is a \$50,425 decrease from the prior year contribution. A motion was made by Trustee Tennant and seconded by Trustee Baird to accept the Actuarial Valuation as prepared and to request a tax levy in the amount of \$342,726 from the Village based on the recommended amount stated in the Actuarial Valuation prepared by L&A. Motion carried by roll call vote.

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

Review/Adopt – Municipal Compliance Report: This item will be discussed at the next regular meeting.

Transfer of Creditable Service from IMRF Pursuant to SB3785 – Michael Viramontes: The Board noted that Michael Viramontes's request to transfer creditable service from IMRF to the Hawthorn Woods Police Pension Fund is currently in process. Further discussion will be held at the next regular meeting.

Acknowledge IPOPIF Notice of Reassigned Tranche Date: The Board acknowledged the Hawthorn Woods Police Pension Fund's reassigned transfer date as November 1, 2022.

ATTORNEY'S REPORT – REIMER DOBROVOLNY & LABARDI PC: *Review, Adopt and Publish Decision and Order – Edward Armijo:* The Board reviewed the Decision and Order prepared by Attorney LaBardi.

Review/Adopt – Certificate of Payment – Edward Armijo: The Board reviewed the Certificate of Payment prepared by Attorney LaBardi.

A motion was made by Trustee Baird and seconded by Trustee Tennant to approve, adopt and publish the Decision and Order and adopt the Certificate of Payment for Edward Armijo as presented. Motion carried by roll call vote.

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

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.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP (CONTINUED): *Discussion/Possible Action – Cash Management Policy:* The Board discussed the interim cash requisite for the purpose of remitting pension benefits and administrative expenses during the transition period. A motion was made by Trustee Baird and seconded by Trustee Hoppe to instruct Sawyer Falduto to maintain 4-months (or \$120,000) to fund pension benefits and administrative expenses through the asset

freeze period and maintain \$120,000 after the initial 60 day period following transfer to POPIF in the Schwab money market account. Motion carried by roll call vote.

AYES: Trustees Tennant, Hoppe, Paulus and Baird

NAYS: None

ABSENT: Trustee Viramontes

OLD BUSINESS (CONTINUED): *Discussion/Possible Action – Appointment of Account Representatives for Enterprise Cash Flow Module (eCFM) and My State Street.com Set-Up Access Form:* The Board reviewed the Resolution Authorizing Account Representative for the Enterprise Cash Flow Module and My State Street.com Access Form. A motion was made by Trustee Tennant and seconded by Trustee Hoppe to adopt the Resolution establishing L&A Representative Kelly Calgaro as the authorized account representative and designate Trustees Tennant and Viramontes and L&A Representative Kelly Calgaro as users. Motion carried by roll call vote.

AYES: Trustees Tennant, Hoppe, Paulus and Baird

NAYS: None

ABSENT: Trustee Viramontes

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 12:14 p.m. Motion carried by roll call vote.

AYES: Trustees Tennant, Hoppe, Paulus and Baird

NAYS: None

ABSENT: Trustee Viramontes

The next regular meeting is scheduled for November 15, 2022 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