

**MINUTES OF A REGULAR MEETING OF
THE HIGHWOOD POLICE PENSION FUND
BOARD OF TRUSTEES
JANUARY 6, 2022**

A regular meeting of the Highwood Police Pension Fund Board of Trustees was held via videoconference on Thursday, January 6, 2022 at 8:30 a.m., pursuant to notice and in accordance with Section 7(e) of the Open Meetings Act (5 ILCS 120/7(e)), as the result of the COVID-19 pandemic disaster declaration by the Governor and a determination by the Board President that an in-person meeting is not feasible or prudent.

CALL TO ORDER: Trustee Sirotti called the meeting to order at 8:34 a.m.

ROLL CALL:

PRESENT: Trustees Peter Sirotti, Joe Bessinger, Dennis Baker and David Wentz

ABSENT: None

ALSO PRESENT: Keri O'Brien, Lauterbach & Amen, LLP (L&A); Tom Sawyer and John Falduto, Sawyer Falduto Asset Management, LLC; Attorney John Motylinski, Ottosen DiNolfo; Brian LeFevre, Sikich, LLP

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *October 7, 2021 Regular Meeting:* The Board reviewed the October 7, 2021 regular meeting minutes. A motion was made by Trustee Baker and seconded by Trustee Sirotti to approve the October 7, 2021 regular meeting minutes as written. Motion carried by roll call vote.

AYES: Trustees Sirotti, Bessinger, Wentz and Baker

NAYS: None

ABSENT: None

Semi-Annual Review of Closed Session Meeting Minutes: The Board reviewed the closed session meeting minutes. A motion was made by Trustee Sirotti and seconded by Trustee Baker to release the closed session meeting minutes from October 1, 2015 and January 14, 2016. Motion carried by roll call vote.

AYES: Trustees Sirotti, Bessinger, Wentz and Baker

NAYS: None

ABSENT: None

ACCOUNTANT'S REPORT – SIKICH, LLP: *Monthly Financial Report:* Mr. LeFevre presented the Monthly Financial Report for the seven-month period ending November 30, 2021 as prepared by Sikich, LLP. As of November 30, 2021, the net position held in trust for pension benefits is \$5,684,789.45. A motion was made by Trustee Baker and seconded by Trustee Sirotti to approve the Monthly Financial Report as presented. Motion carried by roll call vote.

AYES: Trustees Sirotti, Bessinger, Wentz and Baker

NAYS: None

ABSENT: None

Presentation and Approval of Bills: The Board reviewed the Disbursement Warrant for the period October 5, 2021 through January 13, 2022 for total disbursements of \$17,131. A motion was made by Trustee Baker and seconded by Trustee Sirotti to approve the disbursements as shown on the Disbursement Warrant in the amount of \$17,131. Motion carried by roll call vote.

AYES: Trustees Sirotti, Bessinger, Wentz and Baker
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 2.4% versus the fourth quarter account benchmark of 3.1%. The investment return for the quarter is \$135,819 for an ending market value of \$5,749,963. The current asset allocation is as follows: fixed income at 57.7%, equities at 41.5% 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 Baker and seconded by Trustee Sirotti to accept the Quarterly Investment Performance Report as presented. Motion carried by roll call vote.

AYES: Trustees Sirotti, Bessinger, Wentz and Baker
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.

Review/Approve Amendment to Fee Schedule: Mr. Falduto informed the Board that there are no changes to the fee schedule at this time.

Mr. Sawyer left the meeting at 8:54 a.m.

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

AYES: Trustees Sirotti, Bessinger, Wentz and Baker
NAYS: None
ABSENT: None

Consolidation Related Matters: This item was not discussed.

COMMUNICATIONS AND REPORTS: *Submission of Required Filers for Statements of Economic Interest:* The Board noted that the List of Filers must be submitted to the County by the

City 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.

Confirmation of Tax Levy for Fund in City Levy Ordinance: The Board discussed the tax levy amount that the City of Highwood will levy to the Highwood Police Pension Fund. The Board directed Attorney Clifford to request a copy of the City's levy ordinance for the Board's review.

ILLINOIS POLICE OFFICER PENSION INVESTMENT FUND (IPOPIF) (MARCH 1ST TRANCHE): *Notice of Asset Transfer Date:* The Board noted that the Highwood Police Pension Fund asset transfer is scheduled for March 1, 2022.

Review of IPOPIF Checklist: The Board reviewed the IPOPIF checklist prepared by Attorney Clifford.

Review/Approval of Resolution Appointing Authorized Agents and Review/Approval of Transfer Notice Letter to Investment Advisor and Custodian: The Board discussed the Resolution appointing authorized agents and the transfer notice letters to investment advisors and custodians. A motion was made by Trustee Baker and seconded by Trustee Sirotti to table these items until the next regular meeting and direct the Board's attorney to send correspondence to IPOPIF, notifying them of the same. Motion carried by roll call vote.

AYES: Trustees Sirotti, Bessinger, Wentz and Baker
NAYS: None
ABSENT: None

Review of Cash Flow Projections, Review/Approval of Transition Cash Retention, Identification of Local Account(s) for Cash and Amendments to and Future Termination of Investment Professional and Custodial Agreements: The Board discussed the cash flow projections, transition cash retention, the identification of local accounts for cash and amendments to and future termination of investment professional and custodial agreements. A motion was made by Trustee Baker and seconded by Trustee Sirotti to table these items until the next regular meeting. Motion carried by roll call vote.

AYES: Trustees Sirotti, Bessinger, Wentz and Baker
NAYS: None
ABSENT: None

Status of Arlington Heights PPF v. Pritzker: Attorney Clifford discussed the status of the *Arlington Heights PPF v. Pritzker* lawsuit.

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: *Status of Bessinger IMRF Service Transfer Application:* The Board noted that Joseph Bessinger submitted his transfer of creditable service application to IMRF. The Board discussed the interest rate to be used for Joseph Bessinger’s IMRF transfer of creditable service. A motion was made by Trustee Baker and seconded by Trustee Sirotti to utilize a 6.25% interest rate when calculating the amount due. Motion carried by roll call vote.

AYES: Trustees Sirotti, Bessinger, Wentz and Baker
NAYS: None
ABSENT: None

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

Approval Ottosen Engagement Letter and Retainer for 2022 and 2023: The Board reviewed the two-year engagement letter and retainer agreement provided by Ottosen DiNolfo. A motion was made by Trustee Baker and seconded by Trustee Sirotti to engage Ottosen DiNolfo at the hourly rates as follows: \$235 per hour for attorneys; \$160 per hour for administrative staff and paralegals; and \$170 per hour for law clerks, and approve the retainer for \$600 per month. Motion carried by roll call vote.

AYES: Trustees Sirotti, Bessinger, Wentz and Baker
NAYS: None
ABSENT: None

Servicer Certification from Illinois Finance Entities: The Board noted that no servicer certifications are not needed at this time, as the Fund does not hold assets in an Illinois finance entity.

Review/Approve Resolution Authorizing Signatory Authority: Attorney Clifford informed the Board that the Resolution Authorizing Signatory Authority has been amended to reflect the correct spelling of Trustee Bessinger’s name. A motion was made by Trustee Baker and seconded by Trustee Sirotti to adopt the amended Resolution 2022-01, a Resolution Establishing Signatory Authority for the Highwood Police Pension Fund, as discussed. Motion carried by roll call vote.

AYES: Trustees Sirotti, Bessinger, Wentz and Baker
NAYS: None
ABSENT: None

ATTORNEY’S REPORT – OTTOSEN DINOLFO: Attorney Clifford provided updates on legal issues, as well as case law updates and information on the status of the consolidation.

TRUSTEE TRAINING UPDATES: *Status of Trustee Training Hours:* 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.

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

ADJOURNMENT: A motion was made by Trustee Sirotti and seconded by Trustee Baker to adjourn the meeting at 9:50 a.m. Motion carried by roll call vote.

AYES: Trustees Sirotti, Bessinger, Wentz and Baker

NAYS: None

ABSENT: None

The next regular meeting is scheduled for April 7, 2022 at 8:30 a.m.

Board Secretary

Minutes approved by the Board of Trustees on _____.

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