



**MINUTES OF A REGULAR MEETING OF THE
HAWTHORN WOODS POLICE PENSION FUND
BOARD OF TRUSTEES
FEBRUARY 7, 2023**

A regular meeting of the Hawthorn Woods Police Pension Fund Board of Trustees was held via videoconference on Tuesday, February 7, 2023 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 11:00 a.m.

ROLL CALL:

PRESENT: Trustees John Tennant, Michael Viramontes, Dennis Hoppe, Jennifer Paulus and Karen Baird

ABSENT: None

ALSO PRESENT: Attorney Brian LaBardi, Reimer Dobrovolny & LaBardi PC; Tom Sawyer, Sawyer Falduto Asset Management, LLC; Finance Director Katreina York, Village of Hawthorn Woods; Megan Snell, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *November 28, 2022 Regular Meeting:* The Board reviewed the November 28, 2022 regular meeting minutes. A motion was made by Trustee Hoppe and seconded by Trustee Tennant to approve the November 28, 2022 regular meeting minutes as written. Motion carried by roll call vote.

AYES: Trustees Tennant, Viramontes, Hoppe, Paulus and Baird

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 Tennant and seconded by Trustee Baird to not release the closed session meeting minutes at this time due to pending matters. Motion carried by roll call vote.

AYES: Trustees Tennant, Viramontes, Hoppe and Baird

NAYS: None

ABSENT: None

ABSTAIN: Trustee Paulus

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the twelve-month period ending December 31, 2022 prepared by L&A. As of December 31, 2022, the net position held in trust for pension benefits is \$5,949,287.92 for a change in position of (\$814,610.30). 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 October 1, 2022 through December 31, 2022 for total disbursements of \$16,787.91. A motion was made by Trustee Baird and seconded by Trustee Hoppe to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$16,787.91. Motion carried by roll call vote.

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

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

Discussion/Possible Action – Cash Management Policy: The Board discussed amending the current cash management policy to reflect the below.

- Requesting a monthly repeat withdrawal in the amount of \$30,000 from IPOPIF to the BMO Harris account effective March 15, 2023.
- Maintaining a target balance of \$10,000 in the BMO Harris account and once the balance reaches \$25,000 or more to transfer the excess funds to IPOPIF for investing effective March 15, 2023.

A motion was made by Trustee Tennant and seconded by Trustee Baird to amend the current cash management policy as stated. Motion carried by roll call vote.

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

The Board discussed the balance in the Schwab account. A motion was made by Trustee Hoppe and seconded by Trustee Tennant to maintain a balance of \$30,000 in the Schwab account and once the balance reaches \$75,000 or more to transfer the excess funds to BMO Harris to send to IPOPIF for investing, effective March 15, 2023 Motion carried by roll call vote.

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

INVESTMENT REPORTS: *Sawyer Falduto Asset Management – Quarterly Report:* Mr. Sawyer presented the Quarterly Investment Performance Report for the period ending December 31, 2022. As of December 31, 2022, the investment return is \$371,150 for an ending market value of \$6,064,345. 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 Tennant, Viramontes, Hoppe, Paulus and Baird
NAYS: None
ABSENT: None

Verus Advisory, Inc. Investment Report: The Board was provided the November 30, 2022 Verus Advisory Inc. report for review. As of November 30, 2022 the ending balance is \$7,720,073,550 for a month to date return of 5.5%.

State Street Statements: The Board reviewed the December 31, 2022 Statement of Results provided by IPOPIF. As of December 31, 2022, the ending market value was \$5,734,925.39 for a month to date net return of (2.93%).

COMMUNICATIONS AND REPORTS: *Affidavits of Continued Eligibility:* The Board noted that all 2022 Affidavits of Continued Eligibility have been received by L&A and the originals will be given to the Board for their recordkeeping.

Statements of Economic Interest: The Board noted that the List of Filers was submitted to the County by the District by February 1, 2023. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2023.

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 submitted for approval.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Applications for Membership – Jacob Hernandez and Patrick Pagliuco:* The Board reviewed the Applications for Membership submitted by Jacob Hernandez and Patrick Pagliuco. A motion was made by Trustee Tennant and seconded by Trustee Viramontes to accept Jacob Hernandez effective January 9, 2023 and Patrick Pagliuco effective August 22, 2022, into the Hawthorn Woods Police Pension Fund as a Tier II participants. Motion carried by roll call vote.

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

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approval of written Decision and Order for Retirement of Jennifer Paulus:* The Board reviewed the Decision and Order 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 for Jennifer Paulus as presented. Motion carried by roll call vote.

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

OLD BUSINESS: *Transfer of Creditable Service from IMRF to Article 3 – Michael Viramontes:* Trustee Viramontes informed the Board that he will no longer be pursuing the transfer of creditable service from IMRF. No further action is needed by the Board.

NEW BUSINESS: *Approve Annual Cost of Living Adjustments for Pensioners:* The Board reviewed the 2023 Cost of Living Adjustments calculated by L&A. A motion was made by Trustee Tennant and seconded by Trustee Viramontes to approve the 2023 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Tennant, Viramontes, Hoppe, Paulus 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 Tennant is expiring in May 2023 and he is interested in remaining on the Board if nominated. L&A will conduct an election on behalf of the Pension Fund for one of the active member Trustee positions. The Board also noted that the appointed member position held by Trustee Baird is expiring in May 2023. The Board will contact the Village and seek replacement for Trustee Baird's appointed member position.

Review/Approve – Updated Local Account Collateralization Agreement: The Board reviewed the memorandum prepared by L&A regarding the successor of the third-party custodian from Bank of America to The Bank of New York Mellon to continue collateralization of the BMO Harris Bank operating account. Further discussion will be held at the next regular meeting.

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 Tennant and seconded by Trustee Baird to adjourn the meeting at 11:50 a.m. Motion carried by roll call vote.

AYES: Trustees Tennant, Viramontes, Hoppe, Paulus and Baird

NAYS: None

ABSENT: None

The next regular meeting is scheduled for May 30, 2023 at 11:00 a.m.

Board President or Secretary

Minutes approved by the Board of Trustees on _____

Minutes prepared by Megan Snell, Pension Services Administrator, Lauterbach & Amen, LLP