

MINUTES OF THE MEETING BOARD OF TRUSTEES
VILLAGE OF HAWTHORN WOODS POLICE PENSION FUND
HELD ON

February 20, 2018 AT 6:00 PM
AT THE HAWTHORN WOODS VILLAGE HALL
2 LAGOON DRIVE, HAWTHORN WOODS, IL. 60047

The meeting was called to order at 6:01 PM. The following trustees were present:

ROLL CALL	Douglas Samz Timothy McCue Michael Viramontes John Tennant
ALSO PRESENT	Brian LaBardi, Reimer & Karlson LLC Kristin Kazenas, Village of Hawthorn Woods Tom Sawyer, Sawyer & Falduto Asset Management LLC A. J. Weber, Lauterbach & Amen, LLP
MINUTES	Minutes for the November 21, 2017, Meeting were reviewed. On a motion made, seconded and unanimously carried, the minutes from the meeting were approved.
CONCERNS OF THE PUBLIC	None
INVESTMENTS	Sawyer & Falduto Asset Management LLC submitted their Investment Performance Report as of September 30, 2017. Total Investments were \$3,670,544 as of December 31, 2017. The Market Value change year to date was a gain of \$353,153 and \$98,323 for the fourth quarter 2017. The rate of return for the Equity Portfolio year to date was 22.32%, compared to the benchmark rate of 20.80%. Fixed Income Portfolio rate of return year to date was 2.49%, compared to the benchmark rate of return of 2.30%. Equity Investments amounted to \$1,627,515 as of December 31, 2017. Market Value change from

inception was a gain of \$492,489 and \$96,090 for the fourth quarter 2017.

Fixed Income Portfolio has a duration of 5.14 years and a yield to maturity of 1.74%, compared to the benchmark duration of 6.13 years and a yield to maturity of 2.19%.

A discussion was given about the Economic environment (Tab 3). Markets advanced on corporate earnings growth built on a solid economic foundation. Passage of the “Tax Cuts and Jobs Act”. It is difficult to imagine a repeat of performance during 2018. While valuations remain somewhat elevated relative to historical averages, low interest rates, solid corporate earnings and positive economic data all continue support a positive outlook for equities.

Equity Investment was slightly less than 43% of Total Assets.

Investment Performance Report under Tab 7 listed the purchases and sales of investments for the Fourth quarter 2017. Sales were done in the quarter to take profits on investments and to lower the Equity Investment/Total Asset ratio to less than 45%.

On a motion made and seconded and on a roll call vote, the Investment Performance Report was approved.

Roll Call Vote – Yes: Samz, McCue, Tennant and Viramontes

TREASURER REPORT

Monthly Financial Reports from Lauterbach & Amen LLP for the Twelve months ended December 31, 2017 were presented.

As of December 31, and the year ending December 31, 2017

Total Assets	\$3,835,102.36
Money Market Account:	\$ 287,722.78
Twelve Month Surplus:	\$ 633,109.73
Twelve Month Revenue:	\$ 761,190.32

Twelve Month Expenses:\$ 128,080.59

On a motion made and seconded and on a roll call vote, Financial Reports, for the Twelve months ended December 31, 2017 were approved.

Roll Call Vote – Yes: Samz, McCue, Tennant and Viramontes

CONTRIBUTIONS

Village contributions for the Twelve months ended December 31, 2017 amounted to \$308,036.04. The participant contribution for the same period was \$107,505.66.

On a motion made and seconded and on a roll call vote, contributions to the Fund were approved.

Roll Call Vote – Yes: Samz, McCue, Tennant and Viramontes

TREASURERS REPORT

Mesirow proposed the same Fiduciary Liability Insurance coverage as last year with no premium increase (\$2,193)

On a motion made and seconded and on a roll call vote, Renewal of Fiduciary Liability Insurance policy was approved.

Roll Call Vote – Yes: Samz, McCue, Tennant and Viramontes

LEGAL COUNSEL

The Reimer Update was presented. There was discussion concerning articles in the newsletter.

CONTINUING EDUCATION

Police Pension Trustees need to attained 16 hours of accredited education each fiscal year.

IPPFA Conference registration fee for two attendees. Also, the pre-approval of all reasonable expenses of Trustees Tennant and Viramontes attending the IPPFA Conference in Peoria, IL in May 2018.

Roll Call Vote – Yes: Samz, McCue, Tennant and Viramontes. Trustees Tennant and Viramontes abstained from the vote on approval of their expenses.

ADMINISTRATIVE
POLICY

No action needed.

EXPENDITURES

The following expenses were presented for approval:

Reimer & Karlson	\$ 750.00
Lauterbach & Amen, LLP	\$2,300.00

These expenses were for legal fees & retainer, Accounting Services and DOI report preparation.

On a motion made and seconded and on a roll call vote, Expenditures were approved.

Roll Call Vote – Yes: Samz, McCue, Tennant and Viramontes

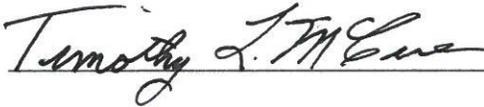
NEW BUSINESS

Trustee McCue has completed Open Meeting Act Training.

The Village will be outsourcing their payroll function and will no longer be able to disburse beneficiary benefits. Lauterbach & Amen, LLP presented a proposal to make the Beneficiary Benefit disbursements on our behalf. Monthly cost will be \$75 per month plus \$275 annually for IRS Reporting.

ADJOURNMENT

There being no further or other business to come before the Board, a motion was made and seconded to adjourn the meeting. The motion was unanimously carried. The meeting was adjourned at 6:47 pm.



Secretary