

MINUTES OF THE SPECIAL MEETING BOARD OF  
TRUSTEES VILLAGE OF HAWTHORN WOODS POLICE  
PENSION FUND HELD ON  
NOVEMBER 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 6:00 PM. The following trustees were present:

ROLL CALL	Douglas Samz Timothy McCue Michael Viramontes Absent: John Tennant
ALSO PRESENT	Brian LaBardi, Reimer & Karlson LLC Kristin Kazenas, Village of Hawthorn Woods Tom Sawyer, Sawyer & Falduto Asset Management LLC Trinette Gardner, Lauterbach & Amen, LLP
MINUTES	Minutes for the August 21, 2018, 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, 2018.  Total Investments were \$4,099,020. The Market Value change year to date was a gain of \$101,522. The rate of return for the Equity Portfolio year to date was 7.65%, compared to the benchmark rate of 9.61%. Fixed Income Portfolio rate of return year to date was -1.20%, compared to the benchmark rate of return of -1.62%. Equity Investments amounted to \$1,827,814 as of September 30, 2018. Market Value change from inception was a gain of \$581,893.

Fixed Income Portfolio has a duration of 4.93 years and a yield to maturity of 3.18%, compared to the benchmark duration of 5.91 years and a yield to maturity of 2.95%.

A discussion was given about the Economic environment (Tab 3). Second Quarter GDP was reported growing at an annual rate of 4.2%, in line with market expectations. The unemployment rate remains at a historically low 3.9%. Measures of consumer confidence and productivity continues to trend higher as well.

Most recent reads on inflation ranging from 2.5% - 3.0%, the market expects the Fed to stick to prior guidance and raise short-term rates again in December.

S&P index year over year revenue grew at a rate of 11%. S&P is trading at over 2900 resulting in a price-to-earnings multiple of just under 19x operating earnings. Forward looking P/E of 16.5x operating earnings.

Equity Investment was slightly less than 45% of Total Assets.

Investment Performance Report under Tab 7 listed the purchases and sales of investments for the third quarter 2018.

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

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

## TREASURER REPORT

Monthly Financial Reports from Lauterbach & Amen LLP for the Periods of August thru October 2018 were presented.

As of October 30, and the year ending October 31, 2018

Total Assets	\$4,019,101.02
Money Market Account:	\$ 67,720.89
Ten Month Surplus:	\$ 188,132.66
Ten Month Revenue:	\$ 322,822.98

Ten Month Expenses: \$ 134,690.32

On a motion made and seconded and on a roll call vote, Financial Reports August thru October, 2018 were approved.

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

## CONTRIBUTIONS

Village contributions for the ten months ending October 31, 2018 amounted to \$282,985. The participant contribution for the same period was \$93,027.

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

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

## TREASURER REPORT 2019 BUDGET

No action taken

Lauterbach & Amen presented an Engagement letter for services to be provided to the Pension fund for the years 2019-2023.

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

## ACTUARY'S REPORT

Final copy of the Lauterbach & Amen Actuary Report was presented with no changes from the Draft.

The Annual Funding from the Village of Hawthorn Woods to the Pension fund will be \$355,081. The attorney shall prepare a letter to the Village requesting said amount.

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

## 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. Trustee McCue has not completed training for current period.

ADMINISTRATIVE POLICY

Final copy of the Administrative Rules and Regulations was presented to the Board.

On a motion made, seconded and unanimously carried, the Administrative Rules and Regulations were approved.

MEETING DATES

The Meetings to be held at 6:00 pm on the following dates for 2019 were presented:

- February 19
- May 21
- August 20
- November 19

On a motion made, seconded and unanimously carried, the Meeting Dates for 2019 were approved.

FOIA OFFICER

On a motion made, seconded and unanimously carried, the appointment of the Village Clerk will be the Pension Fund FOIA Officer was approved.

OPEN MEETING ACT

On a motion made, seconded and unanimously carried, the Pension Fund Secretary will be the Pension Funds Open Meeting Act Officer was approved.

EXPENDITURES

The following expenses were presented for approval:

Reimer & Karlson	\$ 761.07
Lauterbach & Amen, LLP	\$1,470.00
IPPFA	\$ 795.00
Viramontes	\$ 504.20
Samz	\$ 891.34
McCue	\$ 196.48
Tennant	\$ 135.16

These expenses were for legal fees & retainer, Accounting Services, membership dues and Seminar expense for Trustees.

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

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

BENEFIT PAYMENTS Monthly Benefit payment for 2019 will be:  
Gross Non-Duty Disability Benefit - Gordon \$3,552.50  
Gross Service Pension Benefit – Fenger \$3,388.15  
--Scharringhausen \$5,185.16

On a motion made and seconded and on a roll call vote,  
the Pension Benefits for Gordon, Fenger and  
Scharringhausen were approved.

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

OLD BUSINESS None

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 7:06 pm.

  
Secretary