

**MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES OF
THE HAWTHORN WOODS POLICE PENSION FUND
FEBRUARY 19, 2019**

The regular meeting of the Hawthorn Woods Police Pension Fund was held on Tuesday, February 19, 2019 at 6:00 p.m., in the Village Hall located at 2 Lagoon Drive, Hawthorn Woods, Illinois for the purpose of conducting regular business, pursuant to notice.

CALL TO ORDER: Trustee Samz called the meeting to order at 6:01 p.m.

ROLL CALL:

PRESENT: Trustees Douglas Samz, Michael Viramontes (*arrived at 6:07 p.m.*), Timothy McCue, and John Tennant

ABSENT: None

ALSO PRESENT: Brian LaBardi, Reimer & Dobrovolny PC; Jessica Fain (*arrived at 6:05 p.m.*), Trinette Gardner and Michelle Rice, Lauterbach & Amen, LLP (L&A); Dave Harrington, Sawyer Falduto Asset Management, LLC; Treasurer Kristin Kazenas, Village of Hawthorn Woods

APPROVAL OF MEETING MINUTES: *November 20, 2018 Regular Meeting Minutes:* The Board reviewed the minutes from the November 20, 2018 regular meeting. A motion was made by Trustee Tennant and seconded by Trustee Samz to approve the minutes from the November 20, 2018 regular meeting as written. Motion carried unanimously by voice vote.

OPPORTUNITY FOR PUBLIC TO ADDRESS THE BOARD: There was no public comment.

Jessica Fain joined the meeting at 6:05 p.m.

Trustee Viramontes joined the meeting at 6:07 p.m.

INVESTMENT MANAGER REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC:

Approval of Investments: Mr. Harrington reviewed the Quarterly Investment Performance Report for the period ending December 31, 2018. As of 12/31/2018, the market value of the portfolio was \$3,977,992. The quarter to date investment return net of fees was (5.34%). The current portfolio asset allocation is as follows: 56.8% Fixed Income, 40.3% Equities and 2.9% Cash Equivalent. Current asset allocations within the Equity and Fixed Income funds were reviewed, as well as the Individual Fund Performance. Mr. Harrington noted that AQR Large Cap Defensive Style I and MFS International Growth I were added to the portfolio. All questions were answered by Mr. Harrington. A motion was made by Trustee McCue and seconded by Trustee Viramontes to accept the Quarterly Investment Performance Report as presented. Motion carried by roll call vote.

AYES: Trustees Samz, Viramontes, McCue, and Tennant

NAYS: None

ABSENT: None

Approval of Investment Policy: The Board discussed the Investment Policy and no changes are needed at this time.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* L&A presented the Board with the Monthly Financial Report for the period ending January 31, 2019. The net position held in trust for pension benefits is \$4,183,410.49 with a change in position of \$190,529.19 for the one-month ended 01/31/2019. The Board reviewed the Cash Analysis, Revenue, Expense and

Member Contribution Reports and Payroll Journal. The Board also reviewed the Vendor Check Report for the period 11/01/2018 through 01/31/2019 for total disbursements in the amount of \$15,679.72. A motion was made by Trustee Tennant and seconded by Trustee Viramontes to accept the Monthly Financial Report as presented and to approve the disbursements listed on the Vendor Check Report in the amount of \$15,679.72. Motion carried by roll call vote.

AYES: Trustees Samz, Viramontes, McCue, and Tennant
NAYS: None
ABSENT: None

APPROVAL OF MEETING MINUTES (CONTINUED): A motion was made by Trustee McCue and seconded by Trustee Samz to amend the November 20, 2018 meeting minutes to reflect the corrected reimbursement amounts issued to Trustees Tennant and McCue. Motion carried unanimously by voice vote.

TREASURER'S REPORT: *Approval of Fiduciary Liability Insurance Renewal:* The Board noted that the fiduciary liability insurance is coming due. A motion was made by Trustee Tennant and seconded by Trustee Samz to approve renewal of the fiduciary liability insurance through Mesirow Insurance Services in an amount not to exceed \$2,500. Motion carried by roll call vote.

AYES: Trustees Samz, Viramontes, McCue, and Tennant
NAYS: None
ABSENT: None

Approval of Proposal to Provide Professional Services for Meeting Administration Services – Lauterbach & Amen, LLP: The Board reviewed the proposal for Professional Administrative Services (PSA) prepared by L&A. A motion was made by Trustee Tennant and seconded by Trustee McCue to engage L&A for PSA services in the amount of \$4,200 for the year ended 12/31/2019. Motion carried by roll call vote.

AYES: Trustees Samz, Viramontes, McCue, and Tennant
NAYS: None
ABSENT: None

Trustee Continuing Education Requirements: The Board discussed upcoming training opportunities and noted that Trustee McCue has been registered for the 2019 IPPFA Illinois Conference.

Reschedule of May 21, 2019 Meeting: The Board discussed rescheduling the May 21, 2019 meeting. A motion was made by Trustee Tennant and seconded by Trustee Samz to reschedule the May 21, 2019 meeting to May 28, 2019 at 6:00 p.m. Motion carried unanimously by voice vote.

ACTUARY REPORT: *Review of Draft Actuarial Reports:* The Board reviewed the Illinois Pension Fund Reporting prepared by L&A. A motion was made by Trustee Tennant and seconded by Trustee Viramontes to direct L&A to calculate the statutory minimum based on the Department of Insurance's assumptions. Motion carried unanimously by voice vote.

ATTORNEY'S REPORT: Attorney LaBardi distributed copies of his firm's first quarter newsletter and highlighted recent court cases and legislation pertaining to Article 3 and 4 Pension Funds.

COMMUNICATIONS: There were no communications presented.

APPROVAL OF DISBURSEMENTS: The Board reviewed the following invoices for approval:

- Reimer & Dobrovolny PC invoice #24480 for legal services in the amount of \$772.14
- 2019 IPPFA Illinois Conference registration for Trustee McCue in the amount of \$385
- L&A invoice #33175 for accounting and payroll services in the amount of \$490
- L&A invoice #32537 for accounting and payroll services in the amount of \$490
- L&A invoice #33632 for accounting and payroll services in the amount of \$505
- L&A invoice #34052 for preparation of payroll tax returns in the amount of \$275

A motion was made by Trustee Tennant and seconded by Trustee Viramontes to approve the invoices as presented. Motion carried by roll call vote.

AYES: Trustees Samz, Viramontes, McCue, and Tennant

NAYS: None

ABSENT: None

OLD BUSINESS: There was no old business to discuss.

NEW BUSINESS: There was no new business to discuss.

ADJOURNMENT: A motion was made by Trustee Tennant and seconded by Trustee Samz to adjourn the meeting at 8:07 p.m. Motion carried unanimously by voice vote.

The next regular meeting of the Hawthorn Woods Police Pension Fund will be held on **Tuesday, May 28, 2019 at 6:00 p.m.**



Board Trustee

Minutes prepared by Michelle Rice, Pension Services Administrator, Lauterbach & Amen, LLP