

**MINUTES OF THE ALGONQUIN POLICE PENSION BOARD  
KANE & McHENRY COUNTIES  
SPECIAL MEETING HELD IN VILLAGE HALL  
2200 HARNISH DRIVE, ALGONQUIN, IL  
WEDNESDAY, NOVEMBER 2, 2011**

**CALL TO ORDER:**

President Helgerson called the special meeting to order at 5:02 p.m.

**ROLL CALL:**

Present: President Stan Helgerson, Vice-President Jeff Martynowicz, Secretary Andrew Doles, and Trustee Art Weber. Absent: Assistant Secretary Dennis Walker. A quorum was established. Village Treasurer Jack Walde was present. Mary Tomanek, Graystone Consulting, joined the meeting via telephone at 5:15 p.m.

**ADOPT AGENDA:**

A motion was made by Weber and seconded by Martynowicz to adopt the agenda as presented. Voice vote: unanimous ayes - motion carried.

**PUBLIC COMMENTS**

There were no public comments.

**APPROVAL OF MINUTES:**

The minutes of the special meeting held August 3, 2011, were presented. There were no questions or changes to the minutes.

A motion was made by Doles and seconded by Weber to approve the minutes of the August 3, 2011, special meeting. Voice vote: unanimous ayes - motion carried.

**CONSULTANT REPORT:**

Mary Tomanek of Graystone Consulting communicated with the board via telephone providing the Quarterly Performance Review for the Third Quarter, 2011, and commented on the investment returns in that quarter.

There was a concern regarding the continuing poor performance of Atalanta Large Cap Core and transferring some of those assets. There was discussion regarding the use of an index fund. Tomanek had provided a Large Core Index Fund Analysis for board information and reviewed the analysis with the board. Following discussion,

a motion was made by Martynowicz and seconded by Doles to move \$1,000,000.00 from Atalanta to Vanguard Total Stock Market Index. Further discussion indicated that the remaining balance in Atalanta would be minor. The motion was then amended by Martynowicz and seconded by Doles to close Atalanta Large Cap Core and move all of the fund assets to Vanguard Total Stock Market Index. Voice vote: unanimous ayes - motion carried.

Asset allocation in the equity portfolio was discussed and Tomanek will provide information at the next board meeting for a possible Natural Resource investment.

The board discussed investment of \$500,000.00 in new money. A motion was made by Martynowicz and seconded by Weber to move \$500,000.00 to Segall Bryant & Hamill for fixed income investment. Voice vote: unanimous ayes - motion carried.

The Tomanek telephone connection ended at this point.

### **VILLAGE TREASURER'S REPORT:**

#### **Financial Statements for the Period Ending September 30, 2011**

##### **Balance Sheet:**

The total book value of assets was \$13,035,807.06. The September equity market adjustment was negative at \$392,285.29. The year-to-date unrealized market value difference in the fixed income portfolio is positive at \$335,063.29. The fixed income mark to market adjustment will be recorded at fiscal year-end. The year-to-date allocation of investments at market value is as follows: Cash .6%, Fixed Income Portfolio 61.2%, and Equity Portfolio 38.2%.

##### **Income Statement:**

Total year-to-date revenues are positive at \$203,163.80. Of this amount, employer contributions were \$893,470.77 or 95.7% of budget. Employee contributions (including officer contributions for pension credit for military service) were \$242,122.49 or 59.5% of budget. Investment income was a loss of \$932,429.46 which includes the equity market value adjustments.

Year-to-date expenditures were \$124,515.63 or 36.3% of budget. Benefit payments were \$92,214.70 and reflect previously approved pension payments to Schinkel, Stone, Azarela, Weber, and Frasier. Administrative expenses were \$32,300.93 or 38.9% of budget. Investment management fees amounted to \$27,289.43 while training, compliance fee, legal and steno fees were \$5,011.50.

Distributed with the financial reports for the period ending 09/30/2011 was the 3rd Quarter, 2011, Check Register.

A motion was made by Martynowicz and seconded by Doles to accept the Treasurer's Report and to ratify the wire transfers, ACH transfers and the check register for the quarter ending September 30, 2011. Voice vote: unanimous ayes - motion carried.

**APPROVE BILLS FOR PAYMENT:**

There are no outstanding bills for payment.

**REQUEST FOR BENEFITS:**

There is no request for benefits.

**NEW BUSINESS:**

**Pension Fund Rules:**

The Board received the clean version of the Rules of the Board of Trustees and Forms from the pension attorney. A motion was made by Weber and seconded by Doles to adopt the Board of Trustees Pension Fund Rules by Resolution. Voice vote: unanimous ayes - motion carried. The action became Resolution 11 – R – 02.

**OLD BUSINESS:**

**Actuary Report**

It was noted that the 4/30/2011 Actuary Report was filed with IDOI on September 28, 2011. Helgerson stated for the record that the employer contribution for the police pension under the entry age normal method with a 22 year amortization results in an employer contribution of \$987,225.00 as calculated by Timothy W. Sharpe, Actuary. A motion was made by Doles and seconded by Martynowicz to request \$987,225.00 for the employer contribution to the Police Pension Fund. Voice vote: unanimous ayes - motion carried.

**Fiduciary Responsibilities** Walde reported that copies of 40 ILCS 5/Illinois Pension Code relating to Article 1-109 (duties of fiduciary) and Article 1-113.1 (investment authority) were distributed to all trustees in September. Each of the trustees indicated that they had received the documents and read them. It was noted that this is included in the interrogatories for the annual DOI report.

**TRAINING:**

New trustees are required to complete 32 hours of initial trustee certification training – 40 ILCS 5/1-109.3(a). After the first year as a trustee, all trustees are

required to complete 16 hours of continuing education training – 40 ILCS 5/1-109.3(b). Eight hours of annual ethics training required – 40 ILCS 5/1-113.18. Ethics training may be included as part of the 32 hours or 16 hours of training.

**NEXT QUARTERLY MEETING:**

The next Police Pension Board meeting is tentatively scheduled for Wednesday, January 25, 2012 in the Administration Department Conference Room of Village Hall.

**ADJOURNMENT:**

There being no further business, it was moved by Doles and seconded by Martynowicz to adjourn. Voice vote: unanimous ayes – motion carried.

The meeting adjourned at 6:05 p.m.



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Andrew Doles, Secretary  
Algonquin Police Pension Fund

*Minutes prepared by Jack Walde*

*Approved by the Board of Trustees at its meeting held on February 8, 2012*

Respectfully submitted