

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

WEDNESDAY, MAY 2, 2012

**CALL TO ORDER:**

President Helgerson called the special meeting to order at 5:00 p.m.

**ROLL CALL:**

Present: President Stan Helgerson, Vice-President Jeff Martynowicz, Secretary Andrew Doles, Assistant Secretary Dennis Walker and Trustee Art Weber. A quorum was established. Village Treasurer Jack Walde and Recording Secretary Adam Carson were also present. Mary Tomanek, Graystone Consulting, joined the meeting via telephone at approximately 5:03 p.m.

**ADOPT AGENDA**

A motion was made by Doles and seconded by Walker 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 February 8, 2012, 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 February 8, 2012, 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 First Quarter, 2012, and commented on the investment returns in that quarter.

Tomanek said it was not a bad quarter overall. She said the equities were strong, and fixed income side hung in there. Banking Stocks and Financial Companies did well this past quarter. She did comment that Dividend Stocks did poorly. She said there is a feeling really positive about the equities market.

Helgerson discussed moving some of BlackRock Global and First Eagle Global to Robert Stevens Global Natural Resources to get closer to the target in Global. He continued and said the move would be to balance the asset allocation.

Tomanek next discussed Congress Large Cap Growth. Discussion was to split Congress with another manager with a higher recommendation/potential. The suggestion was to shift off 50%

of Congress and have a new fund, Wedgewood Partners Large Cap, for the other half of the Large Cap Growth. Martynowicz stated that he thought the move was a good idea.

Tomanek next spoke about Cohen & Steers Realty Shares. She specifically talked about diversification. She stated that the fund is not diversified within the code. She wanted to bring it to the Board's attention that it is not formally diversified. Helgerson suggested that the Board wait until the Department of Insurance (DOI) tells the Board that the fund is not diversified.

The last item discussed was equities and the portfolio percentage that the Board would be looking to expand to. Tomanek reminded the Board that the portfolio could expand to 55% equities on July 1, 2012. Helgerson stated that interest rates are not expected to move and the Board should move to a 50-55% equity level to have a positive return potential for the equity portfolio. He wants to expand the equity exposure, and talked about the strategy for new money for Index.

Treasurer Walde said the new money would become available in June, July, and again in September. Helgerson recommended placing the new money in IMET's Convenience Fund until it is invested in the fall.

A motion was made by Martynowicz and seconded by Doles to move \$60,000 out of Blackrock Global and \$60,000 out of First Eagle Global to a new mutual fund called Robert Stevens Global Natural Resources. Voice vote: unanimous ayes - motion carried.

A motion was made by Doles and seconded by Walker to move \$330,000 out of Congress Large Cap into Wedgewood Partners Large Cap. Voice vote: unanimous ayes - motion carried.

The Tomanek telephone connection ended at 5:40 pm.

#### **OLD BUSINESS:**

##### **Fiduciary Liability Insurance**

Tim Bowen from Mesirow Financial Services spoke with the Board via telephone and highlighted the key points of the Fiduciary Liability policy that was purchased. The Bowen telephone connection ended at 5:57 pm.

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

##### **Financial Statements for the Period Ending March 31, 2012**

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

The total book value of assets was \$14,340,110.69. The equity market adjustment was positive which increased asset values. The YTD unrealized fixed income market value exceeds cost at \$201,856.26. The fixed income market value gain/loss will be recorded at the end of the fiscal year (April 30, 2012). The allocation of investments at market value is as follows: Cash .7%, Fixed Income Portfolio 58.1%, Equity Portfolio 41.2%; totaling 100%.

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

Total YTD revenues are \$1,660,964.95. The Employer Contribution is \$937,750.40 or 100.4% of budget. There will be no more tax distributions from the two counties. Employee contributions

include contributions from three officers for the purchase of pension service credits related to military service and the total for the year is now \$445,506.61 or 109.5% of budget.

March investment income was positive at \$133,869.85, which caused the YTD to be positive at \$227,707.94. Investment income included the equity market value adjustment of \$110,665.39, losses from the sale of assets amounting to \$12,340.44, and investment income of \$35,544.90.

YTD expenditures were \$278,013.15 or 81.1% of budget. Annuitant benefit payments were \$209,437.00 and reflect previously approved pension payments to retirees. Administration expenses were \$68,576.15 or 82.6% of budget. Investment management fees amounted to \$56,609.86 while training, legal expenses, compliance fee, steno fees and the insurance invoice accounted for the remaining expenses of \$11,966.29.

Helgerson also added that the legal expense included \$1,000.00 for the Pension Rules.

A motion was made by Walker and seconded by Doles to accept the Financial Report through March 31, 2012. Voice vote: unanimous ayes - motion carried.

**APPROVE BILLS FOR PAYMENT:**

A motion was made by Doles and seconded by Walker to accept the check register from January 1, 2012 through March 31, 2012, and all the investment transactions during that time. Voice vote: unanimous ayes - motion carried.

**REQUEST FOR BENEFITS:**

None.

**EXECUTIVE SESSION**

None.

**NEW BUSINESS:**

**Appointments**

Helgerson announced two reappointments for the Board. Jeff Martynowicz was reappointed as a trustee for the term of May 8, 2012 through May 5, 2014. Jack Walde was reappointed as Village Treasurer for the period of May 2, 2012 through May 7, 2013. No action is required.

Walde next presented information about bookkeeping services. He presented concerns about his assistant who will be out of the office for possibly four to six weeks. His concern is this period is during the completion of the fiscal year reporting. The preliminary audit work is normally completed during this time with an uncertain return to work date and the auditors beginning preliminary work in late May. A request for some short term bookkeeping assistance was made to help with the year end audit and monthly accounting work.

Research was conducted for CPAs that would be able to assist. Contact was also made with Douglas Elsworth who has recently started his own business and is flexible enough to be used as an as needed basis.

Helgerson asked for authorization to utilize Elsworth, at a not to exceed rate of \$80.00 per hour, to work on an as needed basis, if requested by Walde. Walker asked if this would create a problem if the Village would view this as opening a door to use outside vendors. Discussion continued with other vendors coming in to do the jobs that other Village employees are already doing.

A motion was made by Doles and seconded by Weber to authorize the president to hire a consultant at a not to exceed rate of \$80.00 per hour to assist in the accounting on a temporary basis, if necessary. Voice vote: unanimous ayes - motion carried. An email will be sent to the board if it becomes necessary to hire a consultant.

The consolidation of pension funds under \$10 million dollars was brought to the attention of the Board by Doles. Helgerson stated there are groups out there still pushing for this; however, this would not affect this fund.

#### **TRAINING**

Helgerson asked if the Board members are up to date on their training. Weber advised the training period is from August to August.

#### **NEXT QUARTERLY MEETING:**

The next Police Pension Board meeting will be determined at a later date depending on the availability of Mary Tomanek. Helgerson advised the date would be towards the end of July.

#### **ADJOURNMENT:**

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

The meeting adjourned at 6:24 p.m.

Respectfully submitted,



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Andrew Doles, Secretary  
Algonquin Police Pension Fund

*Minutes prepared by Adam Carson, Recording Secretary  
Approved by the Board of Trustees at its meeting held on July 11, 2012.*