

**MINUTES OF THE ALGONQUIN POLICE PENSION BOARD MEETING  
KANE & McHENRY COUNTIES  
GANEK MUNICIPAL CENTER  
2200 HARNISH DRIVE, ALGONQUIN, IL**

WEDNESDAY, JANUARY 29, 2014

**CALL TO ORDER:**

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

**ROLL CALL:**

Present: President Stan Helgersen, Vice-President Jeff Martynowicz, Secretary Andrew Doles, Trustee Dennis Walker and Trustee Art Weber. Also present; Village Treasurer Jack Walde, Recording Secretary Adam Carson, Assistant Finance Director Susan Skillman, and Tucker Leeman, a political science student at Jacob's High School.

**ADOPT AGENDA:**

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

**PUBLIC COMMENTS:**

There were no public comments.

**APPROVAL OF MINUTES:**

The minutes of the Board meeting held November 4, 2013, were presented for approval. A motion was made by Doles and seconded by Walker to approve the minutes of the November 4, 2013, meeting. Voice vote: unanimous ayes - motion carried.

**CONSULTANT REPORT:**

Mary Tomanek, Graystone Consulting, joined the meeting via telephone providing the Fourth Quarter, 2013 Report.

She advised it was a good quarter and a good finish for the 2013 year. She stated the government has given good clarity, which in turn means more time on the corporate bond portfolio. She also added a 26% year to date growth in equities.

Tomanek stated the current allocation of corporate bonds is 54% with the maximum set at 50%. Helgersen suggested letting the corporate bond manager move it back down to 50% as they see fit. Tomanek advised she would draft a letter to the manager requesting the changes.

She also discussed the American Fund (Euro Pacific) being at approximately \$1.4 million. She recommended moving \$300,000 out of the fund into Invesco European Growth Y. Helgersen suggested moving \$150,000 now, and \$150,000 on April 1, 2014, the start of the second quarter.

A motion was made by Doles and seconded by Walker to move \$300,000 out of the Euro Pacific into Invesco European Growth Y, \$150,000 now and \$150,000 on April 1, 2014. Voice vote: unanimous ayes - motion carried.

Tomanek next discussed the Investment Policy and suggested the following changes which are underlined: 6.0 Asset Allocation, change the Acceptable Ranges of Equity Commitment to reflect: 45% Minimum, 65% Target, and 65% Maximum. 6.1 Specific Investment Goals, "...it is the goal for the Plan to meet or exceed the return of 40% Barclays Intermediate Government Credit Index and 60% Russell 3000 Index." 11.0 Authorized and Suitable Investments: "The fund's total investment in separate accounts and mutual accounts shall not exceed 65% of the market value of the pension fund's net present assets stated in its most recent annual report on file with the Illinois Department of Insurance." Section 18.0 Reporting: "The Treasurer or designated party shall prepare an investment report at least monthly,...."

A motion was made by Walker and seconded by Doles to accept the changes in the investment policy as presented. Voice vote: unanimous ayes - motion carried.

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

The Monthly Financial Report prepared by Lauterbach & Amen, LLP was presented to the Board for review. Walde provided a 'snap shot' for the Board as an overview. Walde noted the December report did not include the budget numbers. He did state the report is solid in terms of revenues YTD. Helgerson stated that as of December 31, the fund balance had reached the \$19 million mark.

#### **Financial Statements for the Year Ending November 30, 2013:**

The ending book value of assets is \$18,912,974.73, which is an increase of \$1,808,378.69 from May 1, 2013. The statements include mark to the market adjustment for the entire portfolio.

A motion was made by Martynowicz and seconded by Weber to accept the Treasurer's Report through December 31, 2013. Voice vote: unanimous ayes - motion carried.

Walde presented the check register from October 1, 2013, through December 31, 2013. A motion was made by Doles and seconded by Martynowicz to approve the payment of bills. Walker asked about the billing from Lauterbach & Amen. It was clarified that it was the one time set-up fee. Voice vote: unanimous ayes - motion carried.

#### **APPROVAL OF BILLS FOR PAYMENT:**

Helgerson discussed the annual fiduciary insurance policy with Mesirow Financial. The new premium amount is \$3,549.00. A motion was made by Walker and seconded by Doles to approve payment to Mesirow Financial for \$3,549.00 for the annual insurance premium. Doles inquired about continuing the policy and Helgerson stated the policy should be kept in place. Voice vote: unanimous ayes - motion carried.

**REQUEST FOR BENEFITS:**

None at this time.

**CLOSED SESSION:**

At 5:53 p.m., a motion was made by Walker and seconded by Martynowicz to recess to closed session to review minutes of the July 13, 2013, closed session. Voice vote: unanimous ayes - motion carried.

The general meeting was called back to order at 5:54 p.m., with the same members present.

The closed session minutes from the Board meeting held July 13, 2013, were presented for approval. A motion was made by Walker and seconded by Doles to approve the minutes of the July 13, 2013 meeting. There was no discussion. Voice vote: unanimous ayes - motion carried.

A motion was made by Doles and seconded by Walker to release the approved minutes of the July 13, 2013, meeting. There was no discussion. Voice vote: unanimous ayes - motion carried.

**NEW BUSINESS:**

Walde presented the Board with a budget for FYE 04/30/15. Walde stated the employer contributions are from the Actuary Report/tax levy and the employee contributions are consistent with the village's personnel budget for sworn officers. He continued explaining the benefits, refunds, and administrative costs. He did mention the annuitant payments are approximately the same as the employee contributions. The next retirement will cause a negative cash flow for annuitants from employee contributions. Helgerson suggested keeping a minimum cash balance amount for the pension payments.

A motion was made by Martynowicz and seconded by Walker to accept the FYE Budget 04/30/15 as presented. Voice vote: unanimous ayes - motion carried.

Walde reminded the Board to complete the economic interest statements and to file them as required.

**OLD BUSINESS:**

None at this time.

**TRAINING:**

Walker advised he missed some of the training and will try to get some online training completed. Helgerson mentioned a training session in February in Hoffman Estates. Discussion included the required number of hours being 16 hours for current Board members. Walde requested notification of what online courses Board members are registering for.

**NEXT QUARTERLY MEETING:**

The next Police Pension Board meeting is set for April 30, 2014 at 5:00 p.m.

**ADJOURNMENT:**

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

The meeting adjourned at 6:20 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 April 30, 2014.*