

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

WEDNESDAY, APRIL 30, 2014

CALL TO ORDER:

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

ROLL CALL:

Present: President Stan Helgerson, Secretary Andrew Doles, and Trustee Dennis Walker. Vice-President Jeff Martynowicz arrived at 5:10 p.m. Trustee Art Weber was absent. Village Treasurer Jack Walde, Recording Secretary Adam Carson, Assistant Finance Director Susan Skillman and Assistant Village Manager Michael Kumbera also attended.

ADOPT AGENDA:

A motion was made by Doles and seconded by Walker 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 January 29, 2014, were presented for approval.

A motion was made by Walker and seconded by Doles to approve the minutes of the January 29, 2014, meeting. Voice vote: unanimous ayes - motion carried.

CONSULTANT REPORT:

Mary Tomanek, Graystone Consulting, then joined the meeting via telephone at 5:20 p.m., providing the pension funds investment summary for First Quarter, 2014.

She advised it was a mixed quarter which was volatile. She stated the equities were close to the index blend. Fixed income did well. She stated it should be a good fiscal year for returns. Wedgewood did well; however, RBC did not fare as well.

Helgerson suggested moving some money from EuroPacific – Intl to Invesco European Growth. Discussion included moving \$300,000 this quarter and possibly another \$300,000 next quarter. The performance of Columbia Dividend Income Z vs the market benchmark was reviewed. Vanguard Value Index Fund was also discussed. The risk/return analysis indicated that Vanguard performance had less risk. Corporate bonds were also discussed with the Board's ability to do this now that the investment authority has been expanded to 65% in equities. Tomanek said corporate bonds are where we want to be. She said expanding the authority had a significant impact on the portfolio.

A motion was made by Doles and seconded by Walker to move \$300,000 out of EuroPacific Intl (AEPFX) into Invesco European Growth (AEDYX), in two increments of \$150,000 about four weeks apart. Voice vote: unanimous ayes - motion carried.

A motion was made by Martynowicz and seconded by Doles to transfer 100% of Columbia

Dividend Income Z to Vanguard Value Index Inv. Doles asked if there was any cost associated with transferring the money, and the Board was advised there was none. The move would be done after safekeeping is set up at US Bank. Voice vote: unanimous ayes - motion carried.

Helgerson advised there was new money coming in June and suggested that once \$100,000 becomes available, to put it into Vanguard Total Stock Market Index – Large Core. Investment of additional monies can be discussed at the July meeting.

A motion was made by Martynowicz and seconded by Walker to move the \$100,000 once it was available. Voice vote: unanimous ayes - motion carried.

Tomanek suggested an update of the Total Assets vs. Total Liabilities Report. She asked about the actuary Sharpe's increase in fees to \$500.00. Helgerson advised the cost is split with the Village.

Helgerson next discussed the equity allocation investment policy changes which were approved at the last meeting. An additional change to Section 19.0 would require reviews to be conducted by the Pension Board rather than the President with modifications to be approved by the Pension Board. The 2014 changes should be approved via resolution.

A motion was made by Doles and seconded by Walker to approve the Investment Policy changes via resolution 14-R-01. Voice vote: unanimous ayes - motion carried.

VILLAGE TREASURER'S REPORT:

The March 31, 2014, Monthly Financial Report prepared by Lauterbach & Amen, LLP was presented to the Board for review. Helgerson advised there was \$1.3 million in investment returns. Walde advised officer contributions still exceeded retirement disbursements but will be less due to the next retirement. Walde was advised to have more cash reserves.

APPROVAL OF BILLS FOR PAYMENT:

Walde presented the check register and wire transfers for review.

A motion was made by Walker and seconded by Doles to approve the payment of bills and check register through March 31, 2014. Voice vote: unanimous ayes - motion carried.

REQUEST FOR BENEFITS:

None

NEW BUSINESS:

The Board was presented with a three-year proposal from Lauterbach & Amen, LLP for accounting services. Helgerson said the fee increases are reasonable. Skillman advised the working relationship has been really good.

A motion was made by Doles and seconded by Walker to accept the services of Lauterbach & Amen, LLP for fiscal 2015-2017 for the amounts listed. Voice vote: unanimous ayes - motion carried.

OLD BUSINESS:

None

TRAINING:

Helgerson reminded the Board to stay up on the training. He stated anyone planning to go to the IPPFA conference in the fall should book the hotel now.

Helgerson added an agenda item to thank Martynowicz for his service on the Pension Board. Helgerson stated he is exiting and has served for four years, January 2010 to present. Helgerson stated there would be a new appointment in May.

NEXT QUARTERLY MEETING:

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

ADJOURNMENT:

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

The meeting adjourned at 5:43 p.m.

Respectfully submitted,



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 30, 2014.*