

**MINUTES OF THE POLICE PENSION BOARD  
REGULAR QUARTERLY MEETING  
WEDNESDAY, APRIL 29, 2009**

**CALL TO ORDER:**

President Helgerson called the meeting to order at 5:34 pm.

**ROLL CALL:**

Present: President Stan Helgerson, Vice-President David Comstock, Secretary Andrew Doles, Assistant Secretary Dennis Walker and Trustee Ken Azarela. A quorum was present. Village Treasurer Jack Walde and Recording Secretary Laura Donohue were also present as was Dana Savino, a guest.

**ADOPT AGENDA:**

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

**APPROVAL OF MINUTES:**

The minutes of the regular meeting held February 19, 2009 were presented. There were no questions or changes to the minutes.

A motion was made by Walker and seconded by Doles to approve the minutes of the February 19, 2009 meeting. Voice vote: unanimous ayes - motion carried.

**TREASURER'S REPORT:**

**Financial Statements for the Period Ending March 31, 2009**

**Balance Sheet:**

The total book value of assets reported was \$8,469,046.72. The March equity market value adjustment that was recorded was positive at \$157,906.08. The unrealized year-to-date market adjustment in the fixed income portfolio was also positive at \$208,678.81.

**Income Statement:**

Total revenues through 03/31/2009 were -\$216,933.94. Of this amount, employer contributions were \$677,063.39 or 100.0% of budget. The employee contributions were \$344,170.19 or 94.3% of budget. Investment income was a loss of \$1,238,167.52 which includes the referenced equity market value adjustments.

Expenditures were \$282,465.42 or 94.8% of budget. Benefit payments were \$227,486.22 and reflect previously approved pension payments to Schinkel, Stone, Azarela, Weber, Frasier and Miller. Miller's pension payments ended in October, 2008. There was also a payment of \$13,717.42 to the Village of Cary Police Pension Fund for the credible service of Timothy Kelly. Administrative expenses were \$54,979.20 or 78.5% of budget. Investment management fees amounted to \$48,874.43 and legal services and other administrative expenses were \$6,104.77.

Distributed with the financial reports for the period ending 03/31/2009 was the First Quarter 2009 Check Register, 1<sup>st</sup> Quarter Bank Statements, 1<sup>st</sup> Quarter Money Market Statements and Investment Confirmations for trade activity during the 1<sup>st</sup> Quarter, correspondence from the money managers, and an IPPFA Conference invite.

Doles questioned the calculation of Kelly's credible service. Walde explained the procedure. Helgerson questioned the availability of cash at both Algonquin State Bank (ASB) and through the Illinois Funds. Walde responded that the amounts were approximately \$41,000.00 at ASB and \$63,000.00 at IL Funds.

There were no other questions regarding the Village Treasurer's Report.

A motion was made by Comstock and seconded by Doles to accept the Treasurer's Report and to ratify the money manager's transactions, wire transfers, ACH transfers and the check register through March 31, 2009. Voice vote; unanimous ayes - motion carried.

**APPROVE BILLS FOR PAYMENT:**

There are no outstanding bills for payment.

**REQUEST FOR BENEFITS:**

There are not request for benefits.

**RECESS TO EXECUTIVE SESSION:**

A motion was made by Azarela and seconded by Walker to recess into Executive Session to review Executive Session Minutes. Voice Vote: unanimous ayes – motion carried.

Adjourn 5:42 p.m.

**RETURN TO REGULAR MEETING:**

Call to order 5:44 p.m.

Present: President Stan Helgerson, Vice-President David Comstock, Secretary Andrew Doles, Assistant Secretary Dennis Walker and Trustee Ken Azarela. A quorum was present. Village Treasurer Jack Walde and Recording Secretary Laura Donohue were also present as was Dana Savino, a guest.

A motion was made by Walker and seconded by Azarela to announce that the Board reviewed executive session minutes and that no minutes will be released. Voice Vote: unanimous ayes – motion carried.

**NEW BUSINESS:**

**Equity Investments**

The following are recommendations from Mary Tomanek regarding changes to the Investment Policy:  
Sec 6.0 – Asset Allocation – Lower the minimum equity commitment from 40% to 25%.

Sec 6.1 – Specific Investment Goals – Change to correct the name of the index from Lehman to Barclay

Sec 11.0 – Authorized & Suitable Investments – Add sentence stating that all investment advisors and consultants need to be fiduciaries as defined in Illinois State Statutes.

Sec 13.0 – Safekeeping & Custody – Change wording from “All” to “When possible” and add “qualified broker/dealer as defined by 40 ILCS 5/1-113.7(A)” as well as adding itemized statements.

A motion was made by Doles and seconded by Azarela to approve the amended Investment Policy as of April 29, 2009.

Doles questioned the change to the acceptable range of equity commitment. Walde and Helgerson stated the change is due to market conditions and is a reflection of the fund’s current asset allocation.

Voice vote: unanimous ayes - motion carried.

A copy of the amended policy will be filed with Secretary Doles.

Helgerson continued the discussion of equity investments by commenting on Tomanek’s quarterly performance review. Compared to other funds, Algonquin’s Police Pension fund is doing well and beating the benchmarks. The defensive move has worked well. An increase in the rebalancing would have resulted in a much greater loss. As for the strategy moving forward, Comstock believes that dollar cost averaging is the way to go. Helgerson’s discussion with Tomanek has focused on this same strategy. However, Tomanek is not ready to give the go sign today but soon.

Helgerson continued discussing a move into an index fund to capture the entire market as a whole. Looking at options of the addition of new money will begin in June 2009 with tax receipts of \$250,000.00 anticipated. The second installment of tax receipts will be in September 2009. Tomanek is suggesting waiting for another low. When the time is right, the board will need to give Tomanek the go signal but since there will not have been another meeting at that time there will need to be a motion declared. Walde stated that in addition to the tax receipts expected there is also \$176,000.00 available in cash within the equity funds. Comstock reiterated that no one ever knows the direction of the market. If you wait for the complete upswing of the market, the boat will pass you by. Azarela stated that it seems as though the board should stop waiting.

A motion was made by Comstock and seconded by Azarela to invest the current balance of the Shearson Lehman Money Market; allow the Treasurer to release funds in \$100,000.00 increments as per the Investment Policy allocation; use the tax receipts in June with the \$100,000.00 incremental allocation and lastly to if recommended by Tomanek to look to liquidate money in fixed income and move to equity investments.

Conversations will take place via email but in order to oblige the Open Meetings Act the one on one emails will be gathered through Walde for full data collection.

Voice vote; unanimous ayes – motion carried.

#### **Trustee Election – Active Officers & Trustee Election – Retired Officers**

The canvas of the election for trustees (active and retired) was certified by Jack Walde and Deputy Chief Ed Urban. Urban had taken possession of the ballots and the count was conducted by Walde and Urban with the following election results:

Active Officers: 45 of 50 ballots were returned.

Andrew Doles - 43 votes

Dennis Walker - 42 votes

Michael Carroll – 1 vote  
Anthony Falbo – 1 vote  
Andrea Trembl – 1 vote  
One blank ballot

Retired Officers: 3 of the 5 retired officer ballots were returned.  
Ken Azarela – 3 votes

The board has posted the results on Police Department bulletin boards and any objections or challenges need to be made within 35 calendar days. The election results have been posted since April 1, 2009.

A motion was made by Comstock and seconded by Helgerson to certify the election results. Voice vote; unanimous ayes – motion carried.

#### **Legislation Update**

General discussion took place among all members regarding Senate Bill 2011 regarding the resetting of the 40 year amortization clock resulting in the year 2033 as a balanced and fully funded police pension. The dates would be July 2009 – July 2049. It has currently passed the Senate and is now in the House under debate.

#### **OLD BUSINESS:**

A \$400.00 check was mailed to the coalition as discussed at the last quarterly meeting. All paperwork has been filed with the IRS as of January 2009. A determination is expected by Year End 2009.

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

The next regular Police Pension Board meeting will be held on Wednesday, July 29, 2009 at 5:30 p.m. in the Police Department Conference Room of Village Hall.

#### **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 6:30 p.m.

/s/ Andrew Doles  
Secretary