

MINUTES OF THE POLICE PENSION BOARD
REGULAR MEETING
WEDNESDAY, APRIL 26, 2006

CALL TO ORDER:

President Helgersen called the meeting to order at 5:30 p.m.

ROLL CALL:

Present: President Stan Helgersen, Vice-President David Comstock, and Secretary Andrew Doles. Absent: Assistant Secretary Dennis Walker and Trustee Ken Azarela. A quorum was present. Also in attendance: Village Treasurer Jack Walde, Attorney Cary Collins and High School Intern Todd Avery.

ADOPT AGENDA:

A motion was made by Dole and seconded by Comstock to adopt the agenda as presented.

Voice vote; unanimous ayes - motion carried.

APPROVAL OF MINUTES:

Minutes of the meeting held February 2, 2006 were presented. There were no changes to the minutes.

A motion was made by Comstock and seconded by Doles to approve the minutes.

Voice vote; unanimous
ayes - motion carried.

TREASURER'S REPORT:

Financial Statements for the Period Ending March 31, 2006

Balance Sheet: The total book value of assets as of March 31, 2006 was \$6,372,480.03. The market value of investment assets was \$6,717,639.73 vs. a book value of \$6,350,039.10. The March YTD unrealized

market value gain was \$367,600.63 or 5.8% of book value. The allocation of investment assets using the

March 31, 2006 market value is Cash - 3.2%, Fixed Income Bonds - 50.3% and TRAK Mutual Funds - 46.5% for a total of 100%.

Income Statement: Total revenues through 03/31/2006 were \$919,530.54 or 83.2% of budget. Of this

amount, employee contributions were \$317,112.22 or 105.0% of budget. This amount includes a payment of

\$62,688.63 from Wronski for his repurchase of service credit with the Algonquin Police Department. The

employer contribution was \$420,787.71 or 99.9% of budget. Investment income and gain on sale of

securities was \$181,630.61.

Expenditures through 03/31/2006 were \$291,475.71 or 217.6% of budget. Benefit payments were

\$256,716.25 and reflect pension payments to Schinkel, Stone, Azarela as well as a payment to the Carpentersville Police Pension Fund for Wronski's retroactive service credit in the amount of \$169,186.81.

Administrative expenses year-to-date were \$34,759.46 or 110.7% of budget.

Investment Assets - Mark to Market: The 03/31/2006 book value of the bond portfolio exceeds market value by \$60,762.05 while the market value of the equity portfolio exceeds book value by \$428,362.68. The net unrealized market gain is \$367,600.63.

Pursuant to Public Act 94-0079, the Pension Fund has not loaned to, invested in, or otherwise transferred any of the retirement system or pension fund's assets to a forbidden entity any time after the effective date of the act (January 26, 2006).

There were no comments or questions on the financial statements.

Distributed with the financial reports was the first quarter check register reflecting the issuance of checks, wire transfers, and investment transactions, a copy of the March bank statements, and client confirmations and statements for the fixed income and equity portfolios. Correspondence copied to the board also included a Composite Quarterly Review from Smith Barney, an Annual Report from Smith Barney, a letter reducing the fee charged by Becker Capital Management as well as a letter from Officer Frasier's attorney and a letter from Michael Madigan of the Illinois General Assembly regarding predatory lending laws.

A motion was made by Doles and seconded by Comstock to accept the Treasurer's Report for March 31, 2006, to ratify the money manager's investment transactions, wire transfers, ACH transfers and the check register.
Voice Vote; unanimous ayes - motion carried.

PREDATORY LENDING PRACTICES:

Collins explained concept of predatory lending practices. Collins prepared a response letter for Madigan's office at the General Assembly. Helgerson recommended that Collins look into this advisement. The Village of Algonquin Police Pension Fund does oppose predatory lending practice.

APPROVE BILLS FOR PAYMENT:

The second quarter fee of \$2,643.00 is due to Becker Capital. Becker Capital lowered its fee rate from 40 basis points to 35 basis points. Helgerson to send Mary Tomanek a thank you note.

A motion was made by Doles and seconded by Comstock to approve this bill for payment.
Voice Vote; unanimous ayes - motion carried.

REQUEST FOR BENEFITS:

Officers have ninety days to apply; if not completed in that length of time, disability will not be in effect.

1. Trevor Vogel - no application to date - transfer from McHenry County Sheriff's Police
2. Jeffrey Diamond - April 17, 2006
3. Matthew Howard - April 17, 2006
4. Andrew Dykstra - no application to date - in Academy; will be out a couple more weeks

NEW BUSINESS:

Letters from Becker Capital and the Royce Funds has been received regarding the availability of Sudan Free funds.

Special Meeting will be scheduled to strategize on Sudan.

Comstock questioned Tomanek's role in small and mid-cap funds versus the manager for the large cap funds.

OLD BUSINESS:

Letter to Tomanek to terminate services as of February 6, 2006 as voted on at last meeting.

SPECIAL BOARD MEETING:

A special Police Pension Board meeting to discuss Sudan will be held on Tuesday, May 16, 2006 at 5:30 pm

in the Police Conference Room. A meeting notice will be posted.

A motion was made by Comstock and seconded by Doles to schedule the Special Board Meeting.

Voice Vote; unanimous ayes - motion carried.

NEXT MEETING:

The next Police Pension Board meeting will be held on Wednesday, July 26, 2006 at 5:30 p.m in the Police Conference Room.

ADJOURNMENT:

There being no further business, it was moved by Comstock and seconded by Doles to adjourn.

Voice vote: unanimous ayes - motion carried.

The meeting adjourned at 5:52 p.m.

/s/ Andrew Doles
Secretary