

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

WEDNESDAY, OCTOBER 23, 2019

CALL TO ORDER:

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

ROLL CALL:

Trustees Present: President Stan Helgerson, Vice President Brian Smith, and Trustee Andrew Doles.

Trustees Absent: Trustee Art Weber and Trustee Andrew Dykstra

Treasurer Michael Kumbera, Mary Tomanek, Graystone Consulting, and Recording Secretary Adam Carson were also present.

ADOPT AGENDA:

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

PUBLIC COMMENTS:

None at this time.

APPROVAL OF MINUTES:

The meeting minutes of the meeting held July 31, 2019, were presented for approval. A motion was made by Smith and seconded by Doles to approve the minutes. Voice vote: unanimous ayes - motion carried.

APPOINTMENTS:

None at this time.

CONSULTANT REPORT:

Mary Tomanek then provided the 2019 third quarter summary. The portfolio return for the third quarter, net of fees was 1.26%, compared by the benchmark return at 1.51%. She advised the market will continue to have a mixed forecast, stating the market has been flip flopping. She continued and said manufacturing has weakened, and trade is slowing. She advised the global sovereign rates are being monitored closely. Small cap funds did not do well, and mid cap funds did just ok. International funds should make a turn around soon. She advised of no recommended changes for the Pension Fund and to just maintain the current positions.

Discussion involving the RBC Global Small Cap fund was presented. The mutual fund will no longer be available to the Pension Fund, and a search for a replacement fund was completed by Mary. President Helgerson advised he was interested in Brown Advisory Small Cap Growth Inst. He added it has a lower fee and less volatility. A motion was made by Doles and seconded by Smith to move 100% out of RBC Global Small Cap, close RBC, and move it into Brown Advisory Small Cap Growth Inst. The only discussion was if there were any fees, and Mary advised there were no fees involved with the transfer. A roll call voice vote was taken with all ayes and no nays - motion carried.

President Helgerson advised there was \$600,000 in new money available to invest. A motion was made by Doles and seconded by Smith to authorize the movement of \$600,000 to be allocated on a pro-rata basis as determined by the investment consultant: \$126,000 to Vanguard Growth Index; \$126,000 to Vanguard Value Index; \$42,000 to Vanguard Small Value; \$54,000 to EuroPacific; \$42,000 to Brown Small Cap; \$210,000 to Segall Bryant. A roll call voice vote was taken with all ayes and no nays - motion carried.

A motion was made by Smith and seconded by Doles to approve the consultant's report, through September 30, 2019 as presented. There was no further discussion. A voice vote was taken with all ayes and no nays - motion carried.

TREASURER'S REPORT:

Kumbera advised the Pension Fund's asset total ending September 30, 2019 was \$34,101,681.55. A motion was made by Smith and seconded by Doles to approve the financial report through September 30, 2019. There was no further discussion. A voice vote was taken with all ayes and no nays - motion carried.

APPROVAL OF BILLS:

The total pensions check register payments July 2019 through September 2019 is \$329,628.51. The total vendor check registers July 2019 through September 2019 is \$59,351.17, with the total amount being \$388,979.68. A motion was made by Smith and seconded by Doles to approve the payment of bills. A roll call vote was taken with all ayes and no nays – motion carried.

REQUEST FOR BENEFITS:

The annual annuitant increases were presented to the Board, effective January 1, 2020. President Helgersen advised this was a statutory increase, where any pensioner 55 years of age and older would receive their annual increase. A detailed list of eligible pensioners was provided by Lauterbach & Amen, with a formal approval being needed. A motion was made by Smith and seconded by Doles to approve the annual annuitant increases effective January 1, 2020. There was no further discussion. A roll call vote was taken with all ayes and no nays - motion carried.

Information was presented to the Board regarding the refund request from former Officer Anthony Hart-Davi. The Board was advised this was in process and will be formally approved at the next meeting.

CLOSED SESSION:

None at this time.

NEW BUSINESS:

Lauterbach & Amen provided the Board with a Contributions Ceased Verification form for former Officer Ranae Cirrincione. This is information only for the Board, documenting the stop in contributions, for their records.

The final version of the 2019 Actuarial Report was presented to the Board for approval. A motion was made by Smith and seconded by Doles to accept the 2019 Actuary Report as presented. There was no further discussion. A voice vote was taken with all ayes and no nays - motion carried.

The tax levy request recommendation for 2019 was presented. President Helgersen advised the request was for \$2,067,570.00, that would be submitted to the Village Board in the form of a memo. A motion was made by Helgersen and seconded by Doles to submit the tax levy request memo to the Village Board. A voice vote was taken with all ayes and no nays - motion carried.

The revision of the Board Rules was presented to the Board for review. A motion was made by Doles and seconded by Smith to approve the revised Board Rules as presented. There was no further discussion. A voice vote was taken with all ayes and no nays - motion carried.

The review of the Department of Insurance Annual Statement was next discussed. President Helgersen advised this is an annual report, generated by Lauterbach & Amen. A motion was made by Smith and seconded by Doles to approve and forward the report to the Village Board. There was no further discussion. A voice vote was taken with all ayes and no nays - motion carried.

The review of the Municipal Compliance Report was next presented. This report is required to be submitted to the Village Board, statutorily, prior to the tax levy request. A motion was made by Doles and seconded by Dykstra to approve the certification of the MCR. There was no further discussion. A voice vote was taken with all ayes and no nays - motion carried.

The next item presented to the Board was the Participant Board Report ending April 30, 2019. President Helgersen advised this was supplemental information for the Board.

The next agenda item was the discussion of the Illinois Pension Consolidation Feasibility Task Force Report. President Helgerson advised he was pro-consolidation, if it was done right. He continued and stated it makes sense to condense 650 funds down to two. He added there was a lot of unknowns at this point, and a lot of details to work out.

OLD BUSINESS:

The QILDRO Calculation Order for retiree Douglas Lamz is finally completed and will be implemented. No Board action is required.

The revised retirement date for former Officer Kimberly Montgomery was presented to the Board. Her final date was listed at June 2, 2017 and needs to be reflected at May 31, 2017. There are no changes to her benefits, just the change of the date.

TRAINING:

Trustee Doles advised he and Trustee Weber are done with their training. Trustee Dykstra still has some hours to complete and will complete them online.

NEXT QUARTERLY MEETING:

The next year's Police Pension Board meetings are scheduled for January 22, April 29, July 29 and November 4, 2020 at 5:00 p.m.

ADJOURNMENT:

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

The meeting adjourned at 6:00 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 January 22, 2020.