

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

WEDNESDAY, JANUARY 22, 2020

CALL TO ORDER:

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

ROLL CALL:

Present: President Stan Helgerson, Vice President Brian Smith, Trustee Andrew Doles, Trustee Andrew Dykstra, and Trustee Art Weber. Assistant Village Manager Michael Kumbera, Deputy Treasurer Susan Skillman, and Recording Secretary Adam Carson were also present. A quorum was established.

ADOPT AGENDA:

A motion was made by Doles and seconded by Weber 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 October 23, 2019, were presented for approval. A motion was made by Doles and seconded by Dykstra to approve the minutes. Voice vote: unanimous ayes - motion carried.

APPOINTMENTS:

There was discussion about Vice President Smith's position and the upcoming election for Trustee Dykstra's position. Doles advised the election process would be started. No action was taken at this time.

CONSULTANT REPORT:

Mary Tomanek joined the meeting via telephone and provided the 2019 fourth quarter summary. She advised the returns were very good, and the fund had a great start to the year thus far. Equity returns were up 30% and there was also a strong fixed income return at 9%. The overall fund performance was 21.44% with a benchmark of 21.39%, for the calendar year. She continued and said there was a powerful rally worldwide on global equities, putting the total portfolio value over \$34.5 million.

She advised the Board the allocation for mutual funds was 1% over the maximum allowed. She made a recommendation to reduce it to 65%. Helgerson advised the overage was due to growth, not from the fund adding new money to the investments. Helgerson continued and advised the Board would revisit the rebalancing at the next meeting.

Mary next talked about sustainability associated with Public Act 101-0473. She recommended an amendment to the investment policy for the next meeting in April.

A motion was made by Weber and seconded by Doles to approve the consultant's fourth quarter report, through December 31, 2019 as presented. The only discussion was the comments that it is rare you outperform all the benchmarks. There was no further discussion. A voice vote was taken with all ayes and no nays - motion carried.

VILLAGE TREASURER'S REPORT:

Kumbera advised the asset total ending December 31, 2019 was \$35,787,588.40. A motion was made by Smith and seconded by Dykstra to approve the treasurer's report through December 31, 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 October 2019 through December 2019 is \$352,152.08. The total vendor check registers October 2019 through December 2019 is \$51,165.91, with the total amount being \$403,317.99. A motion was made by Weber and seconded by Doles to approve the payment of bills. A roll call vote was taken; motion carried:

AYES: Helgerson, Smith, Doles, Dykstra, Weber
NAYS: None
ABSTAIN: None
ABSENT: None

REQUEST FOR BENEFITS:

The annual annuitant increases were presented to the Board, effective January 1, 2020. President Helgerson advised this was a statutory increase. A detailed list of eligible pensioners was provided by Lauterbach & Amen, with a formal approval being needed. A motion was made by Doles and seconded by Smith to approve the annual annuitant increases effective January 1, 2020. There was no further discussion. A roll call vote was taken; motion carried:

AYES: Helgerson, Smith, Doles, Dykstra, Weber
NAYS: None
ABSTAIN: None
ABSENT: None

The QILDRO for Officer Eicherl was next presented. It has been received and reviewed by the Board attorney, and forwarded to Lauterbach & Amen. A motion was made by Weber and seconded by Dykstra to approve the completed QILDRO and forward to Lauterbach & Amen. There was no further discussion. A voice vote was taken with all ayes and no nays - motion carried.

The refund request from Officer Anthony Hart-Davi was next discussed. The Board was advised the refund was complete in the amount of \$9,011.61, and by statute 20% was withheld. A motion was made by Doles and seconded by Dykstra to approve the refund amount to Officer Anthony Hart-Davi. There was no further discussion. A roll call vote was taken; motion carried:

AYES: Helgerson, Smith, Doles, Dykstra, Weber
NAYS: None
ABSTAIN: None
ABSENT: None

CLOSED SESSION:

None at this time.

NEW BUSINESS:

The application of a new officer was received by the Board. Officer Fernando Ortiz was hired on December 16, 2019 as a Tier II employee and is currently at the academy. A motion was made by Dykstra and seconded by Doles to accept Officer Ortiz into the fund. There was no further discussion. A voice vote was taken with all ayes and no nays - motion carried.

The approval of the Fiscal 2020/2021 Budget was next presented. There is a projected growth of \$4.7 million with expenditures projected at \$1.7 million. A motion was made by Smith and seconded by Weber to accept the projected Fiscal 2020/2021 Budget as presented. There was no further discussion. A voice vote was taken with all ayes and no nays - motion carried.

The approval of the Mesriow Financial Liability Insurance policy renewal was next discussed. The Board was presented with an invoice for \$3,993.00. A motion was made by Doles and seconded by Smith to approve the payment

in the amount of \$3,993.00. The only discussion was about retention of the services after the consolidation, and it was determined they would be retained even after the consolidation. A roll call vote was taken; motion carried:

AYES: Helgerson, Smith, Doles, Dykstra, Weber
NAYS: None
ABSTAIN: None
ABSENT: None

The discussion of the economic interest statements was next presented. The Board was advised they would be due May 1, 2020, and once they are received, they should be completed and returned.

The tax levy request amount was confirmed in the amount of \$2,068,000.00 on December 17, 2019 at the Village Board meeting, which aligns with the recommended contribution amount calculated by the actuary.

The Spring election and appointments were discussed earlier in the meeting under Appointments. Additionally, the annual servicer certifications were discussed with Tomanek in the Consultant's Report, with the searches being provided at the next meeting.

There was a request for updating the authorized signatories for the bank account. The Board was advised of a new Deputy Treasurer Amanda Lichtenberger, needed to be added to the list, which also includes Susan Skillman, Michael Kumbera, Trustee Doles and Trustee Dykstra. A motion was made by Dykstra and seconded by Doles to approve new signatory list. There was no further discussion. A voice vote was taken with all ayes and no nays - motion carried.

The attorney engagement letter was next presented to the Board for approval. A motion was made by Doles and seconded by Dykstra to approve the attorney engagement letter. There was no further discussion. A voice vote was taken with all ayes and no nays - motion carried.

The update of the Municipal Compliance Report (MCR) with the DOI actuarial data was next presented. The information has been updated and is on the official record. No Board action is required.

The overview of the Consolidation Law was next discussed. Helgerson advised that an interim Board should be in place by January 31, 2020. He continued and said there will be an audit and review of the market value of the portfolio, and notice would be given that within ten days the money would be moved. Helgerson advised that a Board meeting would be scheduled to approve this transaction. He added this is only the consolidation of investments, and the main functions of the Board after the consolidation would be disability and benefits. A mandatory training of four hours would be required after the transition. New member training will be reduced from 32 hours to 16 hours. There was an increase in Tier II benefits, and clarification was made to the bill stating there will be no sharing of funds. The pooling of the money is for investment purposes only.

The next agenda item was the approval of accounting services agreement with Lauterbach & Amen. A three-year contract, with a minimal increase was presented, with service totals as follows: FY21 \$14,155; FY22 \$14,570; FY 23 \$15,015. Discussion included the renegotiation of services after the consolidation. A motion was made by Weber and seconded by Doles to approve the accounting services agreement with Lauterbach & Amen for the next three years. There was no further discussion. A roll call vote was taken with all ayes and no nays - motion carried.

OLD BUSINESS:

None at this time.

TRAINING:

All trustees advised their training is completed. They were advised of the upcoming trainings on February 13, 2020 and January 23-25, 2020.

NEXT QUARTERLY MEETING:

The next scheduled is set for April 29, 2020 at 5:00 p.m.

ADJOURNMENT:

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

The meeting adjourned at 6:02 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 April 29, 2020.