

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

WEDNESDAY, APRIL 29, 2020

The Police Pension Board Meeting was held remotely, via a Zoom call, due to the Governor's order restricting gatherings of people in an effort to minimize the potential spread of COVID-19.

CALL TO ORDER:

President Helgerson called the meeting to order at 5:07 p.m.

ROLL CALL:

Present: President Stan Helgerson, Vice President Brian Smith, Trustee Andrew Doles, Trustee Andrew Dykstra, and Trustee Art Weber. Village Treasurer Michael Kumbera, Deputy Treasurer Susan Skillman, Chief Innovation Officer Kevin Crook, Mary Tomanek of Graystone Consulting and Recording Secretary Adam Carson were also present. A quorum was established.

ADOPT AGENDA:

A motion was made by Doles and seconded by Dykstra 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 January 22, 2020, 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:

None at this time.

CONSULTANT REPORT:

Mary Tomanek provided the 2020 first quarter summary. She advised with the COVID-19 pandemic, things have been very rough, however things have improved. She continued and stated oil prices were at never before seen prices, approximately \$16-\$17 a barrel. The bond market came to a screeching halt, and even the highest quality bonds saw a reduction in price. The government intervened and helped the credit markets and we are currently seeing a big rally in the markets.

She spoke about the 2008 recession and advised it was ten quarters before the economy saw a full recovery, and projected with this pandemic recession, they expect at least five quarters with all the assistance from the federal government. She said we should continue to feel a 'yo-yo' effect in the markets for a while. Some projections estimate \$12 trillion dollars (approximately 55% of the GDP) in stimulus money could become available.

She advised the portfolio was down 13% overall, with 22% reduction in equities. Fixed income showed a gain of 4%. Oakmark struggled because energy was down, however there has been some rebound from its low. President Helgerson requested a search be completed for a potential replacement for Oakmark.

President Helgerson advised there was \$170,000 of available funds at US Bank, and that there was an opportunity to take advantage of the equities market now. It was suggested to move the money to Vanguard Large Value and

Vanguard Large Growth in a 50/50 split. A motion was made by Doles and seconded by Dykstra to move \$170,000 from US Bank and place it in the equity market funds of Vanguard Large Value and Vanguard Large Growth with a 50/50 split. There was no further discussion. A roll call vote was taken with all ayes and no nays - motion carried.

President Helgerson talked about rebalancing the portfolio. He said this conversation would be more in depth in July, but wanted to start the process now, to take full advantage of the market. He advised the board that tax money would be starting to come in and wanted to authorize the Village Treasurer to move money to the investment advisor in \$200,000 increments to invest in Vanguard Large Value and Vanguard Large Growth with a 50/50 split. A motion was made by Doles and seconded by Dykstra to move new money in \$200,000 increments to the investment advisor place it in the equity market funds of Vanguard Large Value and Vanguard Large Growth with a 50/50 split. There was no further discussion. A roll call vote was taken with all ayes and no nays - motion carried.

Mary next talked about sustainability and the amendment to the investment policy. The following was added to the investment policy under section 11.0 Authorized and Suitable Investments:

Sustainability Factors: Pursuant to 40 ILCS 5/1-113.6 and 1-113.17, the Algonquin Police Pension Fund will include material, relevant, and decision-useful sustainability factors that may be considered by the Pension Bond within the bounds of financial and fiduciary prudence, in evaluating investment decisions. These factors consist of but are not limited to:

- a. Corporate governance and leadership factors*
- b. Environmental factors*
- c. Social capital factors*
- d. Human capital factors*
- e. Business model and innovation factors*

A motion was made by Smith and seconded by Dykstra to approve the amended investment policy with the revised language regarding sustainability factors added. There was no further discussion. A voice vote was taken with all ayes and no nays - motion carried.

A motion was made by Doles and seconded by Smith to approve the first quarter investment report, through March 30, 2020 as presented. 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 March 30, 2020 was \$31,047,776.42, down from \$35 million in January. A motion was made by Dykstra and seconded by Doles to approve the treasurer's report through March 30, 2020. 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 January 2020 through March 2020 is \$350,423.68. The total vendor check registers January 2020 through March 2020 is \$53,881.45, with the total amount being \$404,305.13. A motion was made by Doles and seconded by Dykstra to approve the payment of bills. A roll call voice vote was taken with all ayes and no nays – motion carried.

REQUEST FOR BENEFITS:

None at this time.

CLOSED SESSION:

None at this time.

NEW BUSINESS:

The election held for Trustee Dykstra's seat were announced to the Board. The results were as followed, as reported by Trustee Doles: 46 ballots that were passed out, with 33 being returned. 28 votes for Dykstra, four votes for Cisneros, and one vote for Stachura. A motion was made by Doles and seconded by Smith to affirm the results of the election and authorize the destruction of the ballots. There was no further discussion. A voice vote was taken with all ayes and no nays - motion carried.

The investment policy update was discussed and approved earlier in the meeting.

The six-month review of closed meeting minutes was next presented to the Board for discussion. It was determined there were no minutes to review.

OLD BUSINESS:

President Helgerson asked Board members if they had completed their economic interest statements, as they are due May 1. All trustees advised they had completed them.

TRAINING:

President Helgerson advised of an upcoming 8-hour IPPFA training, but that most of the other in-seat training was on hold due to the COVID-19 pandemic.

Before adjournment, Trustee Doles inquired about the pension consolidation process. President Helgerson said it was on-going but was probably experiencing a slow down due to COVID-19. He said there are many things to be put in place before anything happens.

NEXT QUARTERLY MEETING:

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

ADJOURNMENT:

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

The meeting adjourned at 5:50 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 29, 2020.