

**MINUTES OF THE POLICE PENSION BOARD
SPECIAL MEETING
WEDNESDAY, MARCH 2, 2011**

CALL TO ORDER:

President Helgerson called the meeting to order at 5:03 pm.

ROLL CALL:

Present: President Stan Helgerson, Vice-President Jeff Martynowicz, Secretary Andrew Doles, Assistant Secretary Dennis Walker, and Trustee Art Weber. A quorum was present. Mary Tomanek of Smith Barney, Village Treasurer Jack Walde, and Assistant Finance Director Susan Skillman were also present.

ADOPT AGENDA:

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

REQUEST FOR BENEFITS:

Andrew Dykstra – Military Service Credit

Helgerson stated that Walde has forwarded the calculations to the board regarding Dykstra's request to buy pension credit for his military service. Dykstra is able to buy up to two years' worth of police pension credit from his military service prior to coming to Algonquin. Due to the sizable financial commitment, Dykstra has elected to purchase one year now with the option to pick up the second year at a date to be determined. It has been delineated that the expense will increase as time passes due to the compounding interest. The cost of one year service credit is \$16,403.30. A check in that amount has been received from Dykstra dated March 1, 2011. It is noted that the calculation was based on the Department of Insurance's *Siren's* instructions.

A motion was made by Walker and seconded by Weber to accept Officer Dykstra's purchase of one year of pension credit for military service in the amount of \$16,403.30 as of March 1, 2011. Voice vote: unanimous ayes – motion carried.

All calculations will be attached with the minutes to demonstrate compliance with the Department of Insurance guidelines.

MONEY MANAGER'S INTERVIEWS:

Eagle

Joseph Jackson, Portfolio Manager & Research Analyst

Nancy Clark, Vice President - Marketing

Clark distributed information packets to all board members and finance staff in attendance. The firm is located in St. Petersburg, Florida with 170 Employees. Eagle manages \$18

Billion in assets: \$4 Billion with their Fixed Income Team. There are a total of six investment teams, including Equities (small, mid, and large); and Fixed Income. Internal research is utilized by all teams. There are conservatively managed. Raymond James is the parent company and clients are nationwide. They manage one Illinois public fund: City of Peoria Police, a client for 15+ years. Finally, they are familiar with Illinois Pension Law; as well as other public funds throughout the United States. Jackson provided information about the performance and style of the firm as well as the professional background of the portfolio team.

After initial presentation was complete, board members participated in a question/answer session with Clark and Jackson.

The Eagle representatives thanked all those present and exited the room for ensuing discussion by board members, Walde, and Tomanek.

Segall Bryant & Hamill

Gregory C. Hosbein, Managing Director

Mark W. Rewey, Managing Director

Rewey distributed information packets to all board members and finance staff in attendance. The firm is located in Chicago, Illinois and St. Louis, Missouri. The firm is employee owned and manages just under \$7.5 Billion in Equity, Fixed Income, and Alternative Assets. Currently, they have 17 Illinois public funds plus three in negotiation and others not yet on their reference list; those listed are all long standing clients (15 years with the firm). This is the fastest growing sector of their business; nearly one quarter of all business. They have a diversified approach with transparency and risk controlled guidelines. Hosbein discussed the professional qualifications of the portfolio team and their approach to portfolio management and performance.

After initial presentation was complete, board members participated in a question/answer session with Rewey and Hosbein.

The Segall representatives thanked all those present and exited the room for ensuing discussion by board members, Walde, and Tomanek.

Helgerson and Tomanek pointed out that both firms are qualified to do the necessary job. Now it is a comfort level and how the members feel the firms will deliver results. Tomanek shared pros and cons of each firm, and disclosed that she is currently working with Segall (for the last year; on Smith Barney's radar for much longer). Board members and finance staff all brought forth comments and perspectives of each firm's management style, projections, and fee structure.

A motion was made by Martynowicz and seconded by Walker to terminate Becker Capital Management and hire Segall Bryant & Hamill as Fixed Income Money Manager with an effective date to be determined by Tomanek. Voice vote: unanimous ayes – motion carried.

NEXT QUARTERLY MEETING:

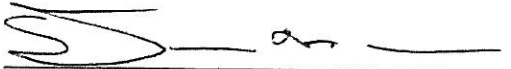
Note for the minutes regarding Doles obligation to the FBI National Academy during April, May, and June. The next regular Police Pension Board meeting is Wednesday, May 4, 2011 in the Police Department Conference Room of Village Hall. This will be a lengthy meeting with plans to discuss strategy and investment policy with Tomanek as well as having the new attorney present to establish possible new rules and procedures and things of that nature. The meeting time may be moved to an earlier start time to facilitate the length of the meeting.

ADJOURNMENT:

Martynowicz exited the meeting at 7:03pm. There being no further business, it was moved by Weber and seconded by Walker to adjourn. Voice vote: unanimous ayes – motion carried.

The meeting adjourned at 7:05 p.m.

Respectfully submitted,



Dennis Walker, Assistant Secretary
Algonquin Police Pension Fund

Minutes prepared by Laura K. Donohue

Approved by the Board of Trustees at its meeting held on May 4, 2011.