

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

WEDNESDAY, FEBRUARY 10, 2016

CALL TO ORDER:

President Helgerson called the meeting to order at 5:02 p.m.

ROLL CALL:

Present: President Stan Helgerson, Vice President Brian Smith, Secretary Andrew Doles, Trustee Andrew Dykstra, and Trustee Art Weber. Treasurer Michael Kumbera, Recording Secretary Adam Carson and Deputy Treasurer Susan Skillman were also present. Mary Tomanek was also present for the fourth quarter respective presentations to the Board.

ADOPT AGENDA:

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

PUBLIC COMMENTS:

There were no public comments.

APPROVAL OF MINUTES:

The minutes of the special board meeting held November 4, 2015, were presented for approval. A motion was made by Dykstra and seconded by Doles to approve the minutes. Voice vote: unanimous ayes - motion carried.

APPOINTMENTS:

None at this time.

CONSULTANT REPORT:

Mary Tomanek, Graystone Consulting, provided the fourth quarter report.

She said despite all the volatility, all sectors within the S&P 500 generated positive returns for the quarter. She said keeping the portfolio diversified is the way to go.

Large capitalization equities out performed small and mid-cap, and bonds were down across the board. Housing continued its rebound, with November being 16% above 2014. Great Lakes did well, RBC Small growth was down 1%, and Wedgewood was a disappointment.

She continued and advised looking forward that the waters will continue to be choppy. Global growth rates remain slow, however there are expectations that European earnings will finally rebound and equities will outperform again in 2016.

Tomanek made a recommendation to transfer money out of Wedgewood. Helgerson added he wanted to lower exposure by moving money to the index. She also spoke about moving out of RS Global Natural Resources and into Columbia Global Energy.

The Board was advised this was a lateral move and there was no transaction fees or costs associated with these moves. It puts the fund in a better position with the continued volatility.

A motion was made by Doles and seconded by Smith to move \$225,000 from Wedgewood Large Growth to the Vanguard Large Growth Index Fund. Voice vote: unanimous ayes - motion carried.

A second motion was made by Weber and seconded by Dykstra to transfer 100% of Global Natural Resources to Columbia Global Energy and Natural Resources fund. Voice vote: unanimous ayes - motion carried.

Helgerson advised of \$242,900 of new money was available from US Bank to invest. Helgerson started a discussion on how to invest this money. Tomanek gave the Board some ideas on where to invest. Helgerson added the buy low sell high idea, believing the market is at the low end now to attempt to take advantage now.

A motion was made by Doles and seconded by Dykstra to invest \$120,000 into the Vanguard Large Value Index and \$120,000 Vanguard Large Growth Index. Helgerson asked about how this would affect the Wedgewood move and Tomanek advised it would have no effect. Voice vote: unanimous ayes - motion carried.

Great Lakes Large Value Research is currently has \$1.6 million. It is performing well now. Tomanek advised Graystone will no longer be researching this manager, which is required. She continued and advised she is looking for options to continue to have this fund, but wanted to make the Board aware incase a change needs to be made in the future.

A motion was made by Dykstra and seconded by Doles to approve the Investment Report as presented. Voice vote: unanimous ayes - motion carried.

VILLAGE TREASURER'S REPORT:

Kumbera advised the asset audit total ending December 31, 2015 was \$21,940,870.86. A motion was made by Smith and seconded by Weber to approve the report through December 31, 2015. Voice vote: unanimous ayes - motion carried.

APPROVAL OF BILLS:

The total pension check register payments October 2015 through December 2015 is \$252,622.94. The total vendor check registers October 2015 through December 2015 is \$33,490.84, with the total amount being \$286,113.78. A motion was made by Smith and seconded by Doles to approve the payment of bills, check register, and wire transfers through December 2015. A roll call vote was taken with all ayes and no nays.

REQUEST FOR BENEFITS:

Helgerson advised the Board that Nicholas Corso turns 50 years, as of April 5, 2016 (date of birth 04/05/66) and would be looking to collect his eligible pension. His entry date was 04/06/92 and he retired on 11/02/12. He will be 50 years old with 20 years of service. A 50% pension would be applied with the salary being \$89,100, with the amount being \$44,550, effective 04/06/16. A motion was made by Doles and seconded by Dykstra to approve the pension. Helgerson advised in five years his will receive an increase, and Lauterbach & Amen calculated the pension. A roll call vote was taken with all ayes and no nays.

Helgerson advised of the QUILDRO that was on file with Corso's pension, stating a portion goes to his ex-wife. A signature was missing on one of the forms. He continued and advised there is no action required that it was just information at this time. Helgerson advised the attorney is handling it, which is due by 04/15/16.

CLOSED SESSION:

None at this time.

NEW BUSINESS:

Kumbera presented the 2016-2017 Fiscal Year Budget. Helgerson advised the Board the vote would be to accept the budget as presented. A motion was made by Dykstra and seconded by Doles to accept the budget as presented. Voice vote: unanimous ayes - motion carried.

Helgerson advised of the new actuarial agreement with Lauterbach & Amen. Timothy Sharpe is reducing the number of clients he has in Illinois. Discussion included the costs associated with hiring Todd with Lauterbach & Amen. The cost is \$4250 each year, which is in line with what Sharpe was charging. Helgerson stated he is comfortable with Lauterbach & Amen doing these services. A motion was made by Smith and seconded Dykstra to hire Lauterbach & Amen to do the actuarial services and GASB 67/68 for the next three years at the cost of \$4250 each year. A roll call vote was taken with all ayes and no nays.

The review of Participant Board Report is an new annual report by Lauterbach & Amen. Helgerson advised there was no extra cost associated with this report. Helgerson asked that some things be reviewed when a pension is being pulled, and is general information and no action required.

The economic interest statements was next discussed. Helgerson advised McHenry County now has the form available online and needs to be completed.

A review of Mesirow Financial Liability Insurance policy renewal was next presented. Helgerson advised the cost was the same, \$3801.00. A motion was made by Weber and seconded by Doles to renew the policy. A roll call vote was taken with all ayes and no nays.

OLD BUSINESS:

A review of the military buyback for Andrew Dykstra was next presented. Helgerson advised the numbers were reviewed and recalculated with the number being too low, not including the employee contributions. The new calculation is for \$21,757.11, which equates to \$194.28 per payroll for the next five years.

TRAINING:

Doles and Dykstra advised they were 100% complete. Smith advised he completed his 32 hours of training, and Weber needs to get some training for this year. Helgerson stated he completed eight hours today. Helgerson reminded the Board about upcoming March and May trainings available.

NEXT QUARTERLY MEETING:

The next Police Pension Board meeting is tentatively scheduled for April 27, 2016 at 5:00 p.m.

ADJOURNMENT:

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

The meeting adjourned at 6:15 p.m.

Respectfully submitted,

Andrew Doles

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 27, 2016.