

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

WEDNESDAY, APRIL 27, 2016

CALL TO ORDER:

President Helgerson called the meeting to order at 5:01 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 first quarter performance 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 February 10, 2016, were presented for approval. Helgerson advised of a correction under request for benefits for Nicholas Corso, "... with the amount being \$44,550, ..." A motion was made by Dykstra and seconded by Doles to approve the amended minutes. Voice vote: unanimous ayes - motion carried.

APPOINTMENTS:

None at this time.

CONSULTANT REPORT:

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

She stated things were getting better, but the market was in a neutral territory. There was a great rally by fixed income and equities.

International funds struggled and index funds performed within expectations. The fund ended with 58% equities and 42% fixed income, with a target goal of 60% equity/40% fixed income mix.

She continued and advised there was a plan to sell RS Global Natural Resources and Buy Columbia Natural Resources, but the value of the Fund assets had dropped and was unable to make the transaction, due to the state minimums, and an illegal investment.

Tomanek next spoke about some proposed changes to the target asset allocation. She suggested moving to more large cap investments, and to move out of natural resources and emerging markets. A request to complete a search for a high yield fund was made and it was decided to hold the position in emerging markets for the current quarter. Tomanek recommended transferring the natural resources allocation to a total value index fund.

The Board did not adjust any target asset allocations and would review it in July at the next meeting.

Tomanek next spoke about the Draft Scorecard System that has been developed by her firm to help look at the quantitative and qualitative performance of the investments of the fund.

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

Tomanek next presented information to move to the Vanguard S&P 500 Index fund. She said it reduces exposure to market volatility and increases investment quality due to less small and mid cap stocks and more large cap companies, based on the S&P 500. Approximately \$3.3 million move.

A motion was made by Doles and seconded by Weber to move \$200,000 from Cohen & Stears (real estate) and 100% of the Vanguard Total Stock Market fund to the Vanguard S&P 500 Index fund. Doles asked if there was any cost associated with this move and was advised there was no cost. A roll call vote was taken with all ayes and no nays - motion carried.

A motion was made by Dykstra and seconded by Doles to move 100% of RS Global to the Vanguard Large Value Index Fund. The approximate amount being \$142,000.00. A voice vote was taken with all ayes and no nays – motion carried.

Helgerson stated there was no new money at this time to invest.

VILLAGE TREASURER'S REPORT:

Kumbera advised the asset audit total ending March 31, 2016 was \$22,211,264.92. A motion was made by Doles and seconded by Weber to approve the report through March 31, 2016. Voice vote: unanimous ayes - motion carried.

APPROVAL OF BILLS:

The total pension check register payments January 2016 through March 2016 is \$214,170.39. The total vendor check registers January 2016 through March 2016 is \$45,130.95, with the total amount being \$259,301.34. A motion was made by Dykstra and seconded by Doles to approve the payment of bills, check register, and wire transfers through March 2016. A roll call vote was taken with all ayes and no nays.

REQUEST FOR BENEFITS:

None at this time.

CLOSED SESSION:

None at this time.

NEW BUSINESS:

The new trustee elections results for 2016/2017 were presented to the Board. The votes were collected and certified by Village Trustee Steger, showing 29 votes for Officer Dykstra and one vote for Officer Miller. A motion was made by Doles and seconded by Weber to accept the certified election results. A voice vote was taken with all ayes and no nays – motion carried.

A new member application was next presented to the Board to acceptance into the pension fund by Johnny Beltran, with a hire date of March 15, 2016. Helgerson advised he would be a tier two employee. A motion was made by Dykstra and seconded by Doles accept Johnny Beltran into the fund. A voice vote was taken with all ayes and no nays – motion carried.

The Healthcare Enhancement for Local Public Safety Act (HELP) was next discussed. Helgerson advised there is a federal law that allows retired members to deduct \$3000.00 to retirees, for those on the village health insurance plan. Lauterbach & Amen (L&A) would write a check to the retiree for them to make the payment, thereby providing an approximate \$750.00 tax savings to the retiree. Helgerson stated L&A would be willing to provide the service to the fund, but there was a minimal cost associated with doing this, approximately \$25.00 per person for each person that is retired. A motion was made by Weber and seconded by Doles to implement this service from L&A for the fund. A roll call vote was taken with all ayes and no nays – motion carried.

An update on the QILDRO for Douglas Lamz was provided. Helgerson advised everything was currently on hold, stating the Board attorney was waiting for Ms. Lamz to hire a new attorney and re-file the QILDRO.

The legislative update was next discussed. Helgerson stated the consolidation of investments bill was not passed in the house and was moved to the ‘dead committee’. The other update was regarding the Franks bill regarding retired passed the house and was now going to the Senate.

OLD BUSINESS:

The QILDRO for Nicholas Corso was next discussed. The Board was in receipt of the QILDRO calculation order and was forwarded on to L&A and the Board attorney.

The Board was reminded to make sure the economic interest statements were filed with the county.

TRAINING:

The Board was advised of ethics and continuing education in September at Judson College. Helgerson advised he would be going to Peoria in early May.

NEXT QUARTERLY MEETING:

The next Police Pension Board meeting is tentatively scheduled for July 27, 2016 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 6:24 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 27, 2016.*