

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

WEDNESDAY, JULY 27, 2016

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, Secretary Andrew Doles, and Trustee Andrew Dykstra. Trustee Art Weber was absent. Treasurer Michael Kumbera, Deputy Treasurer Susan Skillman, and Recording Secretary Adam Carson were also present. Todd Schroder from Lauterbach & Amen was present, along with Mary Tomanek for the second quarter review 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 meeting held April 27, 2016, were presented for approval. A motion was made by Doles and seconded by Dykstra to approve the minutes. Voice vote: unanimous ayes - motion carried.

NEW BUSINESS:

Todd Schroder provided a review of the actuarial process services that Lauterbach & Amen provides. He advised the firm looks at what benefits being paid now and what will be needed to be paid out in the future. At the completion of his presentation, a request for an updated asset liability study was requested. No action on this will be taken until the October meeting.

CONSULTANT REPORT:

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

She stated overall it was a good quarter, with the exception of international. For the quarter, the fund was up just more than 2%, with good YTD returns. The fund ended with 58% equities and 42% fixed income, with a target goal of 60% equity/40% fixed income mix.

She did advise there was the potential interest rate increase on the horizon, and the bond portfolio should remain stable. Energy stocks were up and technology was down; with RBC having a good quarter. She also added Index funds were spot on.

Tomanek made a recommendation to consider adding a high yield allocation to the portfolio. She provided the suggestion of Eaton Vance Income of Boston, with a proposed investment of 2%. She added the draft scorecard reports were also included in the packet for review.

The other recommendation was to terminate 100% Virtus Emerging Markets due to the portfolio manager departure and the new asset allocations.

A motion was made by Doles and seconded by Smith to terminate 100% of Virtus Emerging Markets

and to add it to the new asset allocation of Eaton Vance Income Fund of Boston. A roll call vote was taken with all ayes and no nays - motion carried.

Tomanek next presented information about moving out of Wedgewood, due to the under performance, and move to the Vanguard Large Growth Index. A motion was made by Doles and seconded by Dykstra to move 100% from Wedgewood to the Vanguard Large Growth fund. A roll call vote was taken with all ayes and no nays - motion carried.

Helgerson advised there is new money available starting in August, with \$300,000 being available, and again \$300,000 in September to invest. Tomanek advised the proposal of the asset allocation needed to be addressed for investing purposes. The current allocations are (with the proposed amounts) Large Cap 63% (65%), Small Cap 12% (12%), International 14% (14%), Global 4% (4%), Natural Resources 1% (0%), Real Estate 3% (1%), Defensive 2% (2%), Emerging Markets 2% (0%), and High Yield, (new investment of 2%). A motion was made by Dykstra and seconded by Doles to move accept the proposed asset allocations. A voice vote was taken with all ayes and no nays – motion carried.

Helgerson then addressed the new money to be invested. A motion was made by Doles and seconded by Dykstra to authorize the Village Treasurer to move \$600,000 in two \$300,000 increments (August and September), to be invested proportionally as she sees fit within the asset allocation. 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 accept the investment reports and all transactions. A voice vote was taken with all ayes and no nays – motion carried.

APPOINTMENTS:

None at this time.

VILLAGE TREASURER'S REPORT:

Kumbera advised the asset audit total ending June 30, 2016 was \$23,355,075.33. A motion was made by Doles and seconded by Smith to approve the financial report through April 30, 2016 for the end of the fiscal year. Voice vote: unanimous ayes - motion carried. A second motion was made by Doles and seconded by Smith to approve the financial report through June 30, 2016. Voice vote: unanimous ayes – motion carried.

APPROVAL OF BILLS:

The total pension check register payments April 2016 through June 2016 is \$228,779.78. The total vendor check registers April 2016 through June 2016 is \$34,937.80, with the total amount being \$263,717.58. A motion was made by Dykstra and seconded by Doles to approve the payment of bills. A roll call vote was taken with all ayes and no nays.

REQUEST FOR BENEFITS:

Robert Schuett, date of birth September 20, 1966, made a request for benefits. Helgerson advised this would be a regular pension with an expected retirement date of November 1, 2016. He started June 17, 1991, and would be leaving the fund with 25 years of service. The current salary is \$96,455, which equates to a \$5023.18 per month. Helgerson advised he would not receive an increase until age 55 and at that time it would be a 15% increase. It was also noted that a QUILDRO is on file. A motion was made by Smith and seconded by Dykstra to approve the retirement pension for Robert Schuett. A roll call vote was taken with all ayes and no nays – motion carried.

CLOSED SESSION:

None at this time.

NEW BUSINESS (continued):

The election of officers was next discussed. A motion was made by Doles and seconded by Dykstra to keep the same slate. A voice vote was taken with all ayes and no nays – motion carried.

OLD BUSINESS:

None at this time.

TRAINING:

Doles asked about any announcements for the Judson college training, and also advised of the IPPFA training in October in Lake Geneva.

NEXT QUARTERLY MEETING:

The next Police Pension Board meeting is tentatively scheduled for October 26, 2016 at 5:00 p.m.

ADJOURNMENT:

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

The meeting adjourned at 6:22 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 October 26, 2016.