

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

WEDNESDAY, JULY 26, 2017

CALL TO ORDER:

President Helgerson called the meeting to order at 5:00 p.m.

ROLL CALL:

Present: President Stan Helgerson, Vice President Brian Smith, Secretary Trustee Andrew Doles, Trustee Andrew Dykstra and Trustee Art Weber. Treasurer Michael Kumbera, Deputy Treasurer Susan Skillman, and Recording Secretary Adam Carson were also present. Dennis Dressler, Lauterbach & Amen, Mary Tomanek, Graystone Consulting; Esperanza Castellanos, Management Intern; Ben Mason, Senior Planner for the Village; and Janis Jasper, Village Trustee for Algonquin also attended the meeting.

ADOPT AGENDA:

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

PUBLIC COMMENTS:

Jasper advised she was glad to be at the meeting.

APPROVAL OF MINUTES:

The minutes of the meeting held April 26, 2017, were presented for approval. A motion was made by Dykstra and seconded by Doles to approve the minutes. Voice vote: unanimous ayes - motion carried. President Helgerson abstained from the vote.

The minutes of the special meeting on April 26, 2017, reference the disability hearing, were also presented for approval. A motion was made by Smith and seconded by Doles to approve the special meeting minutes. Voice vote: unanimous ayes - motion carried. President Helgerson abstained from the vote.

NEW BUSINESS

Dennis Dressler provided a review of the draft actuarial report for the Board. He presented the funding recommendations report and the GASB report. Dennis highlighted the results in the management summary and stated everything was very solid. He advised the recommended contribution has increased \$84,544 from last year. He also added unfunded liability is decreasing, because the fund is operating on a 2033 deadline, rather than the 2040 deadline. He continued and talked about the valuation of fund assets, stating the return on the market value of assets was higher than expected over the most recent year. Discussion also included entry age normal and how the state addresses how much money is needed for your retirement benefits, versus PUC, which pushes the cost down to the end of the member's career. Dennis also spoke about the GASB report, which requires using entry age normal, and fair market value of assets.

APPOINTMENTS:

No appointments at this time.

CONSULTANT REPORT:

Mary Tomanek, Graystone Consulting, provided the 2017 second quarter summary. She advised it was a great quarter overall, and riskier assets did better. Energy and telecommunications were the only two areas that were lagging. International remained strong for the portfolio. Equities did just over 6% for the

quarter, and is at 9% year to date. Fixed income was up 1% for the quarter and 2% year to date. Mary continued and advised to stay the course for now.

She advised the firm also did an analysis of the possible impact of a corporate tax rate cut, on a national basis, as provided in the packet.

She said the fund is currently overweight on value, being 45% Growth and 55% Value. She recommended the fund attempt to get this closer to even, and when new money is added it can be balanced out closer to 50/50.

Helgerson advised of a projected \$300,000 in available money in early August, with an additional \$300,000 in September and a possible \$400,000 in October. A motion was made by Doles and seconded by Dykstra to allocate the new funds, per the advisor's recommendation: 33% to Segall Bryant, 34% to American Funds Europacific, and 33% to Vanguard Large Growth Index. She recommended moving \$100,000 from US Bank to EuroPacific International Fund. There was no further discussion. A roll call vote was taken with all ayes and no nays. Motion passed.

A motion was made by Doles and seconded by Weber to accept the investment report 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 June 30, 2017 was \$26,803,326.00. A motion was made by Smith and seconded by Doles to approve the financial report through June 30, 2017. There was no further discussion. Voice vote: unanimous ayes - motion carried.

APPROVAL OF BILLS:

The total pensions check register payments April 2017 through June 2017 is \$328,056.35. The total vendor check registers April 2017 through June 2017 is \$106,843.70, with the total amount being \$434,900.05. A motion was made by Weber and seconded by Doles to approve the payment of bills. There was no further discussion. A roll call vote was taken with all ayes and no nays – motion carried.

CLOSED SESSION:

None at this time.

REQUEST FOR BENEFITS:

A request for benefits from Sgt. Paul Riese, was received to the Board in the form of a retirement application. His hire date was 10/02/89, with a retirement date of 10/02/17. The pension would be effective 10/03/17. His base salary is \$112,280.80, and he will be receiving an annual pension of \$78,596.52. A motion was made by Doles and seconded by Weber to accept and approve the retirement pension from Sgt. Paul Riese, a Tier I retiree. Helgerson advised the pension calculation was completed and presented by Lauterbach & Amen. There was no further discussion. A roll call vote was taken with all ayes and no nays – motion carried.

A refund application from Josh Latina was also reviewed. Kumbera advised the amount was finalized and the final amount was \$64,873.34, with his end of service date being 06/07/17. Helgerson advised of a 20% withholding fee, which entitles Latina to a net amount of \$51,898.67. A motion was made by Doles and seconded by Dykstra to formally approve the refund amount to be issued to Josh Latina, in the amount of \$51,898.67. A roll call vote was taken with all ayes and no nays – motion carried.

The Board received two new member applications into the fund. Haley Bucheleres and Anthony J Hart-Davi, were both hired on 07/25/17. Both will be Tier II members in the fund. A motion was made by Dykstra and seconded by Doles to accept them into the fund, as Tier II members. A voice vote was taken

with all ayes and no nays – motion carried.

NEW BUSINESS (continued):

The Board discussed the Election of Officers. A motion was made by Doles and seconded by Weber to keep the same slate of officers: President Helgerson, Vice President Smith, Secretary Trustee Doles, and Assistant Secretary Trustee Dykstra. A voice vote was taken with all ayes and no nays. Motion passed.

OLD BUSINESS:

Helgerson discussed the findings and decision for Gibellina disability matter. Helgerson added the Board needed to approve the written decision. The 35-day clock starts once the decision is approved, for any appeals that might be made. A motion was made by Doles and seconded by Weber to approve the written findings and decision in the Gibellina disability matter, with two copies being signed; one to be forwarded to the attorney to forward to Gibellina and his attorney. This was determined to be a formalization of what happened during the disability hearing. A voice vote was taken with all ayes and no nays. Motion passed.

A second motion was made by Weber and seconded by Doles to approve the monthly benefit amount of \$5120.80, with a retro amount of \$694.77. A roll call vote was taken with all ayes and no nays – motion carried.

TRAINING:

Helgerson asked how the Board was doing with the training hours. Doles advised there is a two-day training at Judson. Smith confirmed he has attended the training, and Weber advised he will be attending future training.

NEXT QUARTERLY MEETING:

The next Police Pension Board meeting is tentatively scheduled for October 25, 2017 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 5:56 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 25, 2017.*