

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

WEDNESDAY, APRIL 25, 2018

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, Trustee Andrew Doles, and Trustee Andrew Dykstra. Mary Tomanek, Graystone Consulting; Assistant Village Manager Michael Kumbera; Deputy Treasurer Susan Skillman and Recording Secretary Adam Carson were also present. A village intern, Ian Irizarry, observed the meeting and Trustee Art Weber was absent.

ADOPT AGENDA:

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

PUBLIC COMMENTS:

None at this time.

APPROVAL OF MINUTES:

The meeting minutes of the meeting held January 24, 2018, 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 then provided the 2018 first quarter summary. She advised the markets had a tremendous amount of volatility. She continued and advised this is expected to be the new normal for a while, with a 10% correction in the markets. She added there is an expectation of huge earnings growth in 2018 with estimates of 18.3%, and a 10.4% estimate of growth in 2019. She also suggested there appears to be a trend of international markets outperforming the US markets.

Discussion with the Board continued about moving assets to an international allocation; and increase the asset allocation in international to 25%. A motion was made by Doles and seconded by Dykstra to move out \$200,000 from Eaton Vance and the balance of Cohen & Steers Reality and into OakMark International. There was no further discussion. A roll call voice vote was taken with all ayes and no nays - motion carried.

A second motion was made by Dykstra and seconded by Doles to increase the maximum asset allocation to 25% with international investments. There was no further discussion. A voice vote was taken with all ayes and no nays - motion carried.

An additional motion was made by Doles and seconded by Smith to authorize the village treasurer to move \$100,000 increments to the portfolio mix and invest at 35% to fixed income and 65% to equities. There was no further discussion. A roll call voice vote was taken with all ayes and no nays - motion carried.

A motion was made by Doles and seconded by Smith to accept the consultant's report through March 31, 2018. 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 March 31, 2018 was \$28,521,809.42. A motion was made by Doles and seconded by Smith to approve the financial report through March 31, 2018. There was no further discussion. A voice vote was taken with all ayes and no nays - motion carried.

APPROVAL OF BILLS:

The total pensions check register payments January 2018 through March 2018 is \$280,509.82. The total vendor check registers January 2018 through March 2018 is \$44,487.51, with the total amount being \$324,997.33. A motion was made by Doles and seconded by Dykstra to approve the payment of bills. A roll call vote was taken with all ayes and no nays – motion carried.

REQUEST FOR BENEFITS:

The status of Officer Stenger's non-duty disability application was discussed. Officer Stenger is scheduled to see a doctor on May 1. Helgerson advised the attorney will be notified of any possible hearing. Helgerson additionally advised the Board may consider a special meeting to address this non-duty disability application.

The annual medical review of beneficiaries receiving a disability pension was next presented to the Board. At this time, no one falls under the requirements. The attorney will be responsible for handling the annual notifications and confirmations when it is necessary.

The QILDRO for Officer Matthiesen was next reviewed. The attorney advised that it has been reviewed and the calculation has not yet been received. Once it has been received, action regarding the QILDRO can be taken. No action at this time.

CLOSED SESSION:

None at this time.

NEW BUSINESS:

Doles presented the election results to the Board. He advised 44 ballots were distributed and 36 were returned with 35 ballots voting to re-elect Trustee Dykstra. The last ballot had a write in name with no name on it. A motion was made by Smith and seconded by Helgerson to accept the election results as presented. There was no further discussion. A voice vote was taken with all ayes and no nays. Motion passed.

The Board reviewed the Ottosen Britz Engagement letter. Helgerson advised there were no changes in the rates. A motion was made by Dykstra and seconded by Doles to accept and approve the engagement letter received with no rate increase. Discussion included other pension board attorney's and options. A roll call vote was taken with all ayes and no nays. Motion passed.

Helgerson then discussed the revised funding policy. Helgerson advised there has been work with the actuary to present different ways to address the unfunded liability. Helgerson presented the idea of layering to the Board. He advised there is \$15.5 million that is owed (including Pension Benefits, Investment Expectations and Salary Changes) to make the 2033 funding plan. Helgerson then provided the Board with examples of layering, and said with this method, it will make the village's annual payment more obtainable and sustainable. He added but electing the 2033 funding date helped with obtaining the unfunded liability.

The six-month review of the closed (executive) session meeting minutes was next discussed. It was determined there was no meeting minutes to review at this time.

OLD BUSINESS:

Helgerson reminded the Board that the annual statements of economic interest are due May 1.

Skillman advised there might be some other QILDRO's forth coming.

TRAINING:

Helgerson advised the upcoming training in October in Lake Geneva, Wisconsin.

NEXT QUARTERLY MEETING:

The next Police Pension Board meeting is scheduled for July 25, 2018 at 5:00 p.m.

ADJOURNMENT:

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

The meeting adjourned at 6:15 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 25, 2018.