

URBANA FIRE DEPARTMENT PENSION BOARD OF TRUSTEES

MEETING MINUTES

Friday, October 27, 2006

The Fire Pension board of Trustees of the city of Urbana, Illinois met at 9:30 am, Friday October 27, 2006, in the second floor conference room of the Urbana City Building.

MEMBERS PRESENT: Andrew Rickords, Secretary Clerk/Firefighter
Ron Short, Retired Board Member/President
Ron Eldridge, City Comptroller
Tim Balangee, Firefighter
Rex Mundt, Fire Chief

OTHERS PRESENT: Laurel Prussing, Mayor
Tim Sharpe, Pension Fund Actuary

OTHERS ABSENT: James Dobrovolny, Attorney

CALL TO ORDER

President Short called the meeting to order at 9:30 am.

INVESTMENT BUSINESS

Mr. Aaron Sutton and Mr. Scott McAdam of First Busey Trust & Investment Co. were present. They distributed the quarterly report and reviewed the Pension's Investment activity through the quarter ending September 30, 2006. The ending value for the portfolio for that quarter is \$11,876,046.00.

APPROVAL OF MINUTES

Comptroller Eldridge moved to approve the minutes of the July 28, 2006, Fire Department Pension Board Meeting. The motion was seconded by Chief Mundt and carried by voice vote.

Secretary Clerk / Firefighter Rickords reported that Firefighter Tim Balangee was elected to carry the rest of Firefighter Randy Smith's Term.

TREASURER'S REPORT

In order to allow Tim Sharpe, Pension Fund Actuary to speak, Comptroller Eldridge requested that his report be moved to the end of the meeting.

TIM SHARPE, PENSION FUND ACTUARY

Tim Sharpe is the actuary for the Urbana Fireman's Pension Fund, and his job is to calculate what the City contribution to the Pension Fund should be. Individual Firefighter contribution to the Pension Fund is 9.5% and City contribution is 7.5%, which is governed by state statute. Mr. Sharpe stated that the Urbana Fire Pension Fund is at about \$26 million and the annual Pension payout is \$1.3 million. With the majority of firefighters between 40 and 45 years old, that amount should not increase much over the next five years. The Fund has an annual growth of about \$1.5 million, which means that in five years the Fund will have increased about \$7.5 million, putting the fund at over \$32 million. This amount is calculated using 7% returns. The expected payout at that time would be about \$1.4 million, which would put the Fund at a 20 to one ratio.

TREASURER'S REPORT

Comptroller Eldridge passed out the annual Firemen's Pension Fund Report. Some points of the audit are:

1. It is a clean opinion with no problems.
2. No weaknesses were found and no suggestions for changes.
3. The City is contributing about 42% of the money going into the fund. The employees contributing about 10% and the other 47% is from investment income.
4. The City's annual contribution last year was based upon a study performed by the actuarial firm of Tim Sharpe. The amount that was required to be paid by law by the City was \$800,420 (32% of salary). The amount requested by the fund was \$991,444. The amount that was actually contributed by the City was \$1,032,024.

The net worth of the Pension Fund has increased \$1,101,869 to \$24,937,513. Interest earned last year averaged 5.3%. \$1.367 million spent last year on disabilities, pensioners and dependent pensioners. In 2006 there were 48 firefighters enrolled in the pension fund, and their average age was 39. A motion to accept the Treasurer's report was made by President Short, seconded by Chief Mundt and carried by voice vote.

CLERK'S REPORT

Clerk/Secretary Rickords passed out copies of bills from the last two quarters. A payment of \$2,000 was made to James Dobrovolny for service for one and a half years of service. Also the payout of \$51,234.24 for her pension buyout. Motion to accept the Clerk's Report made by President Short, seconded by Chief Mundt and passed by voice vote.

NEW BUSINESS

A. New-hire Matt Ritchie - Start date October 30, 2006.

B. New-Hire Jeff Orr – Start date November 6, 2006.

C. New Hire Stephan Doggett – Start date November 6, 2006.

D. Ronda Overton – vote on her acceptance into Pension Fund. No pre-existing medical conditions in medical records. Motion to accept Ronda Overton into Pension Fund made by Comptroller Eldridge, seconded by Clerk / Secretary Rickords, and passed by voice vote.

OLD BUSINESS

NEXT QUARTER'S MEETING

The next quarterly meeting of the Fire Pension Board is set for Friday, January 26, 2007 at 9:30 am. (Subject to change).

ADJOURNMENT

There being no further business before the board, President Short declared the meeting adjourned..

Prepared by,

Kay Meharry

Submitted by,

Andrew K. Rickords
Clerk / Secretary