

URBANA FIRE PENSION BOARD OF TRUSTEES
Friday, July 28, 2017

The Fire Pension board of Trustees of the City of Urbana, Illinois met at 9:30am, Friday, July 28, 2017, in the second floor Executive Conference Room of the Urbana City Building.

MEMBERS PRESENT: Gerald Sappenfield, President - end of term 4/26/2018
Mark Ashby, Firefighter/Secretary - end of term 7/28/2017
Elizabeth Hannan, Finance Director – end of term 6/30/2019
*Josh Ingold, Firefighter/Secretary – end of term 7/28/2020
*Brian Hoff, Firefighter – end of term 7/28/2020
*Richard Schnuer, City Appointment – end of term 6/30/2019

OTHERS PRESENT: James Dobrovolny, Fund Attorney
Ronald Eldridge, Fund Assistant Treasurer
Carla Tucker, Fund Accountant
Kevan Melchiorre, Zachary Hillard, Ling Yiu, Busey Bank Investments

I. CALL TO ORDER

President Gerald Sappenfield called the meeting to order at 9:36am.

*Newly elected pension board trustees Josh Ingold and Brian Hoff and board appointee Richard Schnuer were introduced. Attorney Jim Dobrovolny suggested that the new members take part in discussion, but only the three current trustees present should vote on items on the current agenda.

II. INVESTMENT BUSINESS

Kevan Melchiorre, Zachary Hillard and Ying Liu of First Busey Trust & Investment Co. were present. They distributed the quarterly report and reviewed the pension fund's investment activity through the quarter ending June 30, 2017. The ending value for the portfolio as of that date was \$30,091,469, showing a gain of \$1,077,969 from the previous quarter.

It was suggested by Busey that the fund consider increased allocation to international investments.

After discussion Finance Director Elizabeth Hannan made a motion to receive and file the investment report. Motion seconded by FF/Sec Mark Ashby and carried by voice vote.

The fee Busey charges the Urbana Fire Pension Fund is .0005 per each dollar invested.

III. APPROVAL OF MINUTES

A motion to approve the minutes from the April 28, 2017 meeting was made by Ms. Hannan, seconded by FF/Sec Ashby, and carried by voice vote.

IV. QUARTERLY FINANCIAL REPORT

Mr. Eldridge went over the financial report for the quarter ended June 30, 2017. He said total amounts of cash increased because the first and second property tax payments were received. The annual fee to the Illinois Department of Insurance in the amount of \$8,000 was paid. Amy Richardson turned 50 in April and began drawing her deferred pension.

Mr. Eldridge went over the annual report for last fiscal year, which ended June 30, 2017. There has been no change in disability pensions. There was a change in dependent pensions with the death of Harold McClain who had a dependent spouse. Rod Eichorn retired at the age of 51 with 28 years of services and Joel Neal retired at age of 54, with 26 years of service.

There was a suggestion to have the fund actuary come to one of the quarterly pension meetings, and Ms. Hannan said she would get in touch with the actuary to ask him to attend.

Ms. Hannan made a motion to accept the quarterly financial report. Motion seconded by FF/Sec Ashby and carried by voice vote.

V. **PUBLIC COMMENT**

There was none.

VI. **UNFINISHED BUSINESS**

A. **Pension physicals**

FF/Sec Ashby informed the board that Dr. Scott with Carle Occupational Medicine told them each new hire would have to have two separate exams: one for the pension fund and one for the city. Mr. Ashby said he has not yet received the new form from Occupational Medicine for the physicals.

B. **Board Member Training**

President Sappenfield told new pension board members about the training they would have to complete as members of the pension board. There are 32 hours of certified trustee training for new board members, as well as training for the Open Meetings Act and the Freedom of Information Act.

VII. **NEW BUSINESS**

A. **Proposal to increase management fee for Busey equity account**

***This item was changed in agenda order to earlier in the meeting, after the Busey investment report.*

Mr. Eldridge informed the board that the fund has been with Busey investments for the past 19 years, and has been charging the amount in the original contract with them, which was .0005 for each dollar invested. Busey would like to increase the fee from .0005 to .003 for each dollar invested. The proposed increase would change the amount paid to Busey Investments from \$15,000 to \$90,000 a year, based on the \$30,000,000 fund balance. Kevan Melchiorre said Busey continues to charge the pension fund account only 0.0005 even though the custodial fees to hold client accounts and assets have continued to increase through the years. Mr. Melchiorre told board members that Busey is willing to wait until December 31, 2017 to begin the fee increase and to spread the increase over a couple of years, with the last part of the increase in the fall or winter of 2018. After the agreed upon fee is reached there would be no further fee increases.

A suggestion to check on the amount in fees paid by other pension funds was made. Mr. Melchiorre corrected the basis points Busey would charge from .003 to .002, which would make the annual fee \$60,000.

After discussion, Ms. Hannan made a motion to increase fee paid to Busey by one basis point effective August 1, 2017, and to discuss the matter further at the next quarterly meeting. Motion seconded by FF/Sec Ashby and carried by roll call vote as follows:

Ashby – aye
Hannan – aye
Sappenfield – aye

Other new business included the retirement of Andrew Rickords on July 9, 2017 with 30 years of service. His monthly pension benefit is \$5,041.04.

Clyde Martin passed away July 17, 2017 and had no dependents.

B. Report on meeting with Mayor regarding pension fund

President Sappenfield said that he, Ms. Hannan and Mr. Eldridge met with Mayor Marlin to discuss City funding of the pension funds. The Mayor recognizes the need to fund at the recommended levels, but is unable to do it at this time because of budget issues. She said it will be addressed in the future when the financial state of the City has improved.

C. Report on election of new board members

FF/Sec Ashby reported that an election was held in March for new trustees for the pension board. He said that out of the five people who were on the ballot, firefighters Brian Hoff and Josh Ingold were elected.

FF/Sec Ashby made a motion to certify the election results for Josh Ingold and Brian Hoff (end of term for both is July 28, 2020), and the appointment letter for Richard Schnuer (end of term June 30, 2019). Motion seconded by Ms. Hannan and carried by voice vote.

D. Election of pension board officers

President Gerald Sappenfield said he plans to retire from the pension board, but will stay on as president until someone is elected to take his place. Ms. Hannan made a motion to retain Gerald Sappenfield as President of the board, and to elect Josh Ingold as secretary. Motion seconded by Mr. Schnuer and carried by voice vote.

President Sappenfield said ballots will be sent in August to retirees for the election of a new board trustee. He thanked everyone, including the three new members of the board, for taking the time to serve on the board.

President Sappenfield said there will have to be new signature cards, so the new secretary will be able sign checks for the pension account.

VIII. NEXT QUARTERLY MEETING

After discussion, the date for the next quarterly meeting of the Fire Pension Board of Trustees is set for Friday, November 3, 2017 at 9:30am.

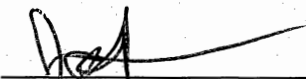
IX. ADJOURNMENT

Having no further business to discuss, President Sappenfield adjourned the meeting at 11:55am.

Prepared by:

Kay Meharry
Recording Secretary

Submitted by:



Josh Ingold
Firefighter/ Fund Secretary