

**URBANA FIRE PENSION BOARD OF TRUSTEES MEETING
FRIDAY, NOVEMBER 9, 2018**

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

MEMBERS PRESENT: Andrew Rickords, President - end of term 4/30/2021
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

MEMBERS ABSENT: Elizabeth Hannan, Finance Director – end of term 6/30/2020

OTHERS PRESENT: James Dobrovolny, Fund Attorney; Ronald Eldridge, Fund Assistant Treasurer; Carla Tucker, Fund Accountant; Kevan Melchiorre and Zachary Hillard, Busey Bank Wealth Management; Charles Lauss, Fire Chief; Greg Smith, Firefighter

1. Call to Order

President Andrew Rickords called the meeting to order at 9:33am.

2. Investment Business

Kevan Melchiorre and Zachary Hillard, of First Busey Trust & Investment Co. were present. They distributed the quarterly report and reviewed the pension fund's investment activity through the quarter ended September 30, 2018. The ending value for the portfolio as of that date was \$34,438,204, showing a gain of \$1,882,311 from the previous quarter.

Mr. Melchiorre and Mr. Hillard went over two proposals for the fund. Mr. Melchiorre proposed selling all shares of the Fidelity Small Cap fund, which has underperformed in the last several years. This would amount to approximately \$680,000 and it would be split between the Dimensional Fund, a small cap value fund, and the Vanguard International Explorer Fund, an international small caps fund.

Mr. Hillard proposed taking a third of the \$680,000 and putting it into the Russell 2000 ETF, a third into the DFA Targeted Value Fund and a third into the Vanguard International Explorer Fund.

After discussion, FF Brian Hoff made a motion to shed the Fidelity Small Cap Fund and distribute one third of it into the Russell 2000 ETF, a third into the DFA Targeted Value Fund and a third into the Vanguard International Explorer Fund. Motion seconded by FF/Sec Josh Ingold and carried by roll call vote as follows: Rickords – aye; Schnuer – aye; Ingold – aye; Hoff – aye.

FF Hoff made a motion to receive and file the investment report. Motion seconded by Richard Schnuer and carried by voice vote

The fee Busey charges the Urbana Fire Pension Fund is .003 per each dollar invested.

3. Approval of Minutes from Previous Meeting

After a correction to the minutes from the July 27, 2018 meeting, a motion to approve the minutes was made by FF Hoff, seconded by FF/Sec Ingold, and carried by voice vote.

4. Approval of Financial Report

Assistant Treasurer Ron Eldridge went over the financial report for the quarter ended September 30, 2018. He said equity investments were at 68%. Equity investments for the quarter earned 5.7%.

Mr. Eldridge reported that total amounts of cash decreased to \$886,000 from \$1 million and that the fund will need to utilize approximately \$900,000 in CD's and government securities that will mature, to pay benefits through the balance of the fiscal year.

Bobby Kingren retired in September and at his request his contributions were paid back to him in the amount of \$25,358.

Changes in benefits for the quarter included a 3% increase in August to Andrew Rickords after his first year of retirement.

Changes in benefits for next quarter will include a 3% increase to Keith Schafroth, Denny Phillips and Jeff Ballew, after their first year of retirement.

After discussion, FF/Sec Ingold made a motion to accept the quarterly financial report. Motion seconded by FF Hoff and carried by voice vote.

6. **Public Input**

There was none.

7. **Unfinished Business**

A. Pension Physicals

FF Hoff discussed new hire physicals and questioned the options of the pension fund board once the City has hired a firefighter. Should the pension fund continue to share the cost of physicals when it has no input once the firefighter is already hired? There was discussion about the pension fund setting a policy for employment physicals separate from those of the City, with a baseline set by the pension fund. Mr. Schnuer said that because the City and the pension fund are separate entities, and the fund pays for some of the tests, then they should require copies of results. Because the City and pension fund are separate entities, the fund might think about having a contract stating what tests they want to have done and how much they will pay for each exam and tests.

The difficulty of diagnosing PTSD was also discussed, because of the lack of protocol in which questions to ask to discover whether a person has PTSD. Mr. Schnuer said he discussed this with a friend who is a psychiatrist and he has some information he can bring to the next meeting.

8. **NEW BUSINESS**

A. Retiree election

FF/Sec Ingold reported that a retiree election was held and Andrew Rickords won that election. Board elections will be on the agenda for the January meeting.

FF Hoff made a motion to accept the results of the retiree election. Motion seconded by Mr. Schnuer and carried by voice vote.

B. Approval of actuarial report for tax levy

Mr. Eldridge reported that the amount of funding that was calculated by the actuary, based on the City's proposal was \$1,133,000, which is \$113,000 more than the City contributed last year.

Motion to accept the the actuarial report for tax levy was made by FF/Sec Ingold, seconded by FF Hoff and carried by roll call vote as follows: Rickords – aye; Schnuer – aye; Ingold – aye; Hoff – aye.

C. Approval of one CPE for Richard Schnuer for the period 2017-2018

Mr. Schnuer said he had talked to IPPFA and they told him that after watching video for training as a board member, the pension board must approve it as part of the training and include it in the minutes.

FF Hoff made a motion to approve the one CPE for Richard Schnuer. Motion seconded by FF/Sec Ingold and carried by voice vote.

D. *New hire Michael Clark*

FF/Sec Ingold reported that he has the results for Michael Clark's physical, there was nothing notable in the report and he will be Tier 2. He said the same was true for Chase Jones, who will also be Tier 2.

FF Hoff made a motion to accept both Michael Clark and Chase Jones (item E) into the pension fund. Motion seconded by FF/Sec Ingold and carried by voice vote.

E. *New hire Chase Jones*

See item D for motion and vote.

F. *Addition of Fire Chief Charles Lauss to pension fund*

FF Hoff reported that the new Urbana Fire Chief, Charles Lauss, had been with the Pekin, Illinois fire department for 22 years, in an industrial job for five years (five year break in service), and was the fire chief with the Peoria fire department for five years and retired from there in the spring. He was hired as the fire chief in Urbana on September 4, 2018. Chief Lauss is interested in information about reciprocity. His salary as chief in Peoria was significantly higher than it is here, and he wondered if he could opt out of the Peoria salary and use his salary in Urbana to calculate reciprocity.

It was decided to defer this item to the January meeting in order to gather more information.

G. *Retirement of Sean O'Callaghan*

This is deferred to the January meeting.

H. *Discussion about IPPFA training*

FF Hoff said his recent IPPFA training was excellent and appreciated being able to take part in it. He asked if the pension board has any Standard Operating Procedures or Guidelines. There are no formal policies and the board follows state law. FF Hoff thought it would be a good idea to adopt formal policies and guidelines, especially when it comes to requirements for physicals and disability issues.

Fiduciary insurance was discussed. Mr. Eldridge said the board no longer carries this, but thought that Finance Director Elizabeth Hannan had coverage through the City.

Fund custodian was also discussed. FF Hoff said a draft has been developed for the RFP for consulting services and that will be discussed at the next meeting.

I. *Set dates for 2019 meetings*

Meetings dates for 2019 will be quarterly, on the fourth Friday of the month, for the months of January, April, July and October.

Motion to accept the dates for the 2019 meetings was made by FF Hoff, seconded by Mr. Schnuer and carried by voice vote.

9. **NEXT QUARTERLY MEETING**

The date for the next quarterly meeting of the Fire Pension Board of Trustees is set for Friday, January 25, 2019, at 9:30am.

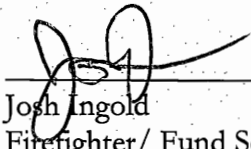
9. **ADJOURNMENT**

Having no further business to discuss, the meeting was adjourned at 11:43am.

Submitted:

Kay Meharry
Recording Secretary

Date Approved: 11/25/18



Josh Ingold
Firefighter/ Fund Secretary