

**URBANA FIREMEN'S PENSION BOARD OF TRUSTEES MEETING
FRIDAY, JULY 31, 2020**

The Firemen's Pension Board of Trustees of the City of Urbana, Illinois, met at 9:30am, Friday, July 31, 2020. Due to Emergency Declarations of the governor and mayor, the meeting was held via Zoom.

MEMBERS PRESENT: *Josh Ingold, FF/Fund Secretary – end of term 7/28/2020
Brian Hoff, Firefighter/Fund President – end of term 7/28/2020
*Mark Clapp, Retired Firefighter – end of term 4/30/2021
Elizabeth Hannan, Fund Treasurer – end of term 6/30/2021
Richard Schnuer, City Appointment – end of term 6/30/2021

MEMBERS ABSENT:

OTHERS PRESENT: Ronald Eldridge, Fund Assistant Treasurer; Thaddeus Yasunaga, Busey Bank Wealth Management; Kay Meharry, Recording Secretary; James Dobrovolny, Fund Attorney; April Smysor

OTHERS ABSENT:

1. Call to Order

Fund President Brian Hoff called the meeting to order at 9:31m.

*Trustee Mark Clapp and FF/Sec Ingold joined the meeting at 9:45am.

2. Investment Business

Thaddeus Yasunaga of First Busey Trust & Investment Co. was present. He went over the quarterly report and reviewed the pension fund's investment activity through the quarter ended June 30, 2020. The market value as of the end of the quarter was \$37,117,160 showing a gain of \$6,158,799 from the previous quarter.

While going over the funds, Mr. Yasunaga told the board the sector weightings have shifted. He said they are well within policy statements but have drifted from the target values. He suggested a rebalance to get closer to the target values.

Mr. Yasunaga said Busey has made a change in accounts, has sold out of Vanguard International Explorer and added a new fund called Virtus KAR International Small-Cap Fund. He said Virtus is very growth oriented and has had strong performance, and added Busey sold out of Vanguard simply because they found a better alternative, not because they considered Vanguard a bad fund. Mr. Yasunaga said the Virtus KAR fund costs a little more than Vanguard.

Trustee Schnuer asked if item a. Potential Investment Policy Modification, under New Business, could be moved to be considered in the current discussion so the board could seek advice from Mr. Yasunaga. Attorney Dobrovolny answered that yes, the item could be taken out of order. Roll call vote was as follows:

Yes: Clapp, Hannan, Hoff, Ingold, Schnuer

No: None

After discussion it was decided the fund would continue with the Vanguard Fund rather than change to the Virtus Small-Cap Fund.

President Hoff left the meeting at 10:19am and relinquished the chair to FF/Sec Ingold.

Trustee Schnuer moved to rebalance the portfolio to align with the investment policy. Motion seconded by Trustee Hannan and carried by roll call vote as follows:

Yes: Clapp, Hannan, Ingold, Schnuer

No: None

Motion to receive and file the Busey report was made by Trustee Hannan, seconded by Trustee Clapp and carried by roll call vote as follows:

Yes: Clapp, Hannan, Ingold, Schnuer

No: None

3. Approval of Minutes from Previous Meeting

A motion to approve the minutes from the April 24, 2020 meeting was made by Trustee Hannan, seconded by FF/Sec Ingold, and carried by roll call vote as follows:

Yes: Clapp, Hannan, Ingold, Schnuer

No: None

4. Approval of Financial Report and Pension Benefit Changes

Fund Assistant Treasurer Ronald Eldridge said there had been no unusual financial activity in the last quarter. Ron Short passed away in June with a dependent spouse, so his will change to dependent pension.

Coming changes for next quarter are the retirement of:

- Chad Hensch on June 30, 2020, with 24 years 11 months service, receiving 62.29% of his final salary of \$112,576.63, for a service pension of \$5,843.83 per month beginning in July, 2020. First raise will be in April, 2025 and will be 14.25%.
- David Wisher, Captain with EMT, Hazmat, education pay, retired on July 21, 2020 with 25 years of service, receiving 62.5% of his final salary of \$103,106.49, for a service pension of \$5,370.13 per month beginning August 2020 (July prorated). First raise will be August 2021 and will be 3%.
- Derick Odle, Division Chief, retired July 21, 2020 with 23 years nine months of service, receiving 59.38% of his final pension salary of \$109,314.37, for a service pension of \$5,570.20 per month beginning in September 2021. First raise will be September 2026 and will be 15%.

Mr. Eldridge presented the annual financial report for the FY ended June 30, 2020. Total investment return for the year was 4.3% and the fund balance increased about \$708,000. Return for the past 10 years is 7.8%.

Changes in last year's disability pensions include the death of Larry Bundy, who had no dependents. Service pension changes include the death of Ron Short, who had a dependent. There were two retirements: Bill Morfey and Chad Hensch. Mr. Eldridge continued to go over statistics for the past year.

When asked whether the financial pressures of the City will have an effect on the funding levels of the pension fund, Trustee Hannan responded that Council approved the pension transition plan as part of the financial policy and she did not anticipate a change in the funding levels.

President Hoff returned to the meeting and took back the chair.

Trustee Hannan made a motion to approve the quarterly financial report and the annual financial report. Motion seconded by President Hoff and carried by roll call vote as follows:

Yes: Clapp, Hannan, Hoff, Ingold, Schnuer

No: None

5. Public Input

There was none.

6. Unfinished Business

a. Approval of operating procedures for the pension fund

Attorney Jim Dobrovolny sent out another draft after having made the suggested changes. Amendments made were to Section 214, a. 6 and included the review of investment policy at each meeting. The second amendment was to the per diem rate for meals when attending conferences to the IRS rate. Trustee Hannan said she thought the per diem meal rate should be set at the federal reimbursement rate. Mr. Dobrovolny asked that changes be sent to him and he would have them for the next meeting.

b. State pension fund consolidation discussion

Mr. Dobrovolny informed the board that the consolidation would be complete no later than June 2022.

c. Larry Bundy death date and October 2019 pension payment

FF/Sec Ingold said he had no death certificate yet.

d. Chief Lauss reciprocity

President Hoff said he had the letter from Chief Lauss stating he will not be pursuing reciprocity for benefits at the time of his retirement.

President Hoff moved to receive and file the letter from Chief Lauss. Motion seconded by FF/Sec Ingold and carried by roll call vote as follows:

Yes: Clapp, Hannan, Hoff, Ingold, Schnuer

No: None

7. NEW BUSINESS

a. Potential investment policy modification

This was discussed earlier in the meeting under "Investment Business".

b. Engagement letter for fund actuary, Lauterbach & Amen – fiscal years ending June 30, 2020 – June 30, 2022 - approval

Trustee Hannan said since the Finance Department now does payroll for the pension fund the pension fund will pay for the actuarial service. Mr. Eldridge asked if the fund would continue to pay Carla Tucker \$300 a month to do payroll. Trustee Hannan said Ms. Tucker now works quarter-time for the Finance Department so the pension fund will no longer have to pay her to do payroll.

Trustee Hannan made a motion to approve the engagement letter with Lauterbach & Amen, LLP for Actuarial Services for FY 2020-2021 and 2022. Motion seconded by President Hoff and carried by roll call vote as follows:

Yes: Clapp, Hannan, Hoff, Ingold, Schnuer

No: None

c. New hires

1. Timothy Correll – Tier 2, hire date 6/15/2020

2. Daniel Meyer – Tier 2, hire date 6/15/2020

FF/Sec Ingold reported both employees passed their physicals.

President Hoff moved to accept new hires Timothy Correll and Daniel Meyer into the pension fund. Motion seconded by FF/Sec Ingold and carried by roll call vote as follows:

Aye: Clapp, Hannan, Hoff, Ingold, Schnuer
No: None

d. Retirements

1. Dave Wisher
2. Chad Hensch
3. Derrick Odle

Motion to accept and receive file the report for retirees. Details are listed above in "Approval of Financial Report and Pension Benefit Changes".

Motion by President Hoff to accept and receive the retirees. Motion seconded by Trustee Clapp and carried by roll call vote as follows:

Aye: Clapp, Hannan, Hoff, Ingold, Schnuer
No: None

8. **NEXT QUARTERLY MEETING**

The next quarterly meeting will be held October 30, 2020.

9. **ADJOURNMENT**

Having no further business to discuss, President Hoff moved to adjourn the meeting. Motion seconded by Trustee Clapp, and carried by roll call vote as follows:

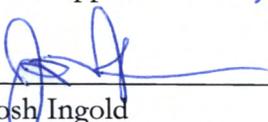
Aye: Clapp, Hannan, Hoff, Ingold, Schnuer
No: None

President Hoff declared the meeting adjourned at 11:02am.

Respectfully Submitted:

Kay Meharry
Recording Secretary

Date Approved: 10/30/20



Josh Ingold
Firefighter/ Fund Secretary