

URBANA FIREMEN'S PENSION BOARD OF TRUSTEES MEETING
FRIDAY, JULY 27, 2018

The Fire Pension board of Trustees of the City of Urbana, Illinois met at 9:30am, Friday, July 27, in the second floor Executive Conference Room of the Urbana City Building.

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

MEMBERS ABSENT: None

OTHERS PRESENT: James Dobrovolny, Fund Attorney; Ronald Eldridge, Fund Assistant Treasurer; Carla Tucker, Fund Accountant; Kevan Melchiorre and Thaddeus Yasunaga, Busey Bank Investments:

1. **Call to Order**

President Andrew Rickords called the meeting to order at 9:34am.

2. **Investment Business**

Kevan Melchiorre and Thaddeus Yasunaga 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 June 30, 2018. The ending value for the portfolio as of that date was \$32,662,540, showing a gain of \$657,598 from the previous quarter.

Mr. Yasunaga said there has been a change in the fund manager of the Fidelity Advisor Small Cap Fund, and the fund has had shifting strategy and a recent lag in performance. He recommended increasing the Dodge & Cox International Stock and Europacific Growth Fund, using the Fidelity Advisor Small Cap to fund it. The Fidelity Small Cap makes up about 3.8% of the portfolio.

After discussion, Ms. Hannan made a motion to increase the International Equity allocation to 12% and fund it from the Fidelity Small Cap. Motion was seconded by Mr. Schnuer and carried by roll call vote as follows: Rickords, aye; Hoff, aye; Hannan, aye; Schnuer, aye; Ingold, aye.

Ms. Hannan made a motion to receive and file the investment report. Motion seconded by FF/Sec Josh Ingold and carried by voice vote

The fee Busey charges the Urbana Fire Pension Fund is .002 per each dollar invested.

3. **Approval of Minutes from Previous Meeting**

A motion to approve the minutes from the April 27, 2018 meeting, was made by FF Hoff, seconded by Ms. Hannan, and carried by voice vote.

The end of term date of April 2018 for President Rickords was discussed. He was elected to finish the term of Gerald Sappenfield as fund president, and April 2018 is the correct date for the end of his term. An election will have to be held for the position of the retired trustee for the pension fund.

4. **Approval of Quarterly Financial Report and Pension Benefit Changes**

Mr. Eldridge went over the financial report for the quarter ended June 30, 2018. Total cash amounts increased from \$557,000 to \$1.0 million as a result of mutual fund dividends and receipt of \$496,000 in property tax payments.

Joel Neal retired in March of 2017, and received a 3% increase in April of 2018. Andrew Rickords will receive a 3% increase in August at which time he will be retired 12 months.

Mr. Eldridge also presented a report for the fiscal year ended June 30, 2018. He went over some of the changes that occurred in the past year. Among those changes were:

- Two firefighters currently enrolled with another fire pension fund repurchased their service time with Urbana. Mick Humer purchased his time back in February 2010 and was eligible to draw benefits in 2013. Mike Ashby purchased his previous service time back in 2012 and will be eligible to draw benefits in 2025.
- Increase of three service pensions with retirement of Jeff Ballew at age 58 under reciprocal agreement with Champaign; retirement of Andrew Rickords, at age 62 and Keith Schafroth at age 60.
- Reduction of two dependent pensions with the death of Rose Breen in February and Barbara Frantz in June.
- Reimbursement of contributions to Brenda Huoy and Colton Thomas, who resigned and were not vested.

Retaining a custodian for the fund was discussed. A custodian would maintain the securities separate from the investment advisor. Ms. Hannan suggested putting together a small working group consisting of herself, a trustee from the fire pension fund and one from the police pension fund to meet separately from the usual fund meetings and work on details for an RFP for investment consulting services. The group could also discuss custody service, and fund consultant versus advisor and make a recommendation about that. FF Hoff made a motion to create a joint committee, consisting of one representative from the fire pension fund and one from the police pension fund, to work on creating an RFP to consider investment services. Motion seconded by FF/Sec Ingold and carried by voice vote.

After discussion, Ms. Hannan moved to accept and file 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

Board members discussed employment physicals for firefighters. It was questioned whether a firefighter could be denied employment by the city based on the results of an employment physical. Mr. Dobrovolny responded that if it is something that prevents the firefighter from doing his or her job, then employment could be denied. The possibility of requiring more tests for employment physicals was discussed, with important tests being heart, lungs, respiratory system and existence of cancer. FF Hoff wondered, with the growing prevalence of PTSD claims in various communities, if there might be a way to establish a baseline for it, and commented on the lack of clear, defined criteria for diagnosis of it. Mr. Dobrovolny suggested FF Hoff and FF/Sec Ingold meet with the Carle physicians responsible for the firefighter employment physicals and testing to get feedback from them about other tests that could be added, and to include PTSD in that discussion. FF Hoff said he and FF/Sec Ingold will have a list of tests currently required for firefighter employment physicals, and will include additional tests to consider for discussion at the next meeting.

8. **NEW BUSINESS**

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A. Investment advisor selection

This item was discussed during the Quarterly Financial Report

B. New hire Michael Clark

FF/Sec Ingold said he has not received the results of Michael Clark's physical. This item will carry over to the next meeting.

C. Benefit cancellation of Barbara Frantz

FF/Sec Ingold said Barbara Frantz passed away in June and her family refunded part of her June dependent pension check.

In response to a question asking if an employee hired by the fire department is required to join the the fire pension fund, Mr. Dobrovolny responded that according to Pension Code, firefighters have three months after being hired to apply for membership in the fund. This would apply to the interim fire chief, James Eggert, who was hired in May 2018 and will be here until the end of August. At 90 days of employment a certified letter will be sent to Interim Chief Eggert to let him know he must pay into the Urbana pension fund. Mr. Dobrovolny said the contributions should be retroactive to the day the interim chief began employment.

FF Hoff told board members that he has signed up and paid for a four day class in October, through the IPPFA, in Hoffman Estates, Illinois. Reimbursement to FF Hoff for the class and per diem was discussed and approved at the April meeting.

FF/Sec Ingold reminded everyone to send him a copy of the certificate showing completion of the training required for pension board members.

Mr. Dobrovolny went over recent cases and pending legislation.

9. **NEXT QUARTERLY MEETING**

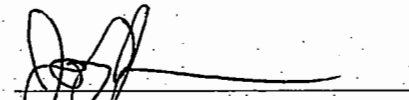
After discussion, the date for the next quarterly meeting of the Fire Pension Board of Trustees is set for *Friday, November 9* at 9:30am. Mr. Dobrovolny reminded the board to be ready to approve the actuarial report for the tax levy at the next meeting.

10. **ADJOURNMENT**

Having no further business to discuss, President Rickords adjourned the meeting at 12:08pm.

Kay Meharry
Recording Secretary

Date Approved: 11/9/18



Josh Ingold
Firefighter/ Fund Secretary