

**MINUTES OF A REGULAR MEETING OF
THE PEKIN FIREFIGHTERS' PENSION FUND BOARD OF TRUSTEES
OCTOBER 16, 2020**

A regular meeting of the Pekin Firefighters' Pension Fund Board of Trustees was held on Friday, October 16, 2020 at 10:30 a.m. in the City Hall Conference Room located at 111 S. Capitol St. Pekin, Illinois 61554, pursuant to notice.

CALL TO ORDER: Trustee Tony Rendleman called the meeting to order at 10:30 a.m.

ROLL CALL:

PRESENT: Trustees Tony Rendleman, Robert Baughman, Brandon Burnett, Joe Stubbs and Roy Beckham

ABSENT: None

ALSO PRESENT: Attorney Jerry Marzullo, Puchalski Goodloe Marzullo, LLP; David Vaught, Propel Financial Advisors; Robina Amato and Kevin Cavanaugh (*arrived via teleconference at 11:25 a.m.*), Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *July 24, 2020 Regular Meeting:* The Board reviewed the July 24, 2020 regular meeting minutes. A motion was made by Trustee Rendleman and seconded by Trustee Burnett to approve the July 24, 2020 regular meeting minutes as written. Motion carried unanimously by voice vote.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the four-month period ending August 31, 2020 prepared by L&A. As of August 31, 2020, the net position held in trust for pension benefits is \$30,570,131.72 for a change in position of \$3,779,501.91. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal and the Vendor Check Report for the period June 1, 2020 through August 31, 2020 for total disbursements of \$141,217.82. A motion was made by Trustee Rendleman and seconded by Trustee Burnett to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$141,217.82. Motion carried by roll call vote.

AYES: Trustees Rendleman, Baughman, Burnett, Beckham and Stubbs

NAYS: None

ABSENT: None

Additional Bills, if any: The Board reviewed the Propel Financial Advisors fourth quarter billing statement in the amount of \$15,165 for investment management services. A motion was made by Trustee Rendleman and seconded by Trustee Stubbs to approve the additional bill as presented. Motion carried by roll call vote.

AYES: Trustees Rendleman, Baughman, Burnett, Beckham and Stubbs

NAYS: None

ABSENT: None

INVESTMENT REPORT – PROPEL FINANCIAL ADVISORS: *Performance Review:* Mr. Vaught reviewed the Performance Review for the period ending September 30, 2020. As of September 30, 2020, the quarter-to-date net return is 5.88% with a total investment gain of \$1,677,530 for an ending market value of \$29,537,936. The current asset allocation is: fixed income at 27%, equities at 66.24%, alternative investments at 1.08% and cash at 5.67%. The market insights, asset allocation, equity security performance and bond analysis were reviewed with the Board. A motion was made by Trustee Burnett and seconded by Trustee Rendleman to accept the Investment Review as presented. Motion carried unanimously by voice vote.

Review/Update Investment Policy – Addition of Stop-Loss Policy: Trustee Beckham suggested a stop loss policy for equities be implemented within the current investment policy. The Board discussed the upcoming transfer of assets to the Firefighters' Pension Investment Fund and requested Mr. Vaught put a strong emphasis on the equity portfolio and use his discretion as to when stop loss measures need to be utilized to mitigate future losses in investment returns in a down market.

COMMUNICATIONS AND REPORTS: *Affidavits of Continued Eligibility:* The Board noted that L&A mailed Affidavits of Continued Eligibility to all pensioners with the August payroll cycle and a due date of September 30, 2020. To date, nine affidavits remain outstanding. L&A will mail second request affidavits to the outstanding pensioners and status updates will be provided to the Board as they become available.

TRUSTEE TRAINING UPDATES: The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities. Trustees were reminded to submit any certificates of completion to L&A for recordkeeping.

Approval of Trustee Training Registration Fees and Reimbursable Expenses: There were no trustee training registration fees or reimbursable expenses presented for approval.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM PENSION FUND: There were no applications for membership or withdrawals from the Fund.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Deceased Pensioner – Stephen Higdon/Approve Surviving Spouse Benefit – Gail Higdon:* The Board noted that Stephen Higdon passed away on August 6, 2020. The Board reviewed the surviving spouse benefit calculation for Gail Higdon with an effective date of August 7, 2020 for a monthly benefit of \$3,505.58 with no additional increases. A motion was made by Trustee Rendleman and seconded by Trustee Stubbs to approve the surviving spouse benefit of Gail Higdon calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Rendleman, Baughman, Burnett, Beckham and Stubbs
NAYS: None
ABSENT: None

OLD BUSINESS: *Contribution Repayment – Christopher Hogue:* The Board noted that the balance due from Christopher Hogue to the Pekin Firefighters' Pension Fund to “make whole” his

creditable service is \$283.20 and both the calculation and payment options have been presented to the member. Further discussion will be held at the next regular meeting.

Kevin Cavanaugh joined the meeting via teleconference at 11:25 a.m.

Review/Approve – Actuarial Valuation & Tax Levy Request: The Board reviewed the finalized Actuarial Valuation as prepared by L&A. Based on data and assumptions, the recommended contribution amount is \$4,114,020 which is a \$396,978 increase from the prior year contribution. The statutory minimum contribution requirement is \$3,451,559.

The Board discussed requesting a tax levy in the amount of \$4,114,020. A motion was made by Trustee Rendleman and seconded by Trustee Burnett to approve the actuarial report as presented and to request a tax levy in the amount of \$4,114,020 from the City, based on the recommended amount stated in the Actuarial Valuation prepared by L&A. Motion carried by roll call vote.

AYES: Trustees Rendleman, Baughman, Burnett and Stubbs
NAYS: Trustee Beckham
ABSENT: None

Review/Approve – Municipal Compliance Report: The Board reviewed the Municipal Compliance Report prepared by L&A. A motion was made by Trustee Burnett and seconded by Trustee Stubbs to adopt the MCR as prepared and to authorize signatures by the Board President and Secretary. Motion carried by roll call vote.

AYES: Trustees Rendleman, Baughman, Burnett, Beckham and Stubbs
NAYS: None
ABSENT: None

NEW BUSINESS: *BMO Harris Resolution and Signature Card Update:* L&A provided the Board with the necessary forms to update the signers on the BMO Harris Bank account with the current Board members and municipal representative. A motion was made by Trustee Baughman and seconded by Trustee Rendleman to designate Trustees Baughman and Rendleman and Finance Director Marston as signers on the BMO Harris Bank account. Motion carried by roll call vote.

AYES: Trustees Rendleman, Baughman, Burnett, Beckham and Stubbs
NAYS: None
ABSENT: None

Establish 2021 Board Meeting Dates: The Board established the 2021 Board meeting dates as January 15, 2021; April 23, 2021; July 23, 2021 and October 22, 2021 at 10:00 a.m. in the Council Chambers at City Hall located at 111 S. Capitol Street Pekin, Illinois 61554. A motion was made by Trustee Rendleman and seconded by Trustee Stubbs to establish the 2021 Board meeting dates as discussed. Motion carried unanimously by voice vote.

ATTORNEY'S REPORT – PUCHALSKI GOODLOE MARZULLO, LLP: *Legal Updates:* Attorney Marzullo provided legislative updates pertaining to pension fund consolidation, recent court cases and decisions, as well as general pension matters.

Annual Independent Medical Examination – Anthony Schoedel: The Board noted this matter was approved at the July 24, 2020 regular meeting.

CLOSED SESSION, IF NEEDED: There was no need for closed session.

ADJOURNMENT: A motion was made by Trustee Rendleman and seconded by Trustee Burnett to adjourn the meeting at 11:58 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for January 15, 2021 at 10:00 a.m.

Board President or Secretary

Minutes approved by the Board of Trustees on _____

Minutes prepared by Robina Amato, Pension Services Administrator, Lauterbach & Amen, LLP