**MINUTES OF A REGULAR MEETING OF**
**THE PEKIN FIREFIGHTERS' PENSION FUND BOARD OF TRUSTEES**
**JULY 24, 2020**

A regular meeting of the Pekin Firefighters' Pension Fund Board of Trustees was held on Friday, July 24, 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:**

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| 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, Lauterbach & Amen, LLP (L&A) |

**PUBLIC COMMENT:** There was no public comment.

**APPROVAL OF MEETING MINUTES:** *April 10, 2020 Regular Meeting:* The Board reviewed the April 10, 2020 regular meeting minutes. A motion was made by Trustee Burnett and seconded by Trustee Baughman to approve the April 10, 2020 minutes as written. Motion carried unanimously by voice vote.

*Semi-Annual Review of Closed Session Meeting Minutes:* The Board reviewed the closed session meeting minutes for Anthony Schoedel's disability matter. A motion was made by Trustee Baughman and seconded by Trustee Burnett to publish the closed session meeting minutes as written. Motion carried unanimously by voice vote.

**ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP:** *Monthly Financial Report:* The Board reviewed the Monthly Financial Report for the one-month period ending May 31, 2020 prepared by L&A. As of May 31, 2020, the net position held in trust for pension benefits is $27,493,745.16 for a change in position of $725,499.89. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal. A motion was made by Trustee Beckham and seconded by Trustee Burnett to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

*Presentation and Approval of Bills:* The Board reviewed the Vendor Check Report for the period March 1, 2020 through May 31, 2020 for total disbursements of $137,276.75. A motion was made by Trustee Burnett and seconded by Trustee Baughman to approve the disbursements shown on the Vendor Check Report in the amount of $137,276.75. Motion carried by roll call vote.

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

*Additional Bills, if any*: There were no additional bills presented for approval.

**INVESTMENT REPORT – PROPEL FINANCIAL ADVISORS:** *Performance Review:* Mr. Vaught reviewed the Performance Review for the period ending June 30, 2020. As of June 30, 2020, the quarter-to-date net return is 13.94% with a total investment gain of $3,445,198 for an ending market value of $27,620,151. The current asset allocation is: fixed income at 27.59%, equities at 65%, alternatives at 1.13% and cash & equivalents at 6.28%. The market insights, asset allocation, equity security performance and bond analysis were reviewed with the Board. A motion was made by Trustee Beckham and seconded by Trustee Stubbs to accept the Investment Review as presented. Motion carried unanimously by voice vote.

Trustee Beckham addressed Mr. Vaught regarding whether or not Propel Financial Advisors utilizes algorithms and/or stop loss functions within the large cap investment decisions and inquired on whether the lack of use of a stop loss function was a practice or policy. Mr. Vaught confirmed there are no stop loss functions currently being used and this was indeed a practice, Mr. Vaught noted he will take this discussed technique into consideration if the Board directed Propel Financial Advisors to do so.

Trustee Beckham suggested the use of a stop loss function in order to decrease large losses during unforeseen events that negatively impact the market.

*Review/Update Investment Policy:* The Board discussed the Investment Policy and determined that no changes are required at this time.

**COMMUNICATIONS AND REPORTS:** *Affidavits of Continued Eligibility:* The Board noted that Affidavits of Continued Eligibility will be mailed to all pensioners with the August payroll cycle. A status update will be provided at the next regular meeting.

*Active Member File Maintenance:* The Board noted that L&A will prepare Active Member File Maintenance letters for distribution to all active members requesting any additional pension file documents.

**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:* The Board discussed the upcoming 16-hour Certified Trustee Program offered through IPPFA. A motion was made by Trustee Baughman and seconded by Trustee Burnett to approve the registration fee for Trustee Beckham to attend the 16-hour Certified Trustee Program and to direct L&A to register Trustees Beckham for the event. Motion carried by roll call vote.

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

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

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS:** *Approve Regular Retirement Benefits – Kurt Nelson:* The Board reviewed the regular retirement benefit calculation for Kurt Nelson prepared by L&A. Chief Nelson had an entry date of April 20, 1999, retirement date of June 22, 2020, effective date of pension of June 23, 2020, 54 years of age at date of retirement, 21 years and 2 months of creditable service, applicable salary of $130,438.16, applicable pension percentage of 52.92%, amount of originally granted monthly pension of $5,751.96 and amount of originally granted annual pension of $69,023.52.

*Retirement Benefits – Lynken Toyne:* The Board reviewed the regular retirement benefit calculation for Lynken Toyne prepared by L&A. Engineer Toyne had an entry date of July 7, 1997, retirement date of July 8, 2020, effective date of pension of August 15, 2020, 50 years of age at date of retirement, 23 years of creditable service, applicable salary of $92,436,80, applicable pension percentage of 57.5%, amount of originally granted monthly pension of $4,429.26 and amount of originally granted annual pension of $53,151.12.

A motion was made by Trustee Stubbs and seconded by Trustee Baughman to approve Kurt Nelson and Lynken Toyne's regular retirement benefits calculated by L&A. Motion carried by roll call vote.

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

**OLD BUSINESS:** *Review/Possible Action – Actuarial Assumed Rate of Return:* The Board discussed the current actuarial assumed rate of return. Trustee Beckham inquired on historical returns of the Pekin Firefighters' Pension Fund and extended his vote of confidence in Propel Financial Advisors and the Board's decision making to obtain a 7% return on investment. Trustee Rendleman requested a motion to amend the actuarial assumed rate of return, no such motion was made therefore the Board noted that no changes would be made at this time.

**NEW BUSINESS:** *FOIA Officer and OMA Designee:* The Board discussed maintaining City Clerk Sue McMillan as the FOIA Officer and OMA Designee. A motion was made by Trustee Baughman and seconded by Trustee Stubbs to maintain Sue McMillan the FOIA Officer and OMA Designee as stated. Motion carried unanimously by voice vote.

*Board Officer Elections – President and Secretary:* The Board discussed Board Officer Elections and nominated the slate of Officers as follows: Trustee Baughman as President and Trustee Rendleman as Secretary. The Board noted both Trustee Baughman and Trustee Rendleman were elected for President and Secretary, respectively by acclamation.

*Review Preliminary Actuarial Valuation:* The Board noted the actuarial valuation will be available for review and approval at the next regular meeting.

*IDOI Annual Statement:* The Board noted that the IDOI Annual Statement is in process and the final report will be sent to the Board for review upon completion.

**ATTORNEY'S REPORT – PUCHALSKI GOODLOE MARZULLO, LLP:** *Annual Independent Medical Examination – Anthony Schoedel:* The Board noted that Anthony Schoedel attended his annual independent medical examination and it was determined that he remains disabled at this time. The Board noted the disability benefits of Anthony Schoedel will continue based on a finding that he remains disabled and subject to further annual examinations until age 50.

*Legal Updates:* Attorney Marzullo provided legislative updates pertaining pension fund consolidation, recent court cases and decisions, as well as general pension matters.

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

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

The next regular meeting is scheduled for October 16, 2020 at 10:30 a.m.

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Board President or Secretary

Minutes approved by the Board of Trustees on ____________________

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