MINUTES OF A REGULAR MEETING OF THE PEKIN FIREFIGHTERS' PENSION FUND BOARD OF TRUSTEES MAY 3, 2019

A regular meeting of the Pekin Firefighters' Pension Fund Board of Trustees was held on Friday, May 3, 2019 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 Kurt Nelson called the meeting to order at 10:32 a.m.

ROLL CALL:

PRESENT:	Trustees Kurt Nelson, Tony Rendleman, Robert Baughman, Brandon Burnett and Joe Stubbs
ABSENT:	None
ALSO PRESENT:	Attorney Jerry Marzullo *(arrived at 10:38 a.m.)*, Puchalski Goodloe Marzullo, LLP (PGM); David Vaught, Danielle Woods and Emily Agosto, Propel Financial Advisors; Robina Amato and Steve Earnhardt, Lauterbach & Amen, LLP (L&A); Finance Director Bruce Marston, City of Pekin; Retired Member Randy Dixon, Pekin Fire Department

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *February 1, 2019 Regular Meeting and February 6, 2019 and April 1, 2019 Special Meetings:* The Board reviewed the February 1, 2019 regular meeting, February 6, 2019 special meeting and April 1, 2019 special meeting minutes. A motion was made by Trustee Baughman and seconded by Trustee Stubbs to approve the February 1, 2019 regular meeting, February 6, 2019 special meeting and April 1, 2019 special 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 eleven-month period ending March 31, 2019 prepared by L&A. As of March 31, 2019, the net position held in trust for pension benefits is $26,930,060.18 for a change in position of $1,372,041.94. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal. A motion was made by Trustee Rendleman 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 January 1, 2019 through March 31, 2019 for total disbursements of $122,813.04. A motion was made by Trustee Rendleman and seconded by Trustee Baughman to approve the disbursements shown on the Vendor Check Report in the amount of $122,813.04. Motion carried by roll call vote.

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

Attorney Marzullo arrived at 10:38 a.m.

Additional Bills, if any – Illinois Department of Insurance Compliance Fee: The Board noted that the Illinois Department of Insurance Compliance Fee invoice will be issued. A motion was made by Trustee Rendleman and seconded by Trustee Burnett to approve payment of the IDOI Compliance Fee upon receipt of the invoice, in an amount not to exceed $8,000. Motion carried by roll call vote.

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

INVESTMENT REPORT – PROPEL FINANCIAL ADVISORS: *Quarterly Investment Report:* Mrs. Woods reviewed the Summary of Implemented Changes for April 2019, the overall portfolio holdings and bond analysis with the Board. As of April 29, 2019, the ending market value of the Pekin Firefighters' Pension Fund is $27,158,572. The current asset allocation is: 1.78% Cash; 36.8% US Fixed Income; 0.58% International Fixed Income; 3.67% Large Value; 8.62% Large Growth; 11.48% Small and Mid-Cap; 14.64% International Equity; 2.55% Emerging Markets; 1.53% REITs and 8.6% Sector. A motion was made by Trustee Rendleman and seconded by Trustee Stubbs to accept the Investment Report as presented. Motion carried unanimously by voice vote.

Review/Update Investment Policy: The Board will review an updated policy at the next regular meeting for approval.

COMMUNICATIONS AND REPORTS: *Statements of Economic Interest:* The Board was reminded that the Statements of Economic Interest were due by May 1, 2019.

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

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 2019 IPPFA Regional Seminar held on June 18, 2019 and one 8-hour IPPFA online course for Trustee Stubbs to complete his annual Trustee training. A motion was made by Trustee Rendleman and seconded by Trustee Burnett to approve the registration fees for Trustee Stubbs to attend the 2019 IPPFA Regional Seminar and to complete one 8-hour IPPFA online course. Motion carried by roll call vote.

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

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM PENSION FUND: *Applications for Membership – Christopher Hogue, Brady Fulkerson and Grant Anderson:* The Board reviewed the Applications for Membership submitted by Christopher Hogue, Brady Fulkerson and Grant Anderson. A motion was made by Trustee Rendleman and seconded by Trustee Baughman to accept Christopher Hogue effective December 12, 2018, Brady Fulkerson effective January 7, 2019 and Grant Anderson effective

April 22, 2019 into the Pekin Firefighters' Pension Fund effective their respective dates of hire, as Tier II participants. Motion carried unanimously by voice vote.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Regular Retirement Benefit – Kevin Lawrence:* The Board reviewed the regular retirement benefit estimate for Kevin Lawrence prepared by L&A. Engineer Lawrence had an entry date of March 6, 1995, retirement date of May 3, 2019, effective date of pension of May 4, 2019, 55 years of age at date of retirement, 24 years, 1 month and 28 days of creditable service, applicable salary of $90,564.33, applicable pension percentage of 60.21%, amount of originally granted monthly pension of $4,543.94 and amount of originally granted annual pension of $54,527.24. A motion was made by Trustee Rendleman and seconded by Trustee Stubbs to approve Kevin Lawrence's regular retirement benefit calculated by L&A. Motion carried by roll call vote.

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

OLD BUSINESS: There was no old business to discuss.

NEW BUSINESS: *Approve Annual Cost of Living Adjustments (COLAs) for Pensioners:* The Board reviewed the 2019 Cost of Living Adjustments (see attached) as calculated by L&A. A motion was made by Trustee Burnett and seconded by Trustee Baughman to approve the 2019 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

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

Certify Board Election Results – Retired Member Position: The Board noted that Joe Stubbs ran unopposed for the Retired Member Position on the Pekin Firefighters' Pension Fund Board of Trustees and was reelected for a three-year term expiring April 30, 2022. A motion was made by Trustee Rendleman and seconded by Trustee Burnett to certify the retired member election results. Motion carried unanimously by voice vote.

Review/Approve – Lauterbach & Amen, LLP Engagement Letter: The Board reviewed the L&A five-year engagement letter. A motion was made by Trustee Baughman and seconded by Trustee Rendleman to engage L&A in the annual amounts as follows: $18,215 for the year ended April 30, 2019; $41,335 for the year ended April 30, 2020; $41,960 for the year ended April 30, 2021; $43,010 for the year ended April 30, 2022 and $44,070 for the year ended April 30, 2023. Motion carried by roll call vote.

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

Review/Approve – BMO Harris Signature Cards and Resolution 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. The Board will obtain signatures and submit the completed forms to L&A to update with BMO Harris Bank.

Review – Disability Matter of Anthony Schoedel: Attorney Marzullo requested a calculation from L&A on the schedule for credit payments for Anthony Schoedel and will draft a letter to Anthony Schoedel's attorney informing him when payments to Mr. Schoedel are scheduled to begin.

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.

The Board also discussed the accruing monetary penalty with the IDOI for the April 30, 2018 annual statement. Attorney Marzullo requested the Board compile reasoning as to why the April 30, 2018 IDOI Annual Statement was not completed on time and filed with the IDOI by the October 31, 2018 deadline. Attorney Marzullo will send correspondence to the IDOI requesting the current fine to the Pekin Firefighters' Pension Fund be waived. Further discussion will be held at the next regular meeting.

Reciprocity Update – James Wellwood: The Board noted that the balance due from James Wellwood to the Pekin Firefighters' Pension Fund to combine service under reciprocity has been received in full in the amount of $433.01. A motion was made by Trustee Burnett and seconded by Trustee Baughman to accept this payment and recognize the purchase as paid in full. Motion carried by roll call vote.
AYES: Trustees Nelson, Rendleman, Baughman, Burnett and Stubbs
NAYS: None
ABSENT: None

ATTORNEY'S REPORT – PUCHALSKI GOODLOE MARZULLO, LLP: *Legal Updates:* Attorney Marzullo provided legislative updates pertaining to Article 4 Pension Funds; including 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 Burnett and seconded by Trustee Rendleman to adjourn the meeting at 11:58 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for August 2, 2019 at 10:30 a.m.

Board President or Secretary

Minutes approved by the Board of Trustees on 8/2/2019

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