MINUTES OF A REGULAR MEETING OF
THE PEKIN FIREFIGHTERS' PENSION FUND BOARD OF TRUSTEES
JANUARY 17, 2020

A regular meeting of the Pekin Firefighters' Pension Fund Board of Trustees was held on Friday, January 17, 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 Kurt Nelson called the meeting to order at 10:30 a.m.

ROLL CALL:

PRESENT:	Trustees Kurt Nelson, Tony Rendleman, Robert Baughman and Joe Stubbs
ABSENT:	Trustee Brandon Burnett
ALSO PRESENT:	Attorney Jerry Marzullo, Puchalski Goodloe Marzullo, LLP; David Vaught, Propel Financial Advisors; Robina Amato, Steve Earnhardt and Kevin Cavanaugh, Lauterbach & Amen, LLP (L&A); Retired Members Steven Jeckel and Luke LaMere, Pekin Fire Department

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *November 1, 2019 Regular Meeting:* The Board reviewed the November 1, 2019 regular meeting minutes. A motion was made by Trustee Rendleman and seconded by Trustee Stubbs to approve the November 1, 2019 minutes as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Meeting Minutes: There were no closed session meeting minutes for review.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* The Board reviewed the Monthly Financial Report for the eight-month period ending December 31, 2019 prepared by L&A. As of December 31, 2019, the net position held in trust for pension benefits is $30,243,921.71 for a change in position of $2,982,022.55. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal. A motion was made by Trustee Baughman and seconded by Trustee Rendleman 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 October 1, 2019 through December 31, 2019 for total disbursements of $132,139.44. 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 $132,139.44. Motion carried by roll call vote.

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

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 December 31, 2019. As of December 31, 2019, the quarter-to-date net return is 5.88% with a total investment gain of $1,691,490 for an ending market value of $30,063,113. The current asset allocation is: fixed income at 31.61%, equities at 66.84%, alternatives at 1.31% and cash & equivalents at 0.24%. The market insights, asset allocation, equity security performance and bond analysis were reviewed with the Board. A motion was made by Trustee Stubbs and seconded by Trustee Baughman to accept the Investment Review as presented. Motion carried unanimously by voice vote.

Review/Update Investment Policy: The Board discussed increasing the corporate bond allocation within the fixed income portfolio from 30% to 40% and increasing municipal bonds from 5% to 10%. A motion was made by Trustee Rendleman and seconded by Trustee Stubbs to increase the corporate and municipal bond allocations as discussed while remaining consistent with bond statutes. Motion carried by roll call vote.

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

COMMUNICATIONS AND REPORTS: *Statements of Economic Interest:* The Board noted that the List of Filers must be submitted to the County by the City by February 1, 2020. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2020.

2020 IRS Mileage Rate: The Board noted that the IRS standard business mileage rate used for reimbursement decreased to $0.575 per mile effective January 1, 2020.

Affidavits of Continued Eligibility: L&A informed the Board that due to recently implemented requirements mandated by the IDOI, spousal data will be necessary in order to file the IDOI Annual Statement. L&A recommended issuing Affidavits of Continued Eligibility to all pensioners with the April payroll cycle, to coincide with the fiscal year-end and ensure adequate time to compile the necessary data. A motion was made by Trustee Rendleman and seconded by Trustee Baughman to authorize L&A to issue Affidavits of Continued Eligibility to all pensioners with the April payroll cycle. Motion carried unanimously by voice vote.

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: There were no applications for retirement or disability benefits.

OLD BUSINESS: *Review/Possible Action – Actuarial Assumed Rate of Return:* Mr. Cavanaugh reviewed the May 1, 2019 Actuarial Valuation with the Board and presented the actuarial assumed rate of return analysis. The Board discussed reducing the assumed rate of return from 7% to 6.75% and will have further discussion at the next regular meeting.

NEW BUSINESS: *Review/Possible Action – Excess Contributions Related to Kelly Day Error:* The Board noted excess contributions were deducted by the City of Pekin for the following members: Craig Zukowski in the amount of $1,109.21; Steven Jeckel in the amount of $3,379.10 and Robert Baughman in the amount of $3,887.81. A motion was made by Trustee Rendleman and seconded by Trustee Stubbs to approve the refund of excess contributions to the aforementioned members listed in their respective amounts. Motion carried by roll call vote.

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

Deceased Surviving Spouse and Benefit Overpayment – Mary Dupent: The Board noted that pensioner Mary Dupent passed away October 29, 2019 and her pension benefit has ceased. Lauterbach & Amen, LLP sent correspondence to Mary Dupent's estate on November 11, 2019 requesting repayment of benefits from October 30, 2019 through October 31, 2019 in the amount of $227.48 and repayment was received in full on November 25, 2019. No further action is needed.

Approve Annual cost of Living Adjustments (COLAs) for Pensioners: The Board reviewed the 2020 Cost of Living Adjustments (see attached) calculated by L&A. A motion was made by Trustee Rendleman and seconded by Trustee Baughman to approve the 2020 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

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

Review Trustee Term Expirations and Election Procedures: The Board noted that the active member term currently held by Trustee Rendleman is expiring in April 2020. Trustee Rendleman wishes to remain on the Board if nominated. L&A will conduct an election on behalf of the Pension Fund for one of the two active member Trustee positions.

ATTORNEY'S REPORT – PUCHALSKI GOODLOE MARZULLO, LLP: *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 Rendleman and seconded by Trustee Nelson to adjourn the meeting at 11:51 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for April 10, 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