

BOARD OF TRUSTEES
OF THE

Firemen's Pension Fund

Special Meeting
Held Jointly With Police & Fire Pension Boards
February 19, 2016

The Special Joint Meeting was called to order by Board President Tad Beddow at 9:04 A.M. The meeting was held at Robert E. Jones Municipal Building at 17 W. Main St. in Danville, IL. The purpose of the meeting was to review investments with Financial Consultant Chris Kittell. Roll call was taken as follows:

Present: Tad Beddow, Chad Busick, Randy Elliott, Janet Myers and Lisa Monson
Others Present: Treasurer Stephanie Wilson, City Comptroller Gayle Lewis, Recording Secretary Bobby Lillard, Danville Policemen's Pension Fund Board of Trustees, and Pension Board Financial Consultant Chris Kittell
Absent: Board Attorney James Dobrovolny

The meeting was turned over to Financial Consultant Chris Kittell. Kittell reviewed a presentation put together from his firm's resources to show how the Funds are doing in the stock market. According to Kittell, if you owned the largest 10 stocks in the S&P 500, you made 20% in 2015. If you owned the remaining 490 companies you lost about 3%. Currently, *both portfolios* are down about 1%. Kittell thinks it's good performance for a difficult market. The economy is still growing and interest rates are keeping inflation at "bay". Interest rates are very low and currently not providing a reason to get out of stocks.

Kittell reviewed the Pension Plan Investment Costs for period 10/01/15 through 12/31/15 for both Funds. The Firemen's Pension Fund Investment Costs totaled \$10,138.64. Motion made by Monson, seconded by Myers, to accept and place on file the Pension Plan Investment Costs for period 10/01/15 through 12/31/15. Motion carried on voice vote.

The Boards reviewed the Investment Reports from BankChampaign. The Danville Firemen's Pension Equity Account began on 12/31/14 with \$9,695,573.12 and ended 12/31/15 with \$8,893,980.51. Kittell stated Cash Disbursements totaled \$740,000.00 and Total Account Return was \$71,548.22, down -0.93%. The Composite Index Return was down -0.71%. Kittell stated that *allocations* were where they should be. The performance of the *asset classes* showed Fixed Income was up at 1.94% and the Equity Accounts were down approximately 4%. Motion made by Myers, seconded by Monson to accept and place on file the Investment Reports from BankChampaign for 4th Quarter ending 12/31/15. Motion carried on voice vote.

Kittell reviewed the investments and presented his recommendations. Kittell stated the Snapshot Report used to evaluate the performance of Mutual Funds showed performance was good in a difficult time. He recommends staying with Eagle Asset Management because he felt they are still doing a good job and outperforming the Best Index. Kittell stated both pension funds needed to achieve as much growth as

possible and increase exposure to other foreign developed economies. Kittell's recommendation is to sell 2% from JPMorgan US Large Cap and "move it" to American EuroPacific Growth Fund. Monson moved to accept Kittell's Investment recommendations, Myers seconded. Roll call vote being:

Ayes: Beddow, Busick, Elliott, Myers and Monson

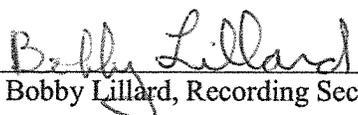
Nays: None

Motion carried 5 to 0

City Comptroller Gayle Lewis attended the meeting to answer a question for Chris Kittell. Kittell wanted to know how the City Public Safety Fee would affect cash flow. Comptroller Lewis stated that in April 2016 a lump sum of \$297,00.00 would be split with 60% going to Fire and 40% going to Police. Starting 5/01/16, a monthly income of approximately \$43,000.00 will be split with 60% Fire and 40% Police.

With no further business for the Board to consider Monson moved adjourn, Myers seconded. Motion carried on voice vote. Meeting adjourned at 9:50 A.M.

Date Approved: 4-5-16


Bobby Lillard, Recording Secretary