

BOARD OF TRUSTEES
OF THE
Firemen's Pension Fund

Regular Meeting
August 10, 2020

1. The meeting was called to order by Board President Tad Beddow at City Hall, 17 W. Main St., Danville, Illinois at 10:25 A.M. The meeting was rescheduled from July 14, 2020. Due to the COVID-19 pandemic, the Board has not met since January 14, 2020.
2. Roll call
 - Present: President Tad Beddow, Trustees Chad Busick, Matt Kosik and Lisa Monson.
 - Others present: City Treasurer Stephanie Wilson, Board Attorney Bryan Strand, Raymond James Financial Advisor Chris Kittell, Danville Fire Chief Don McMasters and Recording Secretary Bobby Lillard
 - Absent: Vacant position
3. Monson moved to approve Agenda. Kosik seconded the motion. Motion carried on voice vote.
4. Approve Minutes of Previous Meetings
 - Minutes of January 14, 2020 regular meeting were reviewed. Kosik moved to approve, Busick seconded. Motion carried on voice vote.
5. No Audience Comment
6. Election of Board Officers
 - Kosik moved to keep the Board Officers *status quo*, [Tad Beddow, President and Chad Busick, Secretary], Busick seconded. Roll call vote being:
 - Ayes: Beddow, Busick, Kosik and Monson
 - Nays: None
 - Absent: Vacant Member
 - Motion carried 4 to 0.
7. Treasurer's Report
 - A. January 2020
 - January 2020 Treasurer's Report shows the total disbursements were \$338,279.39. Public Safety Pension Fee through December 2019 totaled \$141,237.79. Safer Grant reimbursement from City PPE 11/19/19 totaled \$7,156.56. Refund was received from coalition for qualified plan status totaling \$226.31. Also received final distribution of Real Estate Taxes totaling \$158,865.97.
 - February 2020
 - February 2020 Treasurer's Report shows the total disbursements for the month were \$139,677.12. Public Safety Pension Fee through February totaled \$146,871.85.
 - March 2020
 - March 2020 Treasurer's Report shows the total disbursements for the month were \$322,705.40. Public Safety Pension Fee through March totaled \$156,915.82. Safer

Grant reimbursement from City PE 12/31/19 totaled \$3,794.63.

April 2020

- April 2020 Treasurer's Report shows the total disbursements for the month were \$334,558.95. Public Safety Pension Fee totaled \$134,590.76. Safer Grant reimbursement from City PE 2/26/20 totaled \$6,970.99.

Busick moved and Monson seconded to accept and place on file the Treasurers Reports for January, February, March and April 2020. Roll call vote being:

Ayes: Beddow, Busick, Kosik and Monson

Nays: None

Absent: Vacant Member

Motion carried 4 to 0.

B. Recap of Accounts Payable from 1/01/2020 - To 7/31/2020 showed the following payments:

BankChampaign, N.A.--4th Qtr Fees **1725** 1281.50 **1724** 3591.05--\$4,872.55

Bobby Lillard--Recording Secretary payment for Jan meeting--\$75.00

Eagle Asset Management--3rd and 4th Qtr 2019 Fees--\$6,278.00

Raymond James--4th Qtr Fees **1725** 3630.14 **1724** 2499.49--\$6,129.63

Reimer & Dobrovlny PC--Inv #25987 Board Meeting 1/14/20--\$534.10

BankChampaign, N.A.--1st Qtr 2020 Fees 691.65 & 1279.34--\$4,970.99

Eagle Asset Management--1st Qtr Fees 2020 Fees--\$3,231.21

Raymond James--1st Qtr 2020 Fees 1724=2575.53 1725=2849.01--\$5,424.54

Illinois Department of Insurance--Annual Compliance Fee Inv #71053--\$2,284.28

BankChampaign, N.A.--2nd Qtr 2020 Fees 1195.80 & 3642.45--\$4,838.25

Clifton Larson Allen LLP--Annual Audit Services Inv #2554685--\$3,517.50

Eagle Asset Management--2nd Qtr 2020 Fees--\$3,313.94

Raymond James--2nd Qtr 2020 Fees 1724=2632.93 1725=3372.92--\$6,005.85

Busick moved to approve Accounts Payable, Kosik seconded. Roll call vote being:

Ayes: Beddow, Busick, Kosik and Monson

Nays: None

Absent: Vacant Member

Motion carried 4 to 0.

C. Accept and Place on File Monthly Pension Payroll Reports

- Pension Payroll Report for January 2020 totaled \$320,832.41 and shows annual compounded raises, non-compounded raises and service disability non compounded.
- Pension Payroll Report for February 2020 totaled \$319,585.32. Phil Farnum passed away on February 18, 2020. His daily pension for February is \$113.372069 for 18 days is \$2,040.70. His survivor is Linda Farnum. She is entitled to survivor pension for 11 days. Her pension is \$1,247.09. Due to the late day of his passing, we were unable to get his widow's information for payroll in time for processing, therefore she will start when we receive it with any back pay owed. We are paying Phil's pension benefit up to the date of his death.
- Pension Payroll Report for March 2020 totaled \$322,079.50. Phil Farnum passed away on February 18, 2020. His widow, Linda, is receiving \$4,534.88 this month. This amount reflects \$1,247.09 for February and \$3,287.79 for March. Her monthly total will be \$3,287.79. She is entitled to survivor pension for 11 days. Her pension is \$1,247.09. Due to the late date of his passing, we were unable to get his widow's information for payroll in time for processing, therefore she will start when we receive it with any back pay

owed. We are paying Phil's pension benefit up to the date of his death.

- Pension Payroll Report for April 2020 totaled \$320,832.41.
- Pension Payroll Report for May 2020 totaled \$325,600.62. John David Comrie received an increase in his service pension after turning age 55. Richard E. Ervin Jr. began his service pension on May 4, 2020. His monthly pension is \$4,842.42. For May he receives 28 days on his pension. His daily pension for May is \$156.207. \$156.207 times the 28 days is \$4,373.80. Final salary \$88,266.88 (26 years 4 months 26 days service $88266.88 * 65.83\% = 58,109.00$) annual benefit.
- Pension Payroll Report for June 2020 totaled \$326,069.24. This was the first full month on pension for Richard E. Ervin Jr. totaling \$4,842.42.
- Pension Payroll Report for July 2020 totaled \$324,367.66. Charlotte Racz passed away July 12, 2020. This ends the pension of Joe Racz. Her pension of \$2776.26 divided by 31 days for July is \$89.5567742. Her daily pension of \$89.5567742 for 12 days is \$1,074.68.

Kosik moved to accept and place on file the Pension Payroll Reports for January, February, March, April, May, June and July of 2020, Busick seconded. Roll call vote being:

Ayes: Beddow, Busick, Kosik and Monson

Nays: None

Absent: Vacant Member

Motion carried 4 to 0.

8. Board discussed and reviewed the draft of the IDOI Audit Report.

9. Monson moved to amend **Item #10** of the Agenda by removing "**4th Quarter**", Busick seconded. Motion carried on voice vote. Kosik moved to accept and place on file Pension Plan Investment Cost Reports for period 01/01/20 through 03/31/20 totaling \$14,146.28 and for period 04/01/20 through 06/30/20 totaling \$10,766.16 which includes a 12B-1 rebate of \$2,860.58, Busick seconded. Roll call vote being:

Ayes: Beddow, Busick, Kosik and Monson

Nays: None

Absent: Vacant Member

Motion carried 4 to 0.

10. Accept and Place on File Investment Report.

Raymond James Financial Advisor Chris Kittell reviewed the Danville Firemen's Combined Reporting Performance Report from BankChampaign, N.A. and stated the Pension Fund started the 1st Quarter from January 2020 through July 2020 with \$12,304,247.00 and ended the year with \$12,386,980.34. This was a positive total account return of 0.62%. March saw a 12% drop due to the coronavirus. Kittell stated the 3-year performance from August 2017 to July 2020 showed a total account return of 5.75%. Beginning market value was \$8,766,533.30 and ended with \$12,386,980.34. Market growth was \$1,739,033.26 due to net deposits. Account performance from August 2015 to July 2020 began with \$9,158,685.42 and ended with \$12,386,980.34 for a total account return of 5.70%. Increase in market value was \$2,687,197.38. Busick moved to accept and place on file Danville Firemen's Pension Combined Reporting Performance Report, Monson seconded. Roll call vote being:

Ayes: Beddow, Busick, Kosik and Monson

Nays: None

Absent: Vacant Position

Motion carried 4 to 0.

11. Review and Approve investment Portfolio Recommendations

Raymond James Financial Advisor Chris Kittell reviewed and discussed investment recommendations using the **Snapshot Report** from BankChampaign, N.A. Kittell stated *Invesco Equally-Wtd S&P 500* and *Hartford MidCap* funds were under performing. His recommendation was to replace *Invesco Equally-Wtd S&P 500* with *T. Rowe Price US Equity Research* and *Hartford MidCap* with *AB Discovery Growth Advisor Fund*. He also recommended putting *Franklin Growth A* on a watchlist. Kosik moved to accept Kittell's recommendations, Busick seconded. Roll call vote being:

Ayes: Beddow, Busick, Kosik and Monson

Nays: None

Absent: Vacant Position

Motion carried 4 to 0.

12. Appoint Pension Fund Clerk

Monson moved to appoint Chad Busick as Pension Fund Clerk, Kosik seconded. Roll call vote being:

Ayes: Beddow, Busick, Kosik and Monson

Nays: None

Absent: Vacant Position

Motion carried 4 to 0.

13. Set Salary of Treasurer & Pension Fund Clerk

Kosik moved to increase Treasurer salary from \$600.00 to \$650.00 and keep the Pension Fund Clerk salary at \$600.00, Monson seconded. Roll call vote being:

Ayes: Beddow, Kosik and Monson

Nays: None

Abstain: Busick

Absent: Vacant Position

Motion carried 3 to 0.

14. Process New Applicants

Busick moved to accept 2 new Tier II applicants appointed June 3, 2020, Branden Weidig (single) and Madison Carlton (single). Kosik seconded with the roll call vote being:

Ayes: Beddow, Busick, Kosik and Monson

Nays: None

Absent: Vacant Position

Motion carried 4 to 0.

15. Process Retirements/ Terminations

- Lieutenant Richard E. Ervin Jr. was appointed December 8, 1993. Last day on payroll was May 3, 2020 after 26½ of service. Erwin has a spouse and a child above the legal age of 18. Busick moved to accept Lieutenant Richard E. Ervin Jr. Tier I service retirement, Kosik seconded. Roll call vote being:

Ayes: Beddow, Busick, Kosik and Monson

Nays: None

Absent: Vacant Position

Motion carried 4 to 0.

- Retired Firefighter Phil Farnum passed away on February 8, 2020. His Widow is Linda Farnum who is entitled to his survivor pension.
- Charlotte Racz passed away July 12, 2020. This ends the pension of Joe Racz.
- William Penicook, Chris Wyllie and Samuel Freeland have left the Danville Fire Department for other careers. The Pension Fund is still holding money belonging to them. Letters have been sent with no response. Board Attorney Strand stated as long as letters have been sent, continue holding the funds until you hear from them.

16. No Disability or Hearings

17. Attorney's Report

Board Attorney Bryan Strand briefly discussed Illinois Governor J.B. Pritzker response to the COVID-19 pandemic by issuing successive Executive Orders 2020-07, which suspends the requirement of the Open Meetings Act effective June 12, 2020. The Executive Order under Section 7 of the Illinois Emergency Management Agency Act, encourages public bodies to postpone consideration of public business when possible, and encourages them to provide, video, audio and or telephonic access to meetings to ensure members of the public may monitor the meeting. Attorney Strand also stated the State's fire pension consolidation is progressing. Pension fund investment assets could be transferred by January 2021.

A. Board Attorney Bryan Strand also discussed **Legal and Legislative Updates** pertaining to pensions:

- 2016 Legislation Conflicting with the Pension Protection Clause Held Unconstitutional
- Pension Protection Clause Protects Beneficiary from Later Code Changes
 - *Piccioli v. Board of Trustees of Teachers' Retirement System, 2019, IL 122905 (2019)*
- Supreme Court Finds CPD Police Records Must Be Maintained Despite CBA Provision for Destruction
 - *City of Chicago v. Fraternal Order of Police, Chicago Lodge 7, 2020 IL 124831*

B. President Beddow discussed an issue concerning temporary promotions. According to Statute, any temporary appointment lasting over a year and the individual has *time* and *age*, can retire. The contract states temporary promotions only last 6 months. According to President Beddow, he's talked to the Fire Chief and the Mayor about the issue. The Board needs to make a decision because pension contributions for those temporary promotions have not been paid and one of the temporary appointments is considering retirement. Board Attorney Strand stated any temporary appointment eligible for retirement must back pay pension contributions to retire at that temporary appointment. Fire Chief McMasters stated he would inform the individual considering retirement and refer him to the Board for more information.

18. Items of Information

A. Board Member Certification/Hours of Education are up to date

B. Busick moved to preapprove for Trustee(s) to attend IPPFA Illinois Pension Conferences, Kosik seconded. Roll call vote being:

Ayes: Beddow, Busick, Kosik and Monson

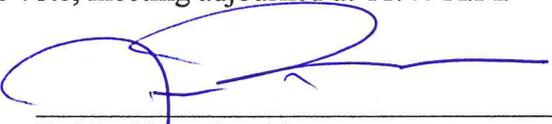
Nays: None

Absent: Vacant Member
Motion carried 4 to 0.

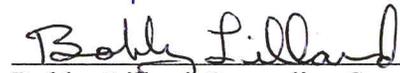
C. Monson reminded the Board Members to return their **Statements of Economic Interest** to the Vermilion County Clerk.

19. Busick moved to adjourn, Kosik seconded. On voice vote, meeting adjourned at 11:40 A.M.

Date Approved: 10-14-20



Tad Beddow, President



Bobby Lillard, Recording Secretary