

BOARD OF TRUSTEES
OF THE

Firemen's Pension Fund

Special Meeting
Held Jointly With Police & Fire Pension Boards
August 25, 2016

The Special Joint Meeting was called to order by Board President Tad Beddow at 12:37 P.M. The meeting was held at Danville Country Club, 2718 Denmark Road 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, Recording Secretary Bobby Lillard, Danville Policemen's Pension Fund Board of Trustees, and Pension Board Financial Consultant Chris Kittell
Absent: Board Attorney James Dobrovolny

There were no audience comments so Beddow turned the meeting over to Financial Consultant Chris Kittell who reviewed the Pension Plan Investment Costs for period 04/01/16 through 06/30/16 for both Funds. The Firemen's Pension Fund Investment Costs totaled a *net fee* of \$525.54. According to Kittell, this is the *Quarter* where you receive the rebate from the Mutual Fund Companies that paid the 12B-1 fees. The 12B-1 Rebate totaled \$9,643.79. Motion by Myers, seconded by Monson, to accept and place on file the Pension Plan Investment Costs for period 04/01/16 through 06/30/16. Roll call vote being:

Ayes: Beddow, Busick, Elliott, Myers and Monson

Nays: None

Motion carried 5 to 0

The Boards reviewed the Investment Reports from BankChampaign. The Danville Firemen's Pension Combined Bond and Equity Accounts began on 12/31/15 with \$8,893,977.48 and ended 06/30/16 with \$8,405,114.97. Kittell stated Total Account Return was \$251,453.73. This showed a performance of 2.95%. According to Kittell, the average annual Account Return *since inception* has shown a 6.79% growth totaling \$4,464,951.31. Motion by Myers, seconded by Monson to accept and place on file Investment Reports from BankChampaign for 2nd Quarter ending 06/30/16. Roll call vote being:

Ayes: Beddow, Busick, Elliott, Myers and Monson

Nays: None

Motion carried: 5 to 0

Kittell reviewed the investments and presented his recommendations. Kittell stated software used to evaluate the performance of Mutual Funds shows JPMorgan US Large Cap Core Plus Select and JHancock Discipline Value A underperforming. JPMorgan was down -0.55%. According to Kittell, both funds had a difficult quarter and should be placed on a *watch list*. Also, Oak Ridge Small Cap Growth I was in the lower half of "fund performers" and should be changed. Although the Index was positive, 2015 was a difficult year. Kittell also recommended further reducing Mutual Fund exposure overseas.

His recommendation to reduce *Non-US overweight Exposure* is to sell \$125,000.00 from American Funds Europacific Growth F1 and \$125,000.00 from American Funds Capital Income Bldr F2. Also, sell Large-Cap Equity Invesco Equally-Wtd S&P 500 Y and American Funds American Mutual F2 and equally add to Europacific Growth F1 and Capital Income Bldr F2. Kittell stated that it is an *allocation* change and not based on performance. Kittell also recommended selling Oak Ridge Small Cap Growth I and moving 100% of those funds to Vanguard Small Cap Value Index Inv. Myers moved to accept Kittell's Investment recommendations, Monson seconded. Roll call vote being:

Ayes: Beddow, Busick, Elliott, Myers and Monson

Nays: None

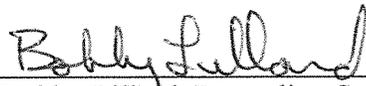
Motion carried 5 to 0

Kittell gave an Eagle Asset Management Bond Portfolio update from Raymond James. He stated performance was still good. Trailing Returns - Best Index year-to-date shows 4.07% compared to 1-year at 4.33% and 10-year at 4.48%. Kittell recommended no changes.

Kittell reviewed the Investment Policy presented to him by the Boards. According to Kittell, the *comparison* Investment Policy and Guidelines from the Belleville Firefighter's Pension Fund was lengthy and could be reduced significantly compared to the Boards current policy. He saw nothing in the Belleville policy that changed how the Boards currently do business. Kittell informed the Boards he would review the Belleville Investment Policy and Guidelines and suggest specific changes. He will forward his suggestions to the Board when completed.

With no further business for the Board to consider Myers moved to adjourn and Monson seconded. Motion carried on voice vote and meeting adjourned at 1:08 P.M.

Date Approved: 10-18-16



Bobby Lillard, Recording Secretary