

Fire Pension Board Meeting

April 13, 2021

PRESENT:

Justin Hale
Mike Kruse
Randy Hurd
Jeff Becker
Chief John Knapp

Pat Donnelley of Graystone Consulting
Jim Dobrolvoney of Reimer & Dobrolvoney

The meeting was called to order at 10:04 a.m.

TREASURER'S REPORT

Steve Cushing from Retzer, Gerber & Associates was not present so there was no report. Justin Hale reported that the checking account balance is \$1,146,919.

Motion to approve the pension payments for February 2021 and March 2021, both months in the amount of \$179,959.37:

Motion by Hale, seconded by Jeff Becker. Roll call vote; all vote aye 5-0.

APPROVAL OF MINUTES

Motion to approve the minutes from the February 11, 2021 Fire Pension Board Special Meeting:

Motion made by Hale, seconded by Becker. All vote aye 5-0.

SEMI-ANNUAL REVIEW OF CLOSED MEETING MINUTES

Motion that the executive session minutes from the November 2020 disability hearing remain closed until the matter is ultimately resolved:

Motion made by Hale, seconded by Mike Kruse. Roll call vote; all vote aye 5-0.

APPROVAL OF BILLS

Hale reported that the board has currently has no bills. Becker said the invoice for the fiduciary liability insurance renewal will be coming soon.

Motion to approve the invoice for the fiduciary liability insurance renewal invoice once it is received:

Motion made by Hale, seconded by Randy Hurd. Roll call vote; all vote aye 5-0.

ADMINISTRATIVE REVIEW FILED IN DISABILITY CASE

Attorney Jim Dobrolvoney of Reimer & Dobrolvoney said the City of East Peoria's worker compensation lawyer has filed a subpoena for all the records regarding the recent disability hearing of Lt. Chuck Melton. They have been supplied with the records.

FREEDOM OF INFORMATION ACT REQUEST

The City of East Peoria has filed a Freedom of Information Act (FOIA) request for essentially the same documents sought by the city's worker compensation lawyer. Dobrolvoney has suggested that the two attorneys work together because most of the material requested in the FOIA will be redacted.

The complaint for administrative review was filed March 19, 2021. The Fire Pension Board has 35 days to file a response. Melton's lawyer has filed a motion to dismiss the complaint for administrative review. The Fire Pension Board will likely file its own dismissal motion. There will also be a motion to dismiss regarding the city's standing in the matter. Presently it is set for a case management conference on Sept. 23, 2021. Dobrolvoney said no new evidence can be introduced in an administrative review hearing.

RETIREE ELECTION

Retiree Randy Hurd's position on the Fire Pension Board is up for re-election. He does plan to run, and the retirees will be notified that they can also run for the board.

UPDATE ON CONSOLIDATION FUND

Hurd reported the State of Illinois is hoping to have all the pension funds consolidated by the end of 2021. Dobrovolney said the earliest the pension boards will be contacted about sending money to the state is in August.

Dobrovolney said one lawsuit about the consolidation has been filed. As far as he knows, no motions or hearing dates have been set. The lawsuit raises constitutional questions and while a good shot, there is no guarantee it will succeed.

Pat Donnelley of Graystone Consulting said some communities' funds are in good shape, but others are not. He said Graystone Consulting did not respond to the request for proposal to be the consultant for the consolidated fire pension fund but did so for the consolidated police pension fund. The funds and investments are all different and the timelines to have everything combined feels rushed. He said that in the end, this will be the best thing to happen for some communities because costs will come down. However, it will be tricky over the next three years. Arizona is the biggest example of a consolidation of fire and police funds, but it has not been very successful.

FORMER MEMBER WITHDRAWAL OF FUNDS

Former firefighter Dan Veatch resigned in August 2020. He requested to withdraw his pension fund contributions and withdrew \$8,092.08.

Motion to approve the withdrawal of \$8,092.08 from the pension fund by former firefighter Dan Veatch:
Motion made by Hale, seconded by Hurd. Roll call vote; all vote aye 5-0.

FINANCIAL UPDATE

Pat Donnelley of Graystone Consulting provided a financial update. The S&P had a its fourth consecutive quarter of strong returns. The S&P 500 sectors finished the first quarter with moderate returns. Energy, financials, and industrials outperformed for the second quarter, while utilities, information technology and consumer staples lagged. The Dow Jones Industrial Average and NASDAQ were up for the quarter. The US aggregate bond market fell in the first quarter.

Unemployment is steadily decreasing, but there are still about 10 million fewer jobs now than before the COVID-19 pandemic.

COVID-19 pandemic economic stimulus money is adding to the federal deficit. Some of that money is making its way to the market. Currently all prices are being inflated because there are more dollars but fewer items being produced.

There is concern that Bitcoin will become a major currency. Donnelley does not see major countries such as the United States allowing bitcoin to replace currency.

The total fund value as of March 31, 2021 is \$31,116,889. This is the most ever, and is a record. The asset allocation is:

- Domestic Equity – 48.06%
- Mid Cap Equity – 3.45%
- International Equity – 20.12%
- Alternatives – 0.66%
- Fixed Income – 31.16%

Motion to approve accept and file the financial report:
Motion made by Hale, seconded by John Knapp. All vote aye 5-0.

ATTORNEY REPORT

Attorney Jim Dobrovolney discussed several pending cases in the state. One was about how to correct a mistake on a pension payment, saying the statute's definition of a mistake is very narrow. The retiree was trying to get payments via reciprocity from two departments where he worked, first at one department, then at another and finally back to the first department. The second department provided incorrect information, and eventually corrected it which increased its payment, but that error would have decreased the payment from the first department. Ultimately it was concluded that the statute did not apply, and the administrative review law time had already passed.

An increase in Post-Traumatic Stress Disorder cases is being filed throughout the state.

PUBLIC PARTICIPATION:

There was no public participation.

AJOURNMENT

Motion to adjourn the meeting:

Motion made by Hale, seconded by Becker. All vote aye 5-0.

Next meeting: May 11, 2021 at 10 a.m.

Submitted by Jill Peterson