

Fire Pension Board Meeting

Aug. 10, 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 10:00 a.m.

TREASURER'S REPORT

Steve Cushing from Retzer, Gerber & Associates reported a payout to Edward Jones for former East Peoria firefighter Dan Veatch's separation of employment, and there were some dues and insurance payments.

Motion to approve the pension payments for April 2021 in the amount of \$184,936.61, May 2021 in the amount of \$186,817.71, June 2021 in the amount of \$186,601.23 and July 2021 in the amount of \$181,339.25:

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

APPROVAL OF MINUTES

Motion to approve the minutes from the April 13, 2021 Fire Pension Board Special Meeting:

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

ADMINISTRATIVE REVIEW FILED IN DISABILITY CASE

Attorney Jim Dobrolvoney of Reimer & Dobrolvoney reported that all documents have been filed and a briefing schedule is being set.

UPDATE ON CONSOLIDATION FUND

Dobrolvoney reported that there are four groups of fire boards that will receive notices on when money needs to be transferred to the consolidated board. There are no consequences that Dobrolvoney can find regarding a penalty if any of the transfer deadlines are not met. Money must be sent in by end of June 2022. There is a pending lawsuit regarding the consolidation. Since then, there have been three judges on the case. An amended complaint has been filed for injunctive relief. There is a status call set for Aug. 11 and one for Sept. 8 if needed. One of those two calls may have arguments or dates set for the various motions. On Sept. 11 Dobrolvoney could have a better idea on where this stands. Once the money has been transferred it is gone and the East Peoria Fire Pension Board is relieved of any fiduciary responsibility. There are concerns about some of the custodial language regarding Charles Schwab Corporation. Dobrolvoney is concerned that once all the money is transferred, rules and laws will change and possibly the state will take over the administrative duties of the local pension boards, meaning they would no longer exist.

Several board members expressed reservations and hesitation about signing off on the new consolidated board. Jeff Becker asked if someone could sue the board if it keeps its money and the statewide fund performs better.

Dobrolvoney said he does not think the board would be liable, and it could be covered by the board's fiduciary liability insurance.

Motion to table a resolution to transfer funds to Firefighters Pension Investment Fund titled "Exhibit A Form of Resolution" until the October Fire Pension Fund Board meeting:

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

FINANCIAL UPDATE

Pat Donnelley of Graystone Consulting provided a financial update. The markets have been good, and rates are staying low. The next wave of the COVID-19 virus is not seen as a huge economic disruptor unless the unemployment benefit is extended. There are 10.3 million job openings currently, so jobs are available. Stocks are still better than bonds. The recommendation is to let equities run. Regarding cash needs, the feeling is if the consolidation occurs in October and East Peoria is the first to go into the fund it will not be advised to have two months of cash on hand.

The portfolio is over \$32 million and is in about 72% equity. There should be a rebalancing recommendation. Domestic equity comprises most of the fund. The money will likely be taken from Clearbridge. The checking account has \$1,737,000, about 3% of the fund. If nothing is needed, then no money needs to be moved, and the board rebalanced funds at the start of the fiscal year. Perhaps in October the board might want to move six to eight months of cash.

Donnelley sees no reason for the board to make changes to the allocation currently.

The total fund value as of June 30, 2021 is \$32,670,440.83. The asset allocation is:

- Domestic Equity – 49.20%
- Mid Cap Equity – 3.54%
- International Equity – 20.17%
- Alternatives – 0.70%
- Fixed Income – 29.92%

Returns are up but a bit below the benchmark. The quarter started with over \$31 million. The value is over \$34 million now. There is a growth of over \$23 million in the fund.

ASSOCIATED FIRE FIGAHTERS OF ILLINOIS CONVENTION

Randy Hurd said he would like to attend the convention.

Motion to approve Randy Hurd attending the AFFI convention:

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

PUBLIC PARTICIPATION:

There was no public participation.

AJOURNMENT

Motion to adjourn the meeting:

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

Next meeting: Oct. 12, 2021 at 10 a.m.

Submitted by Jill Peterson