

HB 403

House Bill 403, which is currently in effect, changes the Fire Pension Boards for all Downstate municipalities and Fire Protection Districts effective April 17, 2006 in that all Fire Pension Boards will have five (5) members, of which three (3) of the members will be either two active firefighters and one retiree unless a retiree is not available and in such instance an active firefighter will take the place of the retiree (40 ILCS 5/4-121).

The remaining two (2) positions on the Fire Pension Board will be filled by an appointee of the Mayor, Village President or President of the Fire Protection District. The positions may be filled by any person. The Fire Chief, Treasurer, Mayor, et al will only serve on the Fire Pension Board if appointed (or in the Chief's case, elected or appointed) by the President or Mayor.

The Fire Pension Board must hold elections prior to April 17, 2006 (January of 2006 is recommended to begin the process). The Firefighters and Retiree terms should be staggered as recommended by the Pension Division of the Department of Insurance. The Board should designate each position as a one (1) year term, two (2) year term or a three (3) year term. After the initial election, all full terms will be for three (3) full years. (In the event of death or resignation, there should be a new election to complete a term.)

The recommended procedure is to establish the new Board prior to April 17, 2006. The old Board should complete its business as close to April 17, 2006 as possible and certify the election results of the active and retiree representatives and acknowledge the new appointments.

A quorum for the new Board will be three (3). Therefore, once the active firefighters and retiree have their election certified (after April 17, 2006) the new Board can call a meeting to elect officers and conduct business.

Course of Action

The new Fire Pension Board should familiarize themselves with existing contracts and relationships with their asset managers, banks, accountants, secretary and even their attorney.

We believe in most instances there will be continuity in the make-up of the Fire Pension Board so all existing agreements can be ratified at the first meeting. The Board may also choose to select or retain professionals to assist the Board in carrying out its duties.

The Board should use professional staff among which are:

- 1.) Knowledgeable attorney
- 2.) Qualified Bookkeeper or Accountant
- 3.) Financial Consultant or Asset Manager
- 4.) A recording secretary to keep minutes and prepare packets.

Duties of the Board

The Pension Board should prepare Rules and Regulations. The Board should adopt or acknowledge in its Rules and Regulations:

- 1.) The Illinois Pension Code, Article 1 and 4.
- 2.) The Open Meetings Act
- 3.) The Freedom of Information Act (suggested to adopt the Village, City or District's policy)

- 4.) The Ethics Ordinance of the State of Illinois or Municipality or District's Ordinance or Policy.
- 5.) Procedures for Disabilities
- 6.) Procedures for QILDRO's 40 ILCS 5/4-119
- 7.) Procedures for Buy-backs other from other Departments or IMRF
- 8.) An Agenda for meetings
- 9.) Scheduling of meetings i.e., annually, quarterly, bi-monthly, monthly.
- 10.) Forms for elections, disability applications, and other matters.
- 11.) Procedure to make Rules and Regulations available to participants.

Investments

The Pension Board should review and ratify or change its Investment Policy. If there is no current Investment Policy, one should be written. As this is a legal document, an attorney should be asked to draft the Investment Policy or review it and all Financial Consultants or Asset Managers should provide written acknowledgement that they are fiduciaries.

Meetings

A. Notice

- Post Notice of Meeting
- Post Agenda
- Notice should be given 48 Hours prior to meeting giving time, date and location of the meeting.

- Post at Main Office, City Hall, District Headquarters, Headquarters Station

B. Regular Meeting

- Schedule annually with times and dates posted for the year.
- Only items on agenda can be voted on
- Approve or amend agenda at meeting

C. Special Meetings

- Board can call a special meeting or call regular meeting as a special meeting
- The only matters which may be discussed are items on the agenda
- Must Post 48 hours before meeting with agenda
- Disability Hearings must provide ten (10) days notice to applicant and may be special meeting.

D. Executive Session

- May be called to discuss matters which are an exception under the Open Meeting Act 5 ILCS 120/2 et al.
- The exception must be identified (i.e. litigation 5 ILCS 120/2(c)(11))
- The meeting must be electronically recorded and tapes retained for at least 18 months. Tapes may be destroyed only after written minutes have been approved.