

MINUTES OF THE REGULAR MEETING OF THE  
BLOOMINGTON FIRE PENSION BOARD  
November 1, 2024

Attendees: Carl Reeb, Tyler Zimmerman, Curt Oyer and Scott Rathbun, Fire Pension Board members.

Member absent: Ron Fowler.

Others present: Dave Wall, Wall Capital Group, Michael Malatt, CPA, Baker Tilly, and Tracey Covert, Recording Secretary. Mr. Wall and Mr. Malatt participated remotely via telephone.

The Fire Pension Board met at Fire Station 6 located at 4040 E. Oakland Ave. Carl Reeb, Vice President, called the meeting to order at 2:00 p.m.

Mr. Reeb opened the meeting to Public Comment. No one came forward to address the Board.

#### MINUTES

Motion by Scott Rathbun, seconded by Tyler Zimmerman to approve the regular session minutes of July 26, 2024, as presented.

Motion carried, (viva voce).

#### ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

Mr. Reeb introduced Michael Malatt, CPA, Baker Tilly, who would present the ACFR for the year ended April 30, 2024. Mr. Malatt addressed the Board. He thanked Mr. Reeb and Tyler Zimmerman, Pension Board members, City staff and Insight and Striegel Knoblock & Company, accounting services firms, for all their efforts. Baker Tilly prepared two (2) reports: The ACFR and Reporting & Insights from the 2024 Audit. The ACFR contained the Pension Board's information and numbers. It covered operation for the fiscal year. An unmodified opinion was issued. Accurate information was provided which addressed the funds financial health. The fund's performance was acceptable. The net position had increased due to investment income. The fund's actuarial number had increased to 62.66%, which was a 5.6% increase over the previous fiscal year.

He directed the Board to the Schedule of Change in Employee's Net Pension Liability & Related Ratios, (see pages 18 & 19). This report documents the pension liability percentage over the last ten (10) years. The long-term trend was positive.

Baker Tilly had completed the Department of Insurance report. Foster & Foster, actuarial firm, was working on the actuarial report. This report was needed for the Municipal Compliance Report.

The ACFR included all the required communications. There were no issues, no concerns, and no significant risks were found. The ACFR was issued on time. The Reporting Insights Report included the Two-way Audit Communications, (see pages 17 & 18). It addressed next year's audit planning/process.

Curt Oyer noted the decrease in employer contributions, FY 2023 - \$6,089,432 and FY 2024 - \$5,612,195. (See Statement of Changes in Fiduciary Net Position, page 9.) Scott Rathbun cited Lauterbach & Amen's recommendation called for a lower employer contribution. The City decided to change actuarial firms.

Mr. Oyer questioned the increased cost for Professional Services, (see Schedule of Administrative Expenses, page 22). He noted the variations in individual line items and the total: FY 2023 - \$30,733 and FY 2024 – \$44,482. Mr. Malatt believed the issue was invoice timing. The Pension Board was on cash basis accounting. Mr. Reeb cited Insight as an example. He cited invoice timing. Mr. Oyer added three (3) quarters paid in one fiscal year and five (5) quarters paid in the other. Mr. Rathbun added the Board had been working with two (2) accounting firms, Insight and Striegel Knoblock & Company.

Mr. Oyer cited a similar situation under Miscellaneous, Insurance. Mr. Reeb responded affirmatively.

Mr. Oyer noted there were not any audit adjusting entries. Mr. Malatt responded affirmatively.

Mr. Oyer questioned the signature on the Management Representation Letter, (see Reporting & Insights from the 2024 audit, see pages 11 – 16). The letter had been signed by Scott Rathbun.

Mr. Rathbun informed the Board the actuarial report would be received the following week from Foster & Foster. Mr. Malatt added this report would allow Baker Tilly to finish the Municipal Compliance Report.

Motion by Scott Rathbun, seconded by Carl Reeb to accept the ACFR for the Year ended April 30, 2024 and the Reporting and Insights for the 2024 audit as presented and place on them on file.

Motion carried.

Mr. Malatt left the meeting at 2:15 p.m.

## TREASURER'S REPORT

Mr. Rathbun presented the Cash Forecast Report. The format of this report had not changed. He directed the Board to the Monthly Need, (upper righthand corner). The Net monthly expenditure was \$558,000. He recommended the monthly Transfer to Fund Firefighters' Pension Investment Fund (FPIF) should be \$670,000. He noted the current transfer was \$625,000. He noted Wall Capital account balance was \$618,000. This was a cash holding. He noted the US Treasury bonds had all matured. The Board had a slight cushion. The report included the Investment

Time for the FPIF: the 7<sup>th</sup>, 14<sup>th</sup>, 21<sup>st</sup> & 28<sup>th</sup> and the last business day of the month, if this day is a holiday or weekend, then the preceding day.

Mr. Rathbun addressed the City Contributions. He cited the FY 2025 Contribution, (lower lefthand corner). He noted the actuarial report recommendation for FY 2026 Contribution would be \$7,320,057. This figure was higher than the City's projections. There would be Tax Levy presentations and discussions with the City Council. He reminded the Board last year, the City Council did not approve a Tax Levy increase. There was a \$3 million shortfall. The FY 2026 recommended contribution could result in a \$4 million shortfall.

Mr. Rathbun confirmed the Board's direction for cash on hand: \$600,000 in short term Treasuries and \$50,000 held locally at PNC Bank.

Mr. Oyer restated there would be a permanent deposit at Wall Capital, \$618,000 and \$50,000 at PNC Bank. He noted these two (2) accounts did not cover the monthly Pension cost: \$642,231.01, (October 2024). He questioned if the Board had established recurring transfers. Mr. Reeb responded affirmatively. Recurring transfers had been set for the calendar year.

Mr. Oyer questioned the timing for the monthly pension checks. Mr. Zimmerman noted near the month end, (25<sup>th</sup> day of the month or later). Mr. Oyer questioned the timing for the transfer in from the FPIF. Mr. Rathbun noted midmonth which allowed for a ten (10) day lag.

Mr. Rathbun cited the PNC Money Market was currently earning 2.9%. Mr. Oyer questioned whether the interest rate was tied to the balance or if the account was tiered. Mr. Zimmerman offered to verify the interest rate on this account.

Mr. Rathbun returned to the Monthly Need portion of his report. Miscellaneous Expenses was listed at \$4,000. He stated his intention to increase the monthly need from \$558,000 to \$570,000.

Tyler Zimmerman addressed the Board. He had prepared the Treasurer's Report.

The monthly pension costs were as follows:

August 2024	\$641,165.47
September 2024	\$641,165.47
October 2024	\$642,231.01

Mr. Zimmerman presented the following expenditures: Striegel Knolblock & Co. – \$1,005.11 (financial services); Tracey Covert - \$131.25 (July meeting minutes); Dave Wall - \$1,000, (investment services); Insight - \$3,680 (financial services); Baker Tilly (audit services) - \$9,000 & \$3,000; IPPFA (dues) - \$825; and AFFI (pension seminar) - \$600. Total expenditure: \$19,241.36.

*AFFI Pension Seminar was held in Springfield, IL. Mr. Fowler, Mr. Zimmerman and Mr. Reeb attended and traveled together.*

Mr. Zimmerman cited two (2) wire transfers to the FPIF had been completed: 1.) \$2,950,000 and 2.) \$3,550,000. Mr. Oyer questioned if property tax dollars were included in these transfers. Mr. Zimmerman responded affirmatively. The death benefit for Richard Denman in the amount of \$1,874,738.09, was also included in the transfers.

Motion by Curt Oyer, seconded by Scott Rathbun to accept the Treasurer's Report as presented.

Ayes: Carl Reeb, Tyler Zimmerman, Curt Oyer and Scott Rathbun.

Nays: none.

Motion carried.

## FINANCIAL INVESTMENT REPORT

Dave Wall, Wall Capital Group's President, addressed the Board via telephone. He noted Wall Capital continued to hold \$600,000 in a Schwab Operating Account. Mr. Rathbun added the Board would continue with US Treasuries. Two (2) reports had been prepared, (June 30, 2024 and September 30, 2024). The report dated June 30<sup>th</sup> listed all Board assets. The report dated September 30<sup>th</sup> only listed cash and annuity holdings.

Mr. Wall directed the Board to the report dated June 30, 2024. He noted on the Allocation pages the last two (2) columns should have been labeled Last 3 Years and Last 5 Years. They are labeled Last 9 Months and Year to Date. A correct report would be sent to the Board electronically. Portfolio Allocation: equities were listed at 71.8%, and fixed income was listed at 21.7% (see page 1). The Ending Value was \$107,263,803. The Year to Date return was 8.3%. The Last 3 Years was 7.1% and the Last 5 Years was 10.6%.

Mr. Wall provided the following Returns for the Annuity Account Allocations for the Last 3 Years and Last 5 Years respectively. American General: 7.3% and 12.4%, (see page 7); American National: 2.5% and 2.4% (see page 8); Delaware Life: 16.1% and 16.5% (see page 9); Integrity: .5% and 1.4%, (see page 10); Jackson National: 5.26% and 11%, (see page 11); Nationwide: 1.7% and 2%, (see page 12); and Pacific Life: 8.1% and 12.8%, (see pages 13 and 14). *Account Allocation for VOYA for the Last 3 Years and Last 5 Years respectively: 9.7% and 13.9%, (see page 15).* The Account Allocation for PNC for the Last 3 Years and Last 5 Years respectively were 1.4% and 1%, (see page 5). The Account Allocation for FPIF for the Last 3 Years: 11%, (see page 6).

Mr. Oyer questioned the Board's tenure in the FPIF. Mr. Wall stated three (3) years. He offered to verify the first transfer date. He addressed the Quarterly Performance Report dated September 30, 2024. He cited the Annuities/Cash Portfolio Allocation, (see page 1). He noted the Ending Value: \$62,097,083. He added the Last 3 Years and Last 5 Years were correct. He noted the following Returns for Fixed Income/Cash & Equivalents Account Allocations for the Last 3 Years and Last 5 Years respectively. Schwab Operating: 3.3% and 3.3%, (see page 4); and PNC Operating: 1.6% and 1%, (see page 5). He noted the following Returns for Annuity Account Allocations for Year to Date. American General: 18.1%, (see page 6); American National: 4.3%, (see page 7); Delaware Life: (17.1%), (see page 8); Integrity: 1.5%, (see page 9); Jackson

National: 15.1%, (see page 10); Nationwide: 9.2%, (see page 11); Pacific Life: 19.4%, (see pages 12 & 13); and VOYA: 12.8%, (see page 14).

Mr. Reeb questioned the Delaware Life annuity. He cited the Return, Quarter to Date at (29.7%). Mr. Wall offered to research same. He believed this account had been closed due to the death of Richard Denman. He directed the Board to Delaware Life Account Allocation, (see page 8). He noted the Withdrawals: (\$1,874,738) which was the death benefit for Mr. Denman.

Mr. Wall addressed the Returns for the Annuity Account Allocations for the Last 3 and Last 5 Years respectively. Integrity (Fixed Income): .8% and .8%, (see page 9); Jackson National (Equities/Fixed Income): 6.7% and 11.9%, (see page 10); Nationwide (Fixed Income): 6.8% and 4.6%, (see page 11); Pacific Life (Equities): 9.7% and 13.8%, (see pages 12 and 13); VOYA (Equities/Fixed Income): 12.3% and 15.1%, (see page 14).

Mr. Wall restated the Portfolio Allocation: Equities – 75.4% and Cash & Equivalents, (PNC and Schwab account) – 6%, (see page 1).

Mr. Oyer questioned large cap annuity holdings. Mr. Wall responded affirmatively. They were passive holdings.

Mr. Wall informed the Board he had made his last trip back to Illinois in October 2024. He also informed them Barb Bobbitt, former Office Manager, had died.

Mr. Oyer requested the Board be provided with benchmarks from other indexes. Mr. Wall responded affirmatively. He noted the American General holding's benchmark was the S & P 500.

He directed the Board to the Quarterly Performance Report dated June 30, 2024. It contained a report from Marquette Associates for the FPIF dated June 30, 2024. Mr. Zimmerman noted the Ending Value for this account: \$46,586,315.

Motion by Scott Rathbun, seconded by Tyler Zimmerman to accept the Financial Investment Report dated June 30, 2024 as corrected.

Ayes: Carl Reeb, Tyler Zimmerman, Curt Oyer and Scott Rathbun.

Nays: none.

Motion carried.

Mr. Wall left the meeting at 2:55 p.m.

## FPIF AUDIT

Mr. Reeb informed the Board he had received an electronic copy of the updated/finalized audit.

Motion by Scott Rathbun, seconded by Tyler Zimmerman to accept the FPIF Audit and place it on file.

Motion carried, (viva voce).

## LIST OF MEETINGS

Mr. Zimmerman recommended the Board continue to meet on the fourth Friday of the month at 2:00 p.m. The specific dates would be January 24, April 25, July 25 and October 24, 2025.

Mr. Reeb added there would be a change of location. Pension Board meetings would be held at Fire Station #5, Maintenance/Training Annex, 2602 Six Points Rd.

Motion by Scott Rathbun, seconded by Tyler Zimmerman to approve the 2025 Regular Schedule of Meetings: January 24<sup>th</sup>, April 25<sup>th</sup>, July 25<sup>th</sup> and October 24<sup>th</sup>, at 2:00 p.m., at Fire Station #5, Maintenance/Training Annex, 2602 Six Points Rd.

Motion carried, (viva voce).

## APPLICATION TO FUND

Mr. Zimmerman presented the following individuals for addition to the fund. There were seven (7) new hires: Robert D. Barnard, Dalton Z. Hogan, Holden S. Lueck, Holden L. Snyder, Ian A. Wisher, Benjamin D. Schuler and Jake S. Cheeseman. All were hired on August 26, 2024.

Mr. Reeb reminded the Board of the Fire Departments new hiring practices. All of them were from McLean County. All had completed the Fire Academy. Mr. Cheeseman holds an EMT – P license. The next step for the remaining six was EMT (Emergency Medical Technician) classes.

Motion by Mr. Rathbun, seconded by Mr. Zimmerman to accept the following individuals into the fund effective August 26, 2024: Robert D. Barnard, Dalton Z. Hogan, Holden S. Lueck, Holden L. Snyder, Ian A. Wisher, Benjamin D. Schuler and Jake S. Cheeseman.

Ayes: Carl Reeb, Tyler Zimmerman, Curt Oyer and Scott Rathbun.

Nays: none.

Motion carried.

## APPLICATION FOR PENSION

Mr. Reeb presented Parrish Brown, retiree. This was an application for a regular pension.

Rank:	Captain
Retirement Date:	October 31, 2024
Hire Date:	March 11, 1996
Age:	56 years old
Years of Service:	28 years, 7 months, 21 days
Salary:	\$121,791.93
Beginning Annual Benefit:	\$87,030.48

Motion by Carl Reeb, seconded by Tyler Zimmerman to approve the application for regular pension for Parrish Brown effective October 31, 2024.

Ayes: Carl Reeb, Tyler Zimmerman, Curt Oyer and Scott Rathbun.

Nays: none.

Motion carried.

## PENSION BENEFITS AND COST OF LIVING ADJUSTMENT (COLA) 2025

Mr. Reeb noted these changes would occur on January 1, 2025. He and Mr. Zimmerman would meet with Chad Rogers, Striegel Knoblock & Company, to finalize this item. Mr. Reeb added the amount of each pension was dependent on the type of pension.

Motion by Scott Rathbun, seconded by Tyler Zimmerman to authorize changes to pension benefits and COLA for calendar year 2025.

Ayes: Carl Reeb, Tyler Zimmerman, Curt Oyer and Scott Rathbun.

Nays: none.

Motion carried.

## COMMUNICATIONS

Mr. Oyer questioned Tier Two pensions: 1.) lawsuit and 2.) statutory amendment. Mr. Reeb responded negatively. The issue was complicated. The law was under review and there was little political will to change the law.

Mr. Reeb addressed training opportunities. He cited the IPPFA Conference.

Mr. Reeb informed the Board the following items would appear on the Board's January 24, 2025 meeting agenda: purchase of a laptop computer with appropriate software, (Microsoft Office), and file cabinets for the Pension Board.

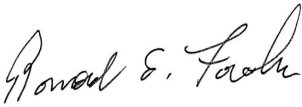
Motion by Scott Rathbun, seconded by Tyler Zimmerman to adjourn. Time: 3:20 p.m.

Motion carried, (viva voce).

Respectfully submitted,

Tracey Covert  
Recording Secretary

Signed by:



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Ron Fowler, President

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Tyler Zimmerman, Secretary