MINUTES OF THE REGULAR MEETING OF THE
BLOOMINGTON FIRE PENSION BOARD
October 21, 2022

Attendees: Ron Fowler, Carl Reeb, Curt Oyer, and Scott Rathbun, Fire Pension Board members.

Members absent: Jeff Emmert.

Others present: Dave Wall, Wall Capital Group, Vicky Campbell, Raymond James Senior Vice President Investments/Branch Manager and Tracey Covert, Recording Secretary

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

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

MINUTES

Motion by Carl Reeb, seconded by Scott Rathbun to approve the regular session minutes of July 15, 2022 as presented.

Motion carried, (viva voce).

TREASURER'S REPORT

Mr. Reeb had prepared the Treasurer's Report.

The monthly pension costs were as follows:

July 2022	$603,419.83
August 2022	$596,352.85
September 2022	$596,563.23

Mr. Reeb presented the following expenditures: Wall Capital - $7,706.18 (last quarter under the current contract); Tracey Covert - $100 (July 15, 2022 meeting minutes); AFFI - $600 (attendance at fall pension seminar for Ron Fowler, Jeff Emmert & himself). Total expenditures: $8,406.18.

He informed the Board that the checks received from the IRS (Internal Revenue Service) had been deposited. The granddaughter of a deceased retiree informed him six (6) months of pension overpayments had been made. These pension payments were for the retiree and his spouse. Two (2) checks totally $21,677.71 had been deposited, (IRS check in the amount of $1,141.29 and check from Shirley Evans in the amount of $20,536.42).

He directed the Board to the Cash Forecast report regarding Property Tax deposits.

Scott Rathbun addressed the Board. He reviewed the Cash Forecast report. The upper right-hand corner addressed monthly expenditures. The bank balance was located in the upper left-hand corner. The combined balance was $2,980,231. City Contributions were located in the lower left-hand corner. The dates listed were authorization dates. The middle section of the report listed deposit dates. He requested Mr. Reeb verify the October property tax deposit amount. Mr. Rathbun added the December deposit would be a combination of Property and Utility taxes and City funds. The April Running Balance was an estimate: $1,536,299.57. This figure represented approximately three (3) months of pension fund obligations. This figure was inline with FPIF (Firefighters' Pension Investment Fund) policy. The Board's current practice had been verified with the FPIF.

Mr. Oyer questioned page 3. Holdings, (see Wall Capital Group Bloomington Firefighters Pension Fund As of September 30, 2022). He specifically cited the 3.56% earnings on the PNC Money Market account. Mr. Rathbun noted Illinois Funds had three percent (3%) earnings. Dave Wall, Wall Capital Group, addressed the Board. The percentage listed represented the percentage weight of the Pension Board's holdings/portfolio. He noted that Board's 90-day CD was shown at .03%. Mr. Oyer stated banks were notorious for low rates. He requested the Board look into other options. Mr. Rathbun recommended the Board use the Cash Forecast report and reach out to the bank and request a better offer.

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

Ayes: Carl Reeb, Curt Oyer and Scott Rathbun.

Nays: none.

Motion carried.

FINANCIAL INVESTMENT REPORT

Dave Wall, Wall Capital Group's President, addressed the Board. He presented an update regarding the state pension fund lawsuit. It was currently under appeal to the Appellate Court. The plaintiff's response was due this date. He anticipated oral arguments before same. This would probably occur during the first quarter of 2023. He anticipated this case would go before the state's Supreme Court.

He reviewed the report dated September 30, 2022. He addressed Account Asset Allocation, (see page 2). Fixed income holdings equaled approximately thirty percent (30%). The current equity allocations were also listed. Holdings were located on page 3. The asset values were as of September 30, 2022. The FPIF holdings were listed on page 5. The majority of these holdings were shown as Mutual Funds. These assets were balanced with the FPIF's August 2022 report. The Performance Summary for the PNC account was located on page 7. The Account Return (Gross TWR) was .23%. He recommended the Board consider acquiring a 90-day CD under $250,000. Performance Summary for Fixed Annuity holdings was located on page 9. The Account Return (Gross TWR) was 2.21%.

Mr. Wall directed the Board to page 11, Performance Summary for Variable Annuities. The Account Return (Gross TWR) was (5.27%). The Account Return (Gross TWR) Previous 12 Months was (22.85%). He directed the Board to the Account Asset Allocation for the FPIF see page 12. The fund's reports as of August 31, 2022 were used.

Mr. Oyer questioned the Return Summary from the FPIF's report dated August 31, 2022 prepared by Marquette Associates. The YTD lists (14.4). FPIF reports listed negative numbers for income.

He hoped the issue with the quarterly reports would be resolved after the lawsuit is decided. The Board has options: 1.) can use an agent of record or 2.) Wall Capital could send a proposal. He stated his intention to attend Board meetings remotely. Mr. Oyer noted the change would be on a going forward basis. Mr. Wall noted reports would be as of the end of quarter date. He would attempt to coordinate with the FPIF.

Mr. Wall proposed a flat fee for services of $,1000 per quarter or $4,000 per year. He would be willing to attend Board meetings if the plaintiffs (boards) continue the lawsuit. He currently had six (6) clients who were also plaintiffs. He requested the Board meetings be moved back by one week, (fourth Friday of the month). Mr. Rathbun stated the following would be the 2023 meeting dates: January 27th, April 28th, July 28th and October 27th, (i.e. fourth Fridays of the month). Mr. Wall would present the Board with a draft contract at the Board's January 27, 2023 meeting. It would include a flat fee of $1,000 per quarter. The effective date would be October 1, 2022.

Mr. Oyer stated it appeared the FPIF operated like a mutual fund for police pensions. He questioned if withdrawals from the state fund were only allowed on certain dates. Mr. Reeb responded affirmatively. Deposits were also only allowed on certain dates. FPIF statements were at least thirty (30) days old when they arrive. Mr. Wall added the police reports were at least ninety (90) days behind. The state police pension fund was managed by State Street. There was displeasure with these reports. The FPIF is managed by the Northern Trust.

Barb Bobbitt, Wall Capital, had been responsible for the ATHENE holdings. There was a lone holding remaining, #2062. A request was made for Ron Fowler to sign a document to grant Vicky Campbell, Raymond James Senior Vice President Investments/Branch Manager, permission to access information regarding same. Wall Capital's Illinois office had been closed.

Mr. Reeb presented the following earnings information for PNC Bank: 1.) Money Market account 1.75%; 2.) CD (Certificate of Deposit) 2.4%; and 3.) Money Market Mutual Fund (government securities fund) 2.67%. Mr. Wall informed the Board 90-day T-bills were earning three percent (3%). He anticipated a rate hike in November 2022 of .75%. He also affirmed the Money Market Fund was a government securities fund. Mr. Oyer noted a CD would be at a fixed rate. Money Market accounts would be variable rate.

Mr. Oyer addressed the Board's variable annuities. He had reviewed each contracts Surrender Values versus Contract Values. In many cases, they were close in value. He cited the Jackson National Life Insurance holdings as an example.

Ms. Campbell cited fees or market value adjustments. There were slight differences which would remain between the two. She addressed Jackson National 8010: 1.) Contract Value: $6,884,364.68; 2.) Surrender Value: $6,884,364.68 and 3.) Death Benefit as of September 30, 2022: $9,941,076.76. There was an annual fee paid for the death benefit. In the end, the Board would benefit from these variable annuities. Mr. Oyer agreed that for every contract the Death Benefit was higher than the Surrender Value. Total value: Death Benefit: $53,974,273.19 versus Surrender Value: $38,013,120.36.

Motion by Scott Rathbun, seconded by Carl Reeb to accept the Financial Report.

Ayes: Carl Reeb, Curt Oyer and Scott Rathbun.

Nays: none.

Motion carried.

COMMUNICATIONS

Mr. Reeb was currently working on active members records. The goal was to keep these records up to date. This work would be ongoing.

The Board would no longer pay a compliance fee to the DOI, (Department of Insurance). FPIF will take on the responsibility for the compliance audit. An accountant will be selected and paid by the FPIF. He believed the FPIF would charge this fee back to each of the local pension funds. Mr. Oyer questioned same. Mr. Reeb believed the state would bill the FPIF. In turn, the FPIF would distribute/charge each fund on a percentage basis.

Mr. Reeb would complete the Attorney General's online training for the Open Meetings Act (OMA) and FOIA (Freedom of Information Act). Online training was available again. Individuals needed to create a new account.

APPLICATION TO FUND

Carl Reeb informed the Board that three (3) entry level firefighters had been hired. The start date was September 6, 2022. They were Jakob Johnson, Vernon Dickey and Ross Mansfield.

Motion by Carl Reeb, seconded by Scott Rathbun to accept Jakob Johnson, Vernon Dickey and Ross Mansfield into the fund effective September 6, 2022.

Ayes: Carl Reeb, Curt Oyer and Scott Rathbun.

Nays: none.

Motion carried.

WITHDRAWAL FROM FUND

Mr. Reeb informed the Board that Ross Mansfield resigned on September 22, 2022. A formal request for reimbursement had not been received. Mr. Mansfield had already reimbursed the City for cost incurred and left in good standing. Mr. Mansfield resigned to pursue additional educational opportunities.

APPLICATION FOR RETIREMENT

Mr. Reeb presented Joe Hoeniges. The application is for a regular pension.

Rank:	Engineer
Retirement Date:	September 5, 2022
Hire Date:	September 5, 2002
Age:	55 years
Years of Service:	20 years, 3 days
Salary:	$97,071.41
Monthly Pension:	$4,044.63

The monthly pension would continue until October 2023. At that time, it would increase by three percent (3%) with annual increases of three percent (3%).

Motion by Carl Reeb, seconded by Scott Rathbun to approve the application for regular pension for Joe Hoeniges effective September 5, 2022.

Ayes: Carl Reeb, Curt Oyer and Scott Rathbun.

Nays: none.

Motion carried.

OLD BUSINESS

Mr. Reeb informed the Board the DOI report and Municipal Compliance Report would appear on the Board's January 27, 2023 meeting agenda. He believed Baker Tilly had what was needed to complete same.

Mr. Rathbun added Baker Tilly needed the actuary report to finalize the audit. The actuarial calculations were needed for GASB (Government Accounting Standards Board) requirements. Lauterbach had new staff members. The tax levy utilized a smoothing technique. The City's contribution may be lower in 2023. The audit should be completed by next week.

NEW BUSINESS

Mr. Reeb presented a recommended Annual Meeting List for 2023: January 27th, April 28th, July 28th, and October 27th at 2:00 p.m.

Motion by Carl Reeb, seconded by Scott Rathbun to approve the Annual Meeting List for 2023: January 27th, April 28th, July 28th, and October 27th at 2:00 p.m.

Motion carried, (viva voce).

Mr. Reeb planned to meet with Insight in December to review pension benefits and COLA (Cost of Living Adjustment) increases for 2023.

Mr. Rathbun addressed a proposed RFP (Request for Proposals) for auditor and actuary. FY 2023 was the City's last engagement year with Baker Tilly. In calendar year 2023, the City would issue an RFP for auditing services for FY 2024. Also in calendar year 2023, the City would issue and RFP for actuarial services for FY 2024. He expressed his hope for a group rate for these two (2) RFPs. He expressed his opinion that it was both efficient and beneficial for the City and Pension Board to retain the same auditing and actuarial firms. He welcomed the Board's comments and/or questions.

Mr. Rathbun added the Police Pension provided the City with a compliant audit report. He compared this report to a CAFR (Comprehensive Annual Financial Report). This report had been renamed to ACFR (Annual Comprehensive Financial Report). GASB changed the title of this report in 2021. The effective date was December 15, 2021, on or after the beginning of the fiscal year. At the Board's January 27, 2023 meeting, the Board would discuss the differences between an audit versus an ACFR. Mr. Oyer believed some of the differences included: 1.) narrative would be gone; 2.) actuarial information would not be included in an audit; and 3.) lower cost of an audit. He believed the time involved would be the same. Perhaps the auditing firms may offer a lower price for being awarded the City and the pension boards.

Mr. Reeb believed the Board was under an engagement letter with Baker Tilly. Mr. Rathbun noted the Board would need to decide which report it wanted: 1.) standard audit or 2.) full ACFR. This decision would be made at the January 27, 2023 meeting.

Mr. Reeb believed Baker Tilly would present an engagement letter for FY 2023 at the Board's January 27, 2023 meeting. Michael Malatt, Baker Tilly, had been promoted to partner.

Motion by Scott Rathbun, seconded by Carl Reeb to adjourn. Time: 3:38 p.m.

Motion carried, (viva voce).

Respectfully submitted,

Tracey Covert
Recording Secretary

Signed by:

Ron Fowler, President

Carl Reeb, Secretary