

MINUTES OF THE REGULAR MEETING OF THE  
BLOOMINGTON FIRE PENSION BOARD  
July 26, 2024

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

Members absent: Ron Fowler.

Others present: Dave Wall, Wall Capital Group, and Tracey Covert, Recording Secretary. Mr. Wall 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 April 26, 2024, as presented.

Motion carried, (viva voce).

#### ELECTION OF RETIREE BOARD MEMBER

Mr. Reeb addressed the Board. He informed them Ron Fowler had been elected to the retiree position in April 2024. This is a three (3) year term.

Motion by Tyler Zimmerman, seconded by Scott Rathbun to accept the retiree election results, Ron Fowler has been elected to serve a three (3) year term.

Motion carried, (viva voce).

#### APPOINTMENT BOARD MEMBERS

Mr. Reeb proposed the following individuals be approved to the respective positions: Ron Fowler, President; Carl Reeb, Vice President; and Tyler Zimmerman, Secretary.

Motion by Curt Oyer, seconded by Scott Rathbun to approve the following slate of officers: Ron Fowler, President; Carl Reeb, Vice President; and Tyler Zimmerman, Secretary.

Motion carried, (viva voce).

## TREASURER'S REPORT

Scott Rathbun addressed the Board. He reviewed the Cash Forecast Report dated July 25, 2024. He cited the update to the Monthly Need, \$558,800. He also noted the increase to the monthly expenditures. The monthly pension cost was \$640,500. He questioned if the Board wanted to have one or two, (1 or 2), months cash on hand. The Police Pension Fund had decided to have one (1) month cash on hand. He stated various cyber issues and the inherent risk. The PNC Bank Balance was \$3,641,580. He cited the recent property tax deposits by the City during May and June 2024, \$836,645 and \$963,008, respectively. He addressed the Total 'Local' dollars: \$4,252,171. After the July pension payments, cash on hand was \$3,611,671. He recommended funds be transferred to the FPIF, (Firefighters' Pension Investment Fund). Retaining one (1) month cash on hand would result in a transfer in the amount of \$2,950,000. Retaining two (2) months cash on hand would result in a transfer in the amount of \$1,111,671. He cited the FPIF's investment (i.e. deposit) dates: 7<sup>th</sup>, 14<sup>th</sup>, 28<sup>th</sup> and the last business day of the month, if these dates occur on a holiday or weekend, the FPIF uses the preceding day.

Mr. Rathbun reminded the Board at their October 27, 2023 meeting, a motion was passed to have two (2) months cash locally on hand. The Police Pension Fund has retained \$100,000 in their operating fund. The remainder has been placed in a rolling CD (Certificate of Deposit). He readdressed risk level and expressed his comfort level with one (1) month local cash on hand. He added his belief the FPIF would allow two (2) months cash on hand.

Mr. Zimmerman recommended the Board continue with Treasury bills via Wall Capital. Mr. Rathbun responded affirmatively if the Board could easily access those funds. The funds with Wall Capital can cover the fund's monthly pension cost. He noted the \$600,000 managed by Wall Capital was 'Local'. The Board would need to grant the Secretary authority to transfer any additional dollars to the FPIF in alignment with the FPIF's investment (i.e. deposit) schedule.

He believed the Board need to address two (2) questions: 1.) grant transfer authority for excess funds to the FPIF and 2.) one or two (1 or 2) months cash on hand.

Mr. Oyer expressed his comfort level with one (1) month. At the same time, he preferred a small cushion. Mr. Zimmerman noted his initial preference for two (2) months.

Mr. Oyer addressed the FPIF's reference to imminent cash needs. *"Amounts not imminently needed to make benefit payments or cover reasonable imminent expenses must be maintained in the consolidated fund and may not be maintained in a money market mutual fund."*

Mr. Rathbun restated his two (2) concerns: 1.) cyber security issues and 2.) payment of retiree pensions.

Mr. Reeb suggested one (1) month expenses be retained at PNC plus \$600,000 in Treasury bills be retained at Wall Capital. He acknowledged there would be interest earnings.

Mr. Rathbun believed the Board would be able to transfer \$100,000 to the FPIF monthly. Mr. Zimmerman questioned the timing for the next transfer to the FPIF. Mr. Rathbun restated the Board should reinvest in the 90-day Treasuries. These dollars would be retained at Wall Capital.

Dave Wall, Wall Capital Group, addressed the Board. He noted the 90-day Treasuries were currently earning 5.3%. The yield curve remained inverted. He would need to purchase a 90-day Treasury on August 1<sup>st</sup>. Mr. Rathbun stated the PNC Money Market account was currently earning 3.03%.

Mr. Rathbun restated the Schwab Treasury bills would be considered 'local.' In addition, \$50,000 would remain in the PNC Money Market account. The combined total would be \$650,000 which would be called 'local.'

Motion by Scott Rathbun, seconded by Tyler Zimmerman that the Board set at target of one (1) month local funds to address ongoing cash needs.

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

Nays: none.

Motion carried.

Motion by Scott Rathbun, seconded by Tyler Zimmerman to authorize the Board's FPIF signatories to transfer/deposit funds in excess of one (1) month as needed/necessary with consideration given to FPIF's scheduled investment dates.

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

Nays: none.

Motion carried.

Mr. Rathbun addressed the City Contributions for FY 2025. The total was \$6,870,195. The two (2) tables documented deposit timing. As of June 24, 2024, the City had deposited \$2,484,189. The remaining balance due was \$4,386,006.

Mr. Oyer questioned the timing of property tax deposits. Mr. Rathbun noted all deposit are approved by the City Council at a Council meeting. These meeting are held on the second and forth Mondays of the month.

The actuarial report recommended \$14.7 million be deposited into the Police and Fire Pension Funds. The Fire Pension amount was \$6.9 million. The City Council voted to levy an amount lower than recommended. There were other revenue sources available to the Pension Funds: Utility Taxes and PPRT (Personal Property Replacement Tax) were cited. This year, \$3 million will come from general revenue.

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

The monthly pension costs were as follows:

May 2024	\$637,693.22
June 2024	\$640,932.30
July 2024	\$641,165.47

Mr. Zimmerman presented the following expenditures: Striegel Knolblock & Co. – \$1,097.69 (financial services); Tracey Covert - \$137.50 (April meeting minutes) and \$6.75 (Resolution regarding ~~Rea~~ Richard Denman); Dave Wall - \$3,000, two payments *one in April in the amount of \$2,000* and one in July in the amount of \$1,000, (investment services); *Alliant Express \$10,126 (fiduciary liability insurance)*; Curt Oyer - \$1,114.79 (reimbursement for attending IPPFA conference); and Insight - \$4,419.23 (financial services). Total expenditure: \$19,901.96.

*Two (2) expenditures were also listed in the April 26, 2024 meeting minutes: Dave Wall in the amount of \$2,000 and Alliant Express in the amount of \$10,126.*

Mr. Zimmerman and Mr. Reeb had deposited \$1,288,317.11 in the PNC account on June 5, 2024. Mr. Reeb added ATHENE #2062, (fixed annuity), was surrendered. The dollars were sent to the FPIF. Mr. Reeb added Delaware #3224 had not been closed. He had the certified death certificate, and the Resolution as requested by the insurance company. Delaware would provide the funds after all documentation was submitted.

Mr. Zimmerman informed the Board a total \$2,188,317.11 had been transferred to the FPIF on June 13, 2024. (The money received from ATHENE plus \$900,000.)

Mr. Zimmerman clarified the check written to the City of Bloomington in the amount of \$9,155 was a reimbursement. Baker Tilly did not invoice the Pension Board as in the past. The City was accidentally billed by and paid Baker Tilly. Generally, the Pension Board is invoiced and pays Baker Tilly directly.

Motion by Scott Rathbun, seconded by Tyler Zimmerman 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. Two (2) reports had been prepared, (March 31, 2024 and June 30, 2024). The report dated March 31<sup>st</sup> listed all Board assets. The report dated June 30<sup>th</sup> only listed cash and annuity holdings.

Mr. Wall directed the Board to the report dated June 30, 2024. Portfolio Allocation: equities were listed at 76.8%, and fixed income was listed at 18.2% (see page 1). The Ending Value was \$60,677,448. The Return (GoF) for the last twelve (12) months was 19.5%. He directed the Board to Portfolio Holdings (see page 17) and the Nationwide holdings #5111 and #5068. The difference between Surrender Value and Death Benefit Values were \$20,000 and \$1 million, respectively.

Mr. Oyer questioned the annuitant. Mr. Wall believed it was Ron Fowler. There was a Treasury bill with an August 1<sup>st</sup> expiration date. He stated his intention to purchase another ninety (90) day Treasury bill.

Mr. Oyer questioned the Death Benefit value for Delaware #3224. Mr. Wall believed the figure would be approximately \$1.907 million. He added the difference between Surrender Value and Death Benefit Value was \$300,000.

Mr. Wall directed the Board to the Quarterly Forecast Report dated March 31, 2024. This report includes all funds. He directed them to the Portfolio Allocation, (see page 1). He noted the Ending Value: \$104,013,027. The Return (GoF) for Quarter to Date and Year to Date was 5.8%. Equities were 72.7%. Equities included the annuity holdings and FPIF.

He directed the Board to FPIF Account Allocation (see page 16). The Ending Value was \$45,377,704. The Return (GoF) Year to Date was 4.8%. The bottom line was eight to ten (8 – 10) basis points between the two (2) funds in the Year-to-Date reporting. He believed the Board would never receive transaction data from the FPIF.

He described this report as good. Treasury bills were sold in increments of \$1,000. He was able to purchase them at a discount. The five percent (5%) rate of return was an annualized number. He believed the Federal Reserve might cut interest rates in December. This opinion was based upon good economic reports. He cited the impact on the market by the Magnificent 7 stocks: Alphabet, Amazon, Apple, Meta Platforms, Microsoft, NVIDIA and Tesla. He added their positive impact on S & P and NASDEX earnings.

Mr. Wall addressed Delaware #3224 which was labeled Large Cap Growth, (see Portfolio Holdings, page 18). He noted its weight, 2.8%, of the Fund's total portfolio. These Death Benefit dollars would be transferred to the FPIF. Mr. Oyer believed this was the Funds only Large Cap Growth holding. Mr. Wall believed there would be a rotation back to value. Mr. Oyer added VOYA #8453 was listed under Large Cap Value. The Allocation was cited at 3.8%.

Mr. Wall noted the Fund had good cash flow. He recommended the Board retain its current holdings until after the fall election. At this time, the Trump Tax Cuts are scheduled to expire on January 1, 2026. He believed there might be legislation proposed addressing long term capital gains tax rates. Another issue which needed to be addressed was Social Security and Medicare.

Motion by Scott Rathbun, seconded by Tyler Zimmerman to accept the Financial Investment Report dated March 31, 2024.

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

Nays: none.

Motion carried.

FPIF AUDIT

Mr. Rathbun addressed the Board. He noted the FPIF outside auditing firm questioned why the Board did not approve the actuarial report. Mr. Reeb noted the Board had no role. The Board covers half of the cost and the City used the report to set Pension Fund contributions.

Mr. Reeb addressed an item listed under Plan Administration & Operation. The Results stated, “the Fund has not adopted any formal policies and procedures for the administration and operation of the Pension Fund,” (draft Bloomington Firefighters’ Pension Fund, Report performed on-behalf-of the Illinois Firefighters’ Pension Investment Fund, see page 1). Don Craven, Board attorney, has never mentioned if this was a legal requirement. The Board has followed the state’s pension laws.

Mr. Zimmerman believed written policies and procedures were considered a best practice. There was not a requirement. The Board has sixty (60) days to respond to the draft report. Mr. Reeb offered to reach out to Mr. Craven. Board consensus was to take no action at this time. The Board did not have to make a formal response. The Board needed to acknowledge receipt of the report. It was noted the FPIF staff had been slow to respond.

AUDIT

Mr. Rathbun stated the outside audit was proceeding on time. The draft report had been sent to Foster & Foster, actuarial firm.

APPLICATION FOR PENSION

Mr. Reeb presented Dave Talley, retiree. This was an application for a regular pension.

Rank:	Battalion Chief
Retirement Date:	May 10, 2024
Hire Date:	March 10, 1997
Age:	56 years old
Years of Service:	27 years, 2 months, 1 day
Salary:	\$140,446.52
Beginning Annual Benefit:	\$95,386.64

Motion by Carl Reeb, seconded by Tyler Zimmerman to approve the application for regular pension for Dave Talley effective May10, 2024.

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

Nays: none.

Motion carried.

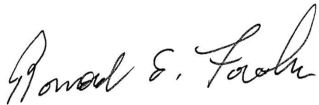
Motion by Scott Rathbun, seconded by Carl Reeb to adjourn. Time: 3:20 p.m.

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