MINUTES OF THE REGULAR MEETING OF THE
BLOOMINGTON FIRE PENSION BOARD
July 15, 2022

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

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 2 located at 1911 Hamilton Rd. 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 April 22, 2022 as presented.

Motion carried, (viva voce).

TREASURER'S REPORT

Mr. Reeb had prepared the Treasurer's Report.

He addressed the PNC account balance. The PNC account balance on June 30, 2022 was $2,310,055.32.

The monthly pension costs were as follows:

April 2022	$596,003.46
May 2022	$596,003.46
June 2022	$596,117.23

Mr. Reeb presented the following expenditures: City of Bloomington on behalf of Scott Rathbun - $212.50 (training); Wall Capital - $7,022.78 (quarterly services); Curt Oyer - $574.18 (training reimbursement); Tracey Covert - $125 (April 2022 meeting minutes); Baker Tilly - $9,000 (audit services); Insight - $2,020.97 (quarterly services, March - May), Van Gundy - $1,398 insurance coverage for three years; and Wall Capital - $6,486.18 (quarterly services). Total expenditures: $26,839.61.

Scott Rathbun presented his Cash Forecast report which was dated April 22, 2022. The document had been updated through April 2023. Similar action had been taken for the Firefighter' Pension Investment Fund (FPIF). The upper right corner addressed the monthly pension (payroll) need: $526,000. The lower left corner addressed the FY 2023 City

Contributions. The estimated City contribution from property & utility taxes was $6,089,466. Three (3) deposits have been made to date: May 27, 2022 - $821,604, June 13, 2022 - $836,560 and July 5, 2022 - $531,225. The months of September, October and December were estimated City deposits (tax payments). The April 2023 running balance was estimated at $1.4 million or three times the monthly need. This would be in agreement with the FPIF fund. The combined balances matched: $2.1 million. (See the upper left corner.) Finances looked good.

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

Ayes: Jeff Emmert, Carl Reeb, Curt Oyer and Scott Rathbun.

Nays: none.

Motion carried.

SEATING OF NEW TRUSTEE

Mr. Fowler addressed the Election of Officers.

Mr. Oyer proposed the following slate of officers: Ron Fowler, President, Jeff Emmert, Vice President and Carl Reeb, Secretary.

Motion by Mr. Oyer, seconded by Scott Rathbun, that the election of officers – Ron Fowler, President, Jeff Emmert, Vice President and Carl Reeb, Secretary, be approved.

Motion carried, (viva voce).

FINANCIAL INVESTMENT REPORT

Dave Wall, Wall Capital Group's President, addressed the Board. He reviewed the report dated June 30, 2022. He addressed Account Asset Allocation, (see page 2). Cash & Equivalents were at three percent (3%). Holdings were located on page 3. He noted the agreement regarding the PNC Money Market value: $2,310,055. Fixed Annuity holdings were listed. Variable Annuity holdings were found on pages 4 & 5. He added the investment information, (subaccounts), had been added for easier tracking. The FPIF holdings were listed on page 5. He believed the numbers had been rounded. Total value of the FPIF holdings were $36,062,004. The Performance Summary for the PNC account was located on page 7. He expected to see an improvement to interest rates. Account Return (Gross TWR) Previous 5 Years was .36%. Performance Summary for Fixed Annuity holdings was located on page 9. The Account Return (Gross TWR) Previous 5 Years was 4.71%.

Mr. Oyer questioned the Account Return (Gross TWR) Previous 12 months was (2.02%). Total fund value as of June 30th was $85,582.304. Vicky Campbell, Raymond James Senior Vice President Investments/Branch Manager, informed the Board the value could not decline. She was unsure where this number had come from. Mr. Wall noted the Investment Gain Previous 12 months was ($168,526). Mr. Oyer recommended the past year be reviewed.

Mr. Wall questioned Nationwide #5068. Ms. Campbell restated fixed annuities should not decrease in value. She questioned if dollars had been removed from any annuity holdings. Mr. Wall directed the Board to page 3, Holdings and the Fixed Annuity holdings list. He cited the EIA (Equity Indexed Annuity) subaccounts. Mr. Oyer believed a $600,000 contract had matured. He restated these figures should be checked against last year's report. He noted that the total contract values matched (Wall Capital & Raymond James's reports).

Mr. Wall offered to check on this. His staff contacts Raymond James for monthly values. Mr. Reeb informed the Board the Athene holding reached its Out of Surrender date. The total value was $637,326.92. These dollars were deposited on February 3, 2022.

Mr. Oyer restated each contract needed to be tracked to find the decline. The Nationwide #5068 value had decline by $300,000 in one year: from $2,139,243 last year to $1,825,551.81 this year. He questioned if last year's figure was incorrect. Mr. Wall offered to research same. These accounts should not show any decline in value.

Mr. Wall directed the Board to page 11, Performance Summary for Variable Annuities. The Account Return (Gross TWR) Previous 5 Years was 7.26%. The Account Return (Gross TWR) Previous 12 Months was (11.81%). He directed the Board to the Account Asset Allocation see page 10. Under Broad Asset Class, Fixed Income (i.e. bonds) was a little over eleven percent (11%). This was a beneficial move by the Board to reduce risk.

Mr. Wall could not provide an aggregate value due to the FPIF. There was no transaction history provided by the FPIF. The most recent information received from the FPIF was dated April 2022. He directed the Board to page 13, Performance Summary for the FPIF holdings. The Account Return (Gross TWR) Year to Date was 12.13%. The figure for the Account Return (Gross TWR) Previous 5 Years/Custom was incorrect. Marquette Associates had been hired by the FPIF. He directed the Board to page 2 of Marquette Associates FPIF Monthly Summary Report dated April 30, 2022. He addressed the Rhumbline Russell 200, Large-Cap Core. This account represented almost twenty-four percent (24%) of the fund's total dollars. Data is provided forty-five (45) days late.

Mr. Oyer questioned the Account Returns. They appeared to be too high. He believed the fund may have broken even during the month of May. He believed the Board transferred the Schwab account and Athene dollars to the FPIF. Mr. Wall restated there were issues with the timely receipt of data. He hoped these issues would be corrected over time. He acknowledged new dollars may have been added to the return. Performance perspective is a challenge and generally not accurate. He needed a transaction history.

Mr. Reeb informed the Board $8 million had been wired to the FPIF on March 17, 2022. He offered to reach out to the FPIF to request Wall Capital be granted access to the transaction history. Mr. Wall noted this request had been made since day one. The transaction history needed to list every deposit, purchase and sale. Mr. Oyer expressed his opinion the FPIF should have this data. He questioned the possibility of an aggregate report. Mr. Wall restated the information from the FPIF was not timely. Mr. Reeb informed the Board he had recently received the FPIF's May report.

Mr. Wall stated his intention to attend the Board's October 21st meeting. He anticipated by the calendar year end the majority of his pension board clients would be gone. He had five (5) clients who were plaintiffs in the lawsuit. Barb Bobbitt, his assistant, would end her employment on October 31, 2022. She planned to relocate to CO. Wall's IL office would close in September as the lease would be up. He had one (1) police pension board that also held annuities. He questioned the Board's intentions. A flat fee for the quarterly reports could be negotiated. He believed the reports were helpful. He did not plan to travel to IL after October. He suggested a flat fee per quarter be set. He had attended his last meeting with the City's Police Pension Board earlier this date.

Mr. Oyer expressed his interest in continued receipt of Ms. Campbell's quarterly reports. Wall Capital's quarterly reports provide a big picture look. The two (2) funds need to be integrated.

Mr. Rathbun requested Mr. Wall submit a proposal for a fix rate for the quarterly report. Mr. Wall restated the outstanding issue regarding the FPIF reports, (i.e. the latest one he had was dated April 2022). Mr. Rathbun recommended that Wall use the latest information available.

Mr. Walls restated the FPIF was at least two (2) months in arrears. The asset allocation may be correct. The issue was investment returns. Mr. Reeb offered to contact the FPIF to see if this situation could be corrected.

Mr. Wall would send the Board a proposal. He planned to attend the Board's October meeting. He believed by the calendar year end; Wall Capital would not have any public fund accounts. Ms. Campbell cited her willingness to attend the Board's October meeting too. Mr. Rathbun recommended that Mr. Wall's proposal include the cost for a remote presentation. It was restated that Mr. Wall & Ms. Campbell would attend the Board's October 21, 2022 meeting at 2:00 p.m.

Mr. Reeb informed the Board that Baker Tilly also would present the audit (Comprehensive Annual Financial Statement) at this meeting.

Mr. Wall could continue to have an office in Phoenix. His focus would be on personal individual clients. His daughter worked with him. He did not plan on retiring but was moving out of the sales end.

Motion by Scott Rathbun, seconded by Jeff Emmert to accept the Financial Report.

Ayes: Jeff Emmert, Carl Reeb, Curt Oyer and Scott Rathbun.

Nays: none.

Motion carried.

Mr. Oyer questioned the Cash Forecast. He cited the issues with FPIF. Mr. Rathbun noted the issue had been raised. A negative response had not been received. Mr. Reeb was involved.

COMMUNICATIONS

Mr. Reeb addressed training. He informed the Board that Mr. Fowler, Mr. Emmert and he would attend the AFFI's Fall Conference. The hope was for the Conference to be offered virtually.

Mr. Reeb noted he would complete the Attorney General's online training for the Open Meetings Act (OMA).

The review and updating of active member and beneficiary member records continues. The goal was to complete same by September.

Audit update: Cynthia Park, Baker Tilly, had been his contact. The audit had gone well. A draft DOI (Department of Insurance) report had been sent to the actuary. This had been the smoothest audit to date. He had worked with same individuals as last year. Insight also did a good job.

Mr. Rathbun believed Michael Malatt, Baker Tilly, would present the audit.

Mr. Reeb informed the Board of a $1,200 deposit into the PNC account. The IRS sent a check related to a widow's estate. Insight did all the track work. There was another IRS issue and Insight worked to resolve same.

NEW BUSINESS

Mr. Reeb informed the Board the Disability Medical Review for Bill Krohe would be scheduled. This should be completed annually. COVID interrupted same. One will be scheduled this year.

The Municipal Compliance Report will be placed on the Board's October 21st meeting agenda.

Motion by Carl Reeb, seconded by Jeff Emmert to adjourn. Time: 3:22 p.m.

Motion carried, (viva voce).

Respectfully submitted,

Tracey Covert
Recording Secretary

Signed by:

Ronald E. Fowler

Ron Fowler, President

Carl R. Reeb

Carl Reeb, Secretary