

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

Attendees: Ron Fowler, Carl Reeb, Tyler Zimmerman, and Scott Rathbun, Fire Pension Board members.

Members absent: Curt Oyer.

Others present: Dave Wall, Wall Capital Group, Vicky Campbell, Raymond James Senior Vice President Investments/Branch Manager, and Tracey Covert, Recording Secretary. Mr. Wall and Ms. Campbell participated remotely via telephone.

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 October 27, 2023, as presented.

Motion carried, (viva voce).

TREASURER'S REPORT

Carl Reeb addressed the Board. He had prepared the Treasurer's Report.

The monthly pension costs were as follows:

November 2023	\$610,166.39
December 2023	\$620,670.81
January 2024	\$635,589.38

Mr. Reeb informed the Board on December 11, 2023, \$5.2 million was transferred from PNC to FPIF, (Firefighters' Pension Investment Fund), by Tyler Zimmerman and himself. This transfer was confirmed by the FPIF on December 13, 2023. Scott Rathbun timed the transfer to be most advantageous to the Board. Mr. Reeb added the transfer amount should have been \$6.2 million. Mr. Rathbun noted the monthly reoccurring transfer had been established. He wanted to ensure these transfers work as the Board intended. The PNC money market account was earning 3.2%.

Mr. Reeb presented the following expenditures: Insight – \$2,343.57 (financial services – September, October & November); Tracey Covert - \$150 (October meeting minutes - \$137.50

and Resolution – PNC - \$12.50); and City of Bloomington - \$5,000 (share of actuarial services). Total expenditure: \$7,493.57.

Mr. Reeb added in the near term there would be a payment to Insight and Striegel Knobloch & Co., the new financial services firm. He also believed there was an outstanding amount due to Baker Tilly for audit services in the amount of \$5,000 - \$6,000.

Scott Rathbun presented the Cash Forecast report dated December 31, 2023. He informed the Board the City had retained Foster & Foster for actuarial services. The 2024 Tax Levy contribution would be \$14.7 million for both pension funds, (police & fire). The City Council did not approve this amount. The Tax Levy as adopted & approved included \$9.6 million. The budgeted figure from utility taxes was \$2.1 million. The approved total for the pension funds was \$11.7 million. The City will have to cover the \$3 million difference. The Fire Pension contribution was \$6.9 million.

He described it as a basic report. The upper right-hand corner addressed monthly expenditures. The net amount was (\$541,000). This monthly pension payroll was \$614,000. He noted the annual figure, \$6,492,000. The City's contribution would cover the Board's cash needs for 2024. The combined bank balance was in the upper left-hand corner. The combined balance was \$2,038,929. Under the running balance table, the reoccurring monthly transfer, \$550,000, was shown in January & February. This monthly transfer would be evaluated at year's end. The Board may want to consider holding three (3) months of expenditures as allowed by the FPIF. He noted \$947,929 could be transfer to the FPIF, (see December transfer to same).

He addressed the \$1 million transfer to Wall Capital. The Board would have \$100,000 in cash locally on hand. Under City Contributions, Property Tax receipts would commence in May/June 2024. The monthly recurring transfers to the FPIF would also continue.

Mr. Reeb recommended \$950,000 be transferred to the FPIF. Mr. Rathbun questioned the status of MoneyLink transfer. Dave Wall, Wall Capital Group, addressed the Board. All was ready. Wall Capital does not have permission to transfer dollars from PNC to MoneyLink. Mr. Rathbun would have to request the \$1 million transfer. US treasuries current rate was five percent, (5%).

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

Ayes: Carl Reeb, Tyler Zimmerman 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, (September 30 and December 31, 2023). The report dated September 30th listed all Board assets. The report dated December 31st only listed cash and annuity holdings. He also addressed the new software for accounting/financial reports. Data conversion continued. Historical data needed to be added, (three years out). He described the two (2) reports as snapshots. He hoped the conversion would be completed by February 2023.

Mr. Wall directed the Board to the report dated September 30, 2023. Portfolio Allocation: equities were listed at 69.3%, (see page 1). The Ending Value was \$88,168,142. The Return (GoF) Year to Date was 8.6%. Portfolio Performance: (see page 2), the Top Performers were located on the right-hand side of the page. The top performer was Public Real Estate (REIT). Account Performance Summary was located on pages 2, (bottom of the page), and 3. The FPIF was listed last. It represented 40.9% of plan assets.

Account Allocation were located on pages 4 – 16. The MoneyLink account, Schwab Operating, can be found on page 4. An AIG variable annuity, the Return (GoF) Year to Date was 10.3%, (see page 5). Fees were paid by the fund. An Anico and Athene, GA holdings were located on pages 6 & 7. Variable annuities: Delaware – Return (GoF) Year to Date was 18.5% and Jackson – Return (GoF) Year to Date was 9.5%, (see pages 8 & 10). The Jackson account was divided between equities, 90.2%, and fixed income, 9.8%. Ms. Campbell had completed the transfers. Pacific Life variable annuities: Return (GoF) Year to Date was 11.7% and 14.2% respectively, (see pages 12 & 13). The PNC account was listed on page 14. It was a hundred percent (100%) cash with a Return (GoF) Year to Date was 1.7%. VOYA variable annuity – Return (GoF) Year to Date 42.3%, (see page 15). The VOYA account was divided between equities, 59.6% and fixed income 40.4%. The FPIF account was listed on page 16. The breakdown was as follows: equities – 66%, fixed income – 28.3%, alternative assets – 4.9% and cash & equivalents - .8%. The Return (GoF) Year to Date 5.2%. The Portfolio Holdings were listed on pages 17 - 19. He noted the Quarters to Date, Return, column, (see right-hand side of page).

Mr. Wall addressed the December 31st report. It only addressed the Board's cash and annuity holdings. There was no information regarding the FPIF. The Portfolio Allocation, (see page 1), lists equities – 73.1%, fixed income – 22.9% and cash & equivalents 4%. The Return (GoF) Year to Date 11.1%. He directed the Board to page 14, Account Allocation for a VOYA variable annuity. The Return (GoF) Year to Date was 55.1%.

No action regarding annuity holdings would be taken at this meeting. The Illinois Supreme Court affirmed the lower court's ruling. All assets would be moved/transferred by October 2024 to the consolidated pension funds. He would watch for the MoneyLink deposit and planned to purchase T-bills.

Vicky Campbell, Raymond James Senior Vice President Investments/Branch Manager, addressed the Board. She noted Athene #2062 would mature on April 7, 2024. The surrender value as of December 31, 2023 was \$1,226,000. Mr. Wall recommended collecting the funds and depositing same in PNC.

Mr. Reeb questioned the timeline. The Board’s next meeting would be held on April 26, 2024. Ms. Campbell noted typically there is a thirty (30) day time period. She added it could be as short as one to two (1- 2) weeks. She would obtain the needed information and share same with the Board.

She added there were Nationwide annuities, #5068 & #1511. The surrender value dates were July 23, 2024 and November 30, 2024 respectively. The Board was scheduled to meet on July 28th & October 25th. Collecting these funds would have a positive impact on cash flow.

Mr. Rathbun stated excess funds would be transferred to the FPIF.

Mr. Reeb requested Mr. Zimmerman be added as an authorized user to annuities managed by Ms. Campbell.

Ms. Campbell informed the Board the Jackson National #5658 & #4651 subaccount transfers from S & P 500 to fixed income were completed on November 6, 2023.

Motion by Carl Reeb, seconded by Scott Rathbun to accept the Financial Report dated September 30, 2023.

Ayes: Carl Reeb, Tyler Zimmerman and Scott Rathbun.

Nays: none.

Motion carried.

Mr. Wall and Ms. Campbell left the meeting at 2:40 p.m.

ACCOUNTING AGREEMENT

Mr. Reeb informed the Board that Mr. Rathbun received a letter from Insight after the Board’s October 27, 2023 meeting. Insight stated that it would be unable to provide services after December 31, 2023. The firm offered to assist in identifying a new firm. Chad Rogers, Striegel Knobloch & Company, LLC, (SKC) response was positive. The company was honored by Insight’s request to provide accounting services to the Board. An interview was conducted. Mr. Rathbun performed due diligence. As of this date, an engagement letter had not been received. Mr. Rogers provided a rate schedule. He needed to draft an engagement letter. Both firms used the same software and provided the same services to the Police and Fire Pension Funds. These services would remain with a local firm. The approval of an engagement letter with SKC would appear on the Board’s April 26, 2024 meeting agenda.

Mr. Fowler stated his intention to inform the retirees.

APPLICATION FOR PENSION

Mr. Reeb presented Eric West, retiree. The application was for a regular pension.

Rank:	Chief
Retirement Date:	November 30, 2023
Hire Date:	July 8, 1991
Age:	56 years
Years of Service:	34.4 years
Salary:	\$158,945.00
Beginning Monthly Pension:	\$9,934.06

Motion by Carl Reeb, seconded by Tyler Zimmerman to approve the application for regular pension for Eric West effective November 30, 2023.

Ayes: Carl Reeb, Tyler Zimmerman and Scott Rathbun.

Nays: none.

Motion carried.

ELECTION PROCESS

Mr. Reeb informed the Board the trustee election this year would be for the retiree position. Mr. Fowler had stated his intention to run for another term. Mr. Reeb planned to work with Mr. Zimmerman to oversee the election process. A timeline would be developed. The ballots would be prepared and mailed to all living retired firefighters. There would be a write in spot on the ballot. Envelopes must be postmarked by April 18, 2024.

Motion by Carl Reeb, seconded by Tyler Zimmerman for Trustees Reeb & Zimmerman to oversee the trustee election for the retired firefighter position.

Motion carried, (viva voce).

1099R AND 1099MISC

Mr. Reeb would sign the necessary documents on Monday, January 26th. Documents would be placed in the mail before January 31, 2024.

OLD BUSINESS

Mr. Reeb informed the Board that Insight had completed the benefit and COLA increases. Mr. Zimmerman helped.

NEW BUSINESS

Board discussion regarding the increase monthly pension cost: \$635,589.38 for January 2024. The Cash Forecast report showed a monthly pension cost: \$614,000. The difference was \$21,589.38. Mr. Rathbun would make this change to the Cash Forecast report for the Board’s April 26, 2024 meeting. The Board would need to watch the numbers and revisit this issue as needed.

Motion by Scott Rathbun, seconded by Carl Reeb to reduce the transfer of funds to Wall Capital from \$1 million to \$900,000.

Ayes: Carl Reeb, Tyler Zimmerman and Scott Rathbun.

Nays: none.

Motion carried.

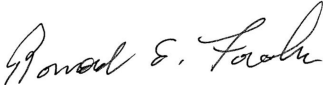
Motion by Carl Reeb, seconded by Tyler Zimmerman to adjourn. Time: 3:00 p.m.

Motion carried, (viva voce).

Respectfully submitted,

Tracey Covert
Recording Secretary

Signed by:



Ron Fowler, President

Tyler Zimmerman, Secretary