MINUTES OF THE REGULAR MEETING OF THE
BLOOMINGTON FIRE PENSION BOARD
January 24, 2020

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

Absent: Ron Fowler, Fire Pension Board member.

Others present: Dave Wall, Wall Capital Group's President and Tracey Covert, Recording Secretary.

The Fire Pension Board met at Fire Station 6 located at 4040 E. Oakland Ave. Jeff Emmert, Vice President, called the meeting to order at 2:07 p.m.

Mr. Emmert 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 18, 2019 as corrected: see page 3 remove the last line that reads "Jeff Emmert left the meeting; and see page 5, third paragraph, first sentence remove the word "not".

Motion carried, (viva voce).

TREASURER'S REPORT

Carl Reeb had prepared the Treasurer's Report. The account balance were as follows:

PNC:	$2,021,060.20 Checking/money market
PNC:	$1 million CD maturity date February 22, 2020 (same rate as quoted)

The monthly pension costs were as follows:

October 2019	$488,782.66
November 2019	$496,080.00
December 2019	$505,870.64

Mr. Reeb noted that December was the first half million dollar monthly pension payment.

Mr. Reeb noted the following amounts had been paid during the preceding quarter:

Checks written:

Insight (accounting/financial services)	$2,234.40
Don Craven (legal services, there were two checks)	$2,412.50
	$750.00
Tracey Covert (Recording Secretary)	$135.20
Baker Tilly (auditor, there were two checks)	$5,000.00
	$1,940.00
Van Gundy (three year insurance policy)	$1,400.00
TOTAL:	$13,872.10

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

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

Nays: none.

Motion carried.

Scott Rathbun presented the Board with a Cash Forecast for the Fire Pension Fund. Mr. Reeb noted the Average Monthly Net Cash Need and believed Deposits needed to be changed from $35,000 to $70,000.

Mr. Rathbun addressed the plan FY 2021 City Contribution Split. The dollars would come from three (3) revenue sources: 1.) Property Tax, 2.) PPRT (Personal Property Replacement Tax), and 3.) Utility Tax. The totals listed matched those listed in the Actuarial Report.

He finally addressed the FY 2020 City Contributions – Timing. This represents property tax deposits from the McLean County Treasurer's Office.

Curt Oyer questioned if the May 2020 figures: $661,060 included the liquidated CD. Mr. Rathbun responded affirmatively. Mr. Oyer recommended when this CD matured, the dollars should be rolled back into the PNC account. Mr. Rathbun recommended that the Board hold back on a half million dollars and placed these dollars into another CD. Mr. Reeb responded affirmatively.

Motion by Scott Rathbun, seconded by Curt Oyer that on February 22, 2020, (CD maturity date), a half million dollars be place into another ninety, (90), day CD and all remaining dollars be transfer to the PNC account.

Ayes: Jeff Emmert, 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 began by presenting the Annual Disclosure Under Illinois Public Act 100 – 0543 ("the Act') for 2020. He described this document as housekeeping. It addressed the requirement to disclose any agreement with minority owned firms. No searches were done in 2019. This information must be included in the Board's minutes.

Mr. Wall addressed the Pension Fund consolidation bill. An interim board would be appointed within the next thirty, (30), days. There will be an interim board for police and another for fire. There will be representation by police and fire personnel and municipal representation. Senate confirmation was required by February 1, 2020. An Executive Director has been hired. He has been tasked with two, (2), items: 1.) find office space and 2.) hire staff. There would be an election by calendar year end. Individuals would have to file a petition for a Board position. The continuing education requirements have been reduced by half: eight, (8), hours annually and sixteen, (16), for initial members. The law also states that four, (4), of these hours must address key statutes. An actuary would be set up by the super board.

Mr. Rathbun noted that there was confusion over the administration/benefit administration and what were the roles/responsibilities of local boards.

Mr. Wall noted that the super board had no authority to tax. They would send the actuarial report to the City Council. The funds belonged to the pension boards. These would not be state funds. There would be a single large pool. The City's assets remained the City's. Restrictions were unknown. This large fund may mirror IMRF, (Illinois Municipal Retirement Fund). The state would certify the assets values. The Pension Board would turn over its assets to the Super Fund within thirty, (30), days after receiving the request.

Mr. Reeb added that the goal was to complete this work within thirty, (30), months.

Mr. Wall restated that the state would come to the Board. The custodian delivers the assets. He questioned what would happen with the Board's annuity contracts. The Board was still the fiduciary. The state is only taking the assets. He believed the long term goal will be to disband all pension boards. Disability would mirror IMRF's disability program.

Mr. Rathbun questioned the City making local contributions to the local boards or would they be directed to the state. He cited property tax dollars and active employee pension contributions.

Mr. Wall acknowledged that there were a number of questions. In a year, there would be a new permanent board. This board would be responsible for: 1.) asset transfer and 2.) manager selection. He noted that these changes would impact Wall Capital. He planned to close the Illinois office.

Mr. Oyer cited the Board's focus on long term investments. Mr. Wall recommended that the Board continue as it has as the Board still was the fiduciary of the plan assets. The Board should stay the course. Asset allocation does not have a one size fits all. He was unsure how consolidation would be implemented state wide.

Mr. Wall directed the Board to the report dated December 31, 2019. He informed the Board of the need to be cautious as equities were at sixty-nine percent, (69%), (see page 2). The Year to Date Account Return (Gross TWR) was 19.52%. It had been a great year. He noted that Wall Capital's management fee for the year was $28,799. The Ending Market Value was over $75 million in assets. He directed the Board to page 7, Holdings which was a listing of cash accounts. He cited the Government Bond accounts, (see page 8). He added that there was a Treasury Bill with a maturity date of 02/06/2020 with a value of $1,000,000.

Mr. Wall directed the Board to the Fixed Income Performance Summary, (see page 17). These were laddered accounts. Year to Date Account Return (Gross TWR) was 3.26%. These accounts were short maturities and performed okay. He restated that $1,000,000 US Treasury would mature in February 2020.

He directed the Board to the Passive Large-cap Equity Performance Summary, (see page 20). The Year to Date Account Return (Gross TWR) was 31.38%. The Active Large-cap Performance Summary, (see page 23), addressed the DoubleLine/iShares accounts. Since November 2019, the Account Return (Gross TWR) was 5.02%. $1,000,000 had been invested. It had performed well for this quarter.

The remainder of the report addressed the annuity holdings. He addressed the Delaware Life Annuity (VA) Performance Summary, (see page 29). The Account Return (Gross TWR) Year to Date was 27.33%. He compared this figure to the S & P 500 Composite (Benchmark 3) Year Date figure was 31.49%. The difference between these two, (2), figures was the expense ratio. He also directed the Board to page 32, Jackson National Annuity (VA) Performance Summary. The same to figures were 27.9% and 31.49% respectively. The same figures for Pacific Life Annuities (see pages 35 and 38 were 28.95% and 31.49% and 28.95% and 31.49% respectively. He addressed the Voya International Annuity Performance Summary, (see page 41). This account had foreign and domestic holdings. The figures were 25.42% and 25.14% respectively.

The composite of the Board's Fixed Annuities was found on page 44. He believed these holdings were priced once per year. He presented the Board with a separate handout for Variable Annuities and Fixed Annuities. This report was prepared by Vicky Campbell, Raymond James Senior Vice President, Investment/Branch Manager. There were individual listing for each Variable Annuity. Ms. Campbell did not track the last page of the report labeled Fixed Annuity Summary. Ms. Campbell has gained access to the Athene holdings information.

He restated that the Board need to provide direction regarding the US Treasury valued at $1,000,000 that was maturing. He also addressed the Fixed Annuity holding with Symetra Life Insurance Co. This contract would be Out of Surrender on April 8, 2020. He encouraged Mr. Reeb to watch for mail regarding same. The company may attempt to roll this contract over. The Board needed to request a check from Symetra. Estimated value: $2.2 million.

Mr. Oyer noted that Athene was a separate listing. Mr. Wall responded affirmatively. These holdings were considered fixed annuities. The Purchase Dates were cited, (03/25/2009, 01/07/2010, 04/07/2014 and 11/16/2010). The Board requested that Mr. Wall check on the holdings that were purchased in 2009 and 2010. Mr. Oyer specifically questioned the maturity dates for these contracts.

Mr. Reeb questioned the ability to withdraw ten percent, (10%), from these annuities when possible. Mr. Oyer believed these withdrawals reduced the death benefit value. Mr. Wall believed the ten percent, (10%), withdrawals were used to bring equities in compliance with the sixty-five percent, (65%), rule. Dividends were not being reinvested.

The key question remained: at the end of the fiscal year did equities have to be at sixty-five percent, (65%). The Board needed the maturity dates for the Athene contracts. Mr. Oyer presented possible dates: if they were twelve, (12), year contracts the dates would be 03/25/2021 and 01/07/2020 and if they were ten, (10), year contracts the dates would be 04/07/2024 and 11/16/2020.

Mr. Wall believed that Athene provided an annual statement. He recommended building a ladder with $1 million from the US Treasury. He requested the Board provide Wall Capital with the discretion to select Treasury bills and/or CDs.

Motion by Carl Reed, seconded by Curt Oyer to reinvest $1 million from the US Treasury bill maturing on February 8, 2020 by selecting a CD and/or US Treasury to invest for approximately one (1) year.

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

Nays: none.

Motion carried.

Dave Wall left the meeting the 3:10 p.m.

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

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

Nays: none.

Motion carried.

COMMUNICATION

Mr. Oyer informed the Board that the spring IPPFA Conference would be held in Springfield, IL during the first week of May. He stated his intention to attend. Mr. Rathbun added that he also was considering attending. The cost would be split equally between the Police and Fire Pension Funds.

WITHDRAWAL FROM THE FUND

Mr. Reeb presented three, (3), request for Withdrawal from the Fund.

Quentin Hursey did not complete probation. Hire date: 11/26/2018. Resigned: 11/25/2019. Pension refund: $5,465.32.

James Lanhart. Hire date: 01/31/2011. Resigned: 05/02/2011. Pension refund: $4,969.03.

Kyle MacDonald. Hire date: 07/25/2016. Resigned: 09/09/2016. Pension refund: $615.50.

He informed the Board that during the annual cost of living increase, it was determined there were a number of individuals who had resigned and not requested that their pension contributions be refunded. Mr. Lanhart and Mr. MacDonald were two, (2), examples. He had been able to locate eleven of the twelve individuals.

Motion by Carl Reeb, seconded by Curt Oyer to approve the Withdrawals from the Fund for the following individual: Quentin Hursey in the amount of $5,465.32; James Lanhart in the amount of $4,969.03 and Kyle Macdonald in the amount of $615.50.

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

Nays: none.

Motion carried.

APPLICATION FOR PENSION

Mr. Reeb presented Gene Berkley's application for a regular pension.

Rank:	Captain
Year of Service:	32.35 years
Hire Date:	07/27/1987
Retirement Date:	10/29/2019
Salary:	$106,458.12
Monthly Pension:	$6,653.63

Motion by Carl Reeb, seconded by Scott Rathbun to approved the regular retirement pension for Gene Berkley.

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

Nays: none.

Motion carried.

OLD BUSINESS

Mr. Reeb informed the Board that he had met with Insight staff. The fund has been holding pension checks for Firefighter's widows. The effort to locate same continued.

Motion by Scott Rathbun, seconded by Curt Oyer to approve the Annual List of Meetings for 2020: January 17, April 17, July 17 and October 16, 2020 at 2:00 p.m.

Motion carried, (viva voce).

It was noted that the January 17^{th} meeting was rescheduled to January 24, 2020.

NEW BUSINESS

Mr. Reeb informed the Board that the 1099 tax forms were completed. They would be signed and mailed by January 31, 2020. The contract with Baker Tilly, (outside auditor), and Lauterbach & Amen, (actuary services), were still valid.

It was time to initiation the election process for an active firefighter trustee. The timeline was March/April 2020. Mr. Emmert had expressed his interest in another term on the Board.

Mr. Reeb requested that Mr. Rathbun review the Pension Consolidation statute regarding additional City appointee members on local boards.

He had heard from the state's Department of Insurance, (DOI). There had been an internal audit of the Board's electronic filing. DOI had found some issues. There was a list of ten, (10), items. He had worked with Baker Tilly and Insight to address same. The Board's response was due by January 31, 2020. The DOI email included the phrase "over equity exposure".

Motion by Scott Rathbun, seconded by Carl Reeb to adjourn. Time: 3:29 p.m.

Motion carried, (viva voce).

Respectfully submitted,

Tracey Covert
Recording Secretary

Signed by:

Ron Fowler, President

Carl Reeb, Secretary