August 25, 2025
Peoria, Illinois

PROCEEDINGS OF A REGULAR SCHEDULED MEETING OF THE BOARD OF TRUSTEES OF THE FIREMEN'S PENSION FUND OF PEORIA, ILLINOIS

A Regular Meeting of the Board of Trustees of the Firemen's Pension Fund of Peoria, Illinois, was held this date at City Hall, Room 400, Peoria, Illinois at 9:30 A.M. with proper notice having been given, for the purpose of conducting regular Firemen's Pension Fund business.

ROLL CALL

Roll Call showed the following Board members present: Higgins, Phillips, Pinkston, Tarr, President Smith - 5. Absent: None.

Others present: City Treasurer Jim Montelongo, Deputy City Treasurer Kayla Casey and Chief Deputy City Clerk Trina Bonds.

Others electronically present via Zoom: Derek Flessner, Principal, Lauterbach & Amen, LLP, Jason Franken, Foster & Foster, Inc., and Steve Zahn, Chief Operating Officer of FPIF.

INVOCATION

A moment of silence was held in remembrance of those Firefighters who have served our community.

MINUTES

Recommendation to Approve the Minutes of the Regular Board Meeting held on June 30, 2025, as printed.

Trustee Phillips moved to approve the minutes of the Regular Board Meeting held on Junel 30, 2025; seconded by Trustee Pinkston.

Approved by viva voce vote.

REGULAR BUSINESS

1. **IFPIF/Marquette & Associates Monthly Summary dated June 2025, with a Request to Receive and File.**

Illinois Firefighters' Pension Investment Fund (IFPIF) Update
Mr. Zahn provided an update on investments of the Fund for the Board. He reported the FPIF had just closed their fiscal year on June 30th, which was the reason for the delay of the issuance of the June account statement. He reported the Fiscal Year was July 1st thru June 30th. He noted they had reached a big milestone, ending the fiscal year just shy of $10.3 billion in the portfolio. He noted this fiscal year with the continuance of strong investment performance. He reported a fiscal year return of 13.3% outpacing the benchmark of 12.9%. He noted a 3-year return of 12% outpacing a policy benchmark of 11.7%. He said those returns were driven by

equity markets, really strong performances domestically, with even stronger performances with value U.S. equities and internationally developed equity markets. He then noted a strong performance with their fixed income composite earning 7% vs. a policy benchmark of 6.5%. He said another item of note during this fiscal year was the funding of the alternative assets or private markets. He said due to the nature of private markets, there was not much return data to report. He remarked 7.9% of the portfolio was committed to private markets, private equity, private real estate, infrastructure and private credit. He remarked eventually, 30% of the portfolio would be deployed in private markets. He said a lot of progress was made this year, noting they started the year with less than $1 million funded in private markets, but they now had $8 million deployed.

After more comments, Mr. Zahn noted moving forward they had a number of open procurements for a general investment consultant on their table with proposals being evaluated by staff. He reported there were a number of open private market procurements that were rolling with the anticipation that the FPIF Board would make a couple of selections before the end of the year. He said, as a result of funding their private markets, they had to maintain larger cash balances as they needed the necessary capital to make capital calls. He said the procurement team reviewed cash overlay providers to improve returns on cash balances.

Trustee Phillips moved to receive and file the IFPIF/Marquette & Associates Monthly Summary dated June 2025; seconded by President Smith.

Approved by viva voce vote.

2. **Review of the Peoria Firefighter's Pension Fund Statement of Results from June 2025, with Request to Receive and File.**

Trustee Phillips moved to receive and file the Peoria Firefighter's Pension Fund Statement of Results from June 2025; seconded by President Smith.

Approved by viva voce vote.

3. **Discussion on the Foster & Foster Actuarial Valuation as of January 1, 2025, with Request to Receive and File.**

Presentation From Foster & Foster Regarding The Actuarial Report

Mr. Jason Franken of Foster & Foster provided a presentation regarding the January 1, 2025, Actuarial Valuation. He gave a brief summary of the actuarial assumptions made based on the results of the 2024 experience study performed by the Illinois Firefighters' Pension Investment Fund. He referred to the summary on page five of the Actuarial Valuation Report performed as of January 1, 2025. He said they collected data as of the end of 2024 and calculated all of the liabilities that the plan had to obtain the asset value. He noted that they smoothed investment returns over a five-year period to eliminate some volatility. He shared the summary of results from last year's valuation on 1/1/24 to this year's valuation on 1/1/25. He remarked that total actuarial accrued liabilities went up from $361 million to almost $371 million. He said the liabilities increase each year by interest and decrease by benefit payments. He noted the interest rate used was 6.75%, which was different from what the consolidated fund used which was 7%. He remarked that the Actuarial Value of Assets increased from close to $178 million to almost $187 million. He reiterated that they use smooth investment gains and losses over a five-year period. He noted the market return for the calendar year was 10.2%, which was well above their 6.75%. He said however, when it was smoothed over the five years, the return was only 5.79%. He reported the return for the year was actually a percent less than what they were assuming. He said it was driven by the significant losses that we had in 2022. He reported the Unfunded Actuarial Accrued Liability was virtually unchanged, but he said it did go up by a few hundred thousand. He noted the Funded Ratio did go up from 49.2% to 50.4%. He outlined the three components in terms of contribution requirements. He reported the Normal Costs did go up by about $45,000 from $5,028,643 to $5,073,359. He noted Administrative Expenses did go up as well from $120,475 to $135,499. He reported that Amortization Payments went up significantly by approximately $700,000 as a result of an actuarial loss for the year and a shortage on investment returns by about one percent, which led to about a $144,000 increase. He noted the rate of mortality for the year, and he said there were fewer deaths than expected that led to higher contributions, which led to a $177,000 increase. He also remarked that the natural escalation of the contributions added $483,000 to the Amortization Payment. He said in total the contributions went up by $736,000 from $18,311 million to $19,048 million.

Mr. Franken reviewed the Contribution Requirements as a Percentage of Payroll. He noted the Normal Cost went down from 28.1% to 27.5%. He explained the reason was driven by the Tier 1 versus the Tier 2 ratio. He noted the percentage would continue to go down until all of the Tier 1 people have retired and have been replaced by Tier 2 people. He said the caveat there was assuming there were no changes to the Tier 2 benefits, and he explained if that were to happen, those Normal Costs rate would increase because of those proposed changes. He reviewed the Amortization Payments and reported it had increased from 82.9% to 84.5%. He reported the City Recommended Contribution increased by one percent of payroll from 102.2% to 103.2%.

Mr. Franken reviewed the Assets Section of Actuarial Asset Value. He noted the Actuarial Value was 186.8 %, but he said the Market Value was 183.5%, which was less than the actuarial value. He said they had $3.3 million of unrecognized investment losses that would be recognized over the next hand full of years.

Mr. Franken reviewed the 5-year Comparison of Actual and Assumed Salary Increases. He noted this year the salary increases were about 4.7% based on their assumptions which varied. He remarked that the overall aggregate assumption was 5.7%, which was a bit of a gain on salaries. He then reviewed the 5-year Comparison of Investment Return on Market Value and Actuarial Value of Assets. He reported this year the market value return was 10.2% vs. the smooth value of 5.8%. He pointed out that 2022 was the year there was a negative 14.1%, which was currently driving down the percentage. He explained there were still a couple years left to recognize that as long as there wasn't a big loss to replace it.

Mr. Franken reviewed the Deferred Investment (Gain)/Loss. He reported that in 2020 there was a $13.2 million gain, meaning they earned $13.2 million more than the 6.75% they were expecting. He said the next year, the return was not quite as large of a gain at $1.8 million. He reported that in 2022, they had a big $37 million loss. He said they were nearly 21% less than what they were expecting. He noted they recognized 60% of that loss, but he said they still had $14.7 million of that loss left to recognize. He remarked the good thing was the last four of the last five years had gains. He said more good news was that years 2023 thru 2025 have been strong and they haven't seen huge increases to the contribution requirements.

Mr. Franken reviewed Tier 1 actives vs. Tier 2 actives. He reported last year we had 89 Tier 1 vs. 96 Tier 2 people. He noted the Tier 2 percentage had increased and he explained any changes to their benefits would be retroactive to their hire dates. He went on to say if changes were implemented, they would see increases to their unfunded liability for those six years of prior service for all those Tier 2 people.

After the presentation, Trustee Pinkston moved to receive and file the Presentation by Foster & Foster regarding the 2025 Actuarial Valuation; seconded by Trustee Phillips.

Approved by viva voce vote.

4. **Monthly Financial Report from Lauterbach & Amen for <u>May 2025</u>, which includes the Statement of Plan Net Assets, Summary of Cash and Investments, Cash Analysis Report and Summary, Revenue Report, Pension Benefits and Expenses, Expense Report, Contribution Report, and Payroll Journal, with Request to Approve.**

Trustee Phillips moved to <u>approve</u> the monthly financial reports from Lauterbach & Amen, LLP for the month of May 2025, which includes the Statement of Plan Net Assets, Summary of Cash and Investments, Cash Analysis Report and Summary, Revenue Report, Pension Benefits and Expenses, Expense Report, Contribution Report, and Payroll Journal; seconded by President Smith.

Approved by roll call vote.
Yeas: Higgins, Phillips, Pinkston, Smith, Tarr – 5;
Nays: None.

5. **Monthly Financial Report from Lauterbach & Amen for <u>June 2025</u>, which includes the Statement of Plan Net Assets, Summary of Cash and Investments, Cash Analysis Report and Summary, Revenue Report, Pension Benefits and Expenses, Expense Report, Contribution Report, and Payroll Journal, with Request to Approve.**

Derek Flessner, Principal, Lauterbach & Amen, LLP, gave a brief overview of the June 2025 Monthly Financial Report. He referred to the Statement of Net Position as of June 30, 2025 and he reported under Assets, the Cash and Cash Equivalents were $11.577 million. He noted the Pooled Investments with the Consolidated Fund as of the end of May were $179.194 million. He said when looking at the month of June there was a little over $180.6 million. He reported the Net position of the Pension Fund was just shy of $191 million at $190.824 through the end of June.

Mr. Flessner reviewed the Statement of Changes in Net Position for the six months ending June 30, 2025. He reported the Municipal contributions of $7,854,165.68 million and the Member contributions of $894,171.86. He reviewed Investment Income Interest noting the total of net investment income of $8.789 million. He remarked that expenditures were $70,225.97 in Administration expenses and $10.171 million in Pension Benefit payments. He noted close to $19,000 in refunds. He reported the Change in Position of $7.276 million. He remarked the net position held in trust for pension benefits at the beginning of January was $183.548 million and at the end of June with some investment activity there was $190,824,736.36.

In closing, Mr. Flessner gave a brief overview of the different detailed reports. He reported the July report would include the additional investment activity for the month of June as well as the July statement.

After brief comments, Trustee Phillips moved to approve the monthly financial reports from Lauterbach & Amen, LLP for the month of June 2025, which includes the Statement of Plan Net Assets, Summary of Cash and Investments, Cash Analysis Report and Summary, Revenue Report, Pension Benefits and Expenses, Expense Report, Contribution Report, and Payroll Journal; seconded by President Smith.

Approved by roll call vote.
Yeas: Higgins, Phillips, Pinkston, Smith, Tarr – 5;
Nays: None.

6. Review of Cash Reserves and Cash Flow Projections with a Request to Receive and File or Take Other Action Deemed Necessary.

Derek Flessner, Principal, Lauterbach & Amen, LLP, reported the Board has paid a little over $1.7 million out in benefits each month. He mentioned administrative expenses that were approximately $5,000 to $10,000 each month. He noted the $1.5 million recurring from the Consolidated Fund each month. He said between that amount and what the employees contribute, he said there was plenty of cash on hand. He said there was really a difference of about a $150,000 shortfall. He remarked the Board could update the amount of cash reserves if needed.

In discussion, Trustee Tarr commented that if the Board wanted to make a change to the cash reserves, she said they could review that in October.

After brief comments, President Smith moved to Receive and File the discussion on the reviewal of Cash Reserves and Cash Flow Projections; seconded by Trustee Phillips.

Approved by viva voce vote.

7. Request to Receive and File The Municipal Compliance Report for The Firemen's Pension Fund of Peoria for the Year Ended December 31, 2024, Prepared By Lauterbach & Amen, LLP.

Derek Flessner, Principal, Lauterbach & Amen, LLP, gave a brief overview of The Municipal Compliance Report for the Board. He reported the estimated amounts necessary to meet the annual actuarial requirements of the pension fund from Firefighters Pension Investment Fund was $13,910,178 million, from Foster & Foster he noted the recommended municipal contributions were $19,048,274 and he remarked for comparison, $15,818.315 was the statutory municipal contributions.

President Smith moved to receive and file the Municipal Compliance Report for the Firemen's Pension Fund of Peoria for the Year Ended December 31, 2024, Prepared by Lauterbach & Amen, LLP; seconded by Trustee Phillips.

Approved by viva voce vote.

8. Discussion on Lauterbach & Amen issuing vendor payments via ACH, with a Request to Approve.

A brief discussion was held regarding Lauterbach & Amen issuing vendor payments via ACH. Deputy City Treasurer Casey reported that currently the Board was still getting paper checks mailed from Lauterbach and Amen, then three signatures were obtained before mailing the checks out. She said she reached out to Mr. Flesner to see what the process would be if the Board had an appetite to send the vendors that they could through the ACH process.

Mr. Flessner reported there would be no additional expense to the Pension Board for changing vendor payments to ACH. He said it would save time and effort from having to obtain signatures. He noted they only needed the three items in order to do it. First, he said they would capture electronic signatures of authorized individuals for the checks. Secondly, he said they would need a one-page memo stating the Board authorizes Lauterbach and Amen to do ACH payments when possible. Lastly, he noted Lauterbach and Amen would need ACH account information for vendors. After briefly describing the process, he said approximately 85% of the pension funds they work with have switched to ACH payments whenever possible.

In response to a question from Trustee Phillips, Mr. Flessner explained the checks and balances. In discussion, Deputy City Treasurer Casey explained the current risks and the huge problem with check fraud.

After brief comments, President Smith moved to Approve the Request to Direct Lauterbach & Amen, LLP to begin issuing vendor payments via ACH; seconded by Trustee Phillips.

Approved by roll call vote.
Yeas: Higgins, Phillips, Pinkston, Smith, Tarr – 5;
Nays: None.

9. Request to Direct Reimer Dobrovolny & LaBardi to Send Correspondence to the City Regarding the Board's Recommended Funding Level in the Amount of $19,048,274, with Request to Approve.

Trustee Tarr remarked on the recommended funding level, and she said it was aligned with the Municipal Compliance Report. She reported the Board would also be sending a letter out to the City of Peoria.

After brief discussion, President Smith moved to Direct Reimer, Dobrovolny & LaBardi PC to Send Correspondence to the City Regarding the Board's Recommended Funding Level in the amount of $19,048,274.00; seconded by Trustee Pinkston.

Approved by roll call vote.
Yeas: Higgins, Phillips, Pinkston, Tarr, President Smith - 5;
Nays: None.

10. Report from Fire Marshal Shawn Sollberger of Pension Fund Contributions, which were made by payroll deductions during the Month of July, 2025, from the active members of the Peoria Fire Department and which checks were turned in to the City Treasurer's Office by Director of Finance/Comptroller, with Recommendation to Concur and Receive and File.

Payroll Period	When Deducted	Amount
June 21, 2025 – July 5, 2025	July 15, 2025	$ 73,150.76
July 6, 2025 – July 20, 2025	July 31, 2025	$ 72,674.48
	TOTAL	$145,825.24

Trustee Phillips moved to concur and place on file the Fire Marshal's Report for July 2025; seconded by Trustee Pinkston.

Approved by viva voce vote.

11. Request to RATIFY and APPROVE the following BILLS for July and August:

Pensions for July 2025 (dated July 31, 2025)	***$1,720,450.12***
Lauterbach & Amen PC – Prof Svcs – IDOI Report FY Ended 12/31/24	5,005.00
Lauterbach & Amen PC – Prof Svcs – May '25	3,840.00
Trina D. Bonds – 2nd Qtr Admin Svcs (April – June '25)	1,350.00
SUB-TOTAL FOR JULY	$1,730,645.12
APPROVE & RATIFY GRAND TOTAL FOR JULY	**$1,730,645.12**

President Smith moved to approve the bills for July 2025, in the amount of **1,730,645.12**; seconded by Trustee Pinkston.

Approved by roll call vote.
Yeas: Higgins, Phillips, Pinkston, Tarr, President Smith - 5;
Nays: None.

Request to APPROVE the following BILLS for AUGUST:

Pensions for August 2025 (dated August 30, 2025)	***$1,720,373.91***
Foster & Foster, Inc. – 1/1/25 Pension Valuation	10,281.00
Lauterbach & Amen PC – Prof Svcs – June '25	3,840.00
INSPE Associates, LLC – Dr. Scott Gordon – Jered Siebenthal	1,800.00
INSPE Associates, LLC – Dr. Geoffrey Shaw – Jered Siebenthal	900.00
INSPE Associates, LLC – Dr. Stevan Weine – Jered Siebenthal	900.00
IPPFA – MidAmerican Pension Conf Reg – Brandon Pinkston	510.00
SUB-TOTAL FOR AUGUST	$1,738,604.91
APPROVE GRAND TOTAL FOR AUGUST	**$1,738,604.91**

President Smith moved to approve the bills for August 2025, in the amount of **1,738,604.91**; seconded by Trustee Pinkston.

Approved by roll call vote.
Yeas: Higgins, Phillips, Pinkston, Tarr, President Smith - 5;
Nays: None.

12. Review of Application for hired on February 17, 2025, to the Firemen's Pension Fund for Breyden Schmitz, with Recommendation to Approve. (Under Tier II Benefits)

Trustee Pinkston moved to approve the Application for Membership to the Firemen's Pension Fund for Breyden Schmitz Hired on February 17, 2025, under Tier II benefits; seconded by President Smith.

Approved by roll call vote.
Yeas: Higgins, Phillips, Pinkston, Smith, Tarr – 5;
Nays: None.

13. Resolution Authorizing the City Treasurer Jim Montelongo to Maintain a Minimum of $10,000.00 in the Harris Bank Account, with Request to Approve.

Trustee Phillips moved to approve a Resolution authorizing City Treasurer Jim Montelongo to maintain a minimum of $10,000.00 in the Harris Bank Account; seconded by Trustee Pinkston.

Approved by roll call vote.
Yeas: Higgins, Phillips, Pinkston, Smith, Tarr – 5;
Nays: None.

14. Request to Approve the Removal from the Pension Rolls of Judith K. Headley due to her death on July 15, 2025, and to make payment to the Judith K. Headley Estate, in the Amount of $1,100.55, for 15 Days of July, with Request to Approve and to Receive and File the Death Certificate and to approve the Payment of $1,100.55 for the 15 Days of July.

President Smith moved to approve the removal from the pension rolls of Judith K. Headley due to her death on July 15, 2025, and to make payment to the Judith K. Headley Estate, in the amount of $1,100.55 for 15 days of July and to receive and file the Death Certificate; seconded by Trustee Phillips.

Approved by roll call vote.
Yeas: Higgins, Phillips, Pinkston, Tarr, Smith – 5;
Nays: None.

15. Request to Approve the Removal from the Pension Rolls of William C. Gangloff due to his Death on July 18, 2025, and to make payment to the William C. Gangloff Estate, in the Amount of $3,947.76, for 18 days of July 2025. Recommendation: To Receive and File the Death Certificate, and to Approve the Payment of $3,947.76 for the 18 days of July.

Trustee Phillips moved to approve the removal from the pension rolls of William G. Gangloff due to his death on July 18, 2025, and to make payment to the William C. Gangloff Estate, in the amount of $3,947.76 for 18 days of July and to receive and file the Death Certificate; seconded by Trustee Pinkston.

Approved by roll call vote.
Yeas: Higgins, Phillips, Pinkston, Tarr, Smith – 5;
Nays: None.

16. Request to Accept the Application for a Widow's Pension Benefit for Vicki L. Lambie, she being the Widow of William C. Gangloff, with Benefits Commencing July 19, 2025, with her Benefit Based on 100% of his monthly benefit of $6,799.06 per month; therefore, Benefits for 13 days of July to be Paid, in the amount of $2,851.16 and $6,799.06 for each month thereafter. Recommendation: Approve the Payment $2,851.16 for July and $6,799.06 for each month thereafter.

Trustee Phillips moved to accept the Application for a Widow's Pension Benefit for Vicki L. Lambie, she being the widow of William C. Gangloff, with benefits commencing July 19, 2025, with her benefit to be based on 100% of his monthly pension benefit of $6,799.06 per month; therefore benefits for 13 days of July to be paid, in the amount of $2,851.16 and $6,799.06 for each month thereafter; seconded by President Smith.

Approved by roll call vote.
Yeas: Higgins, Phillips, Pinkston, Tarr, Smith – 5;
Nays: None.

17. Update Regarding the Disability Application of Jered Siebenthal, with Request to Receive and File.

Trustee Tarr gave a brief overview for the Board. She reported all reports had been received, but a supplemental report came in at the last minute.

After a brief discussion, Trustee Phillips moved to receive and file the Update regarding the Duty Disability Application for Battalion Chief Jered Siebenthal; seconded by President Smith.

Approved by viva voce vote.

18. Update Regarding the Disability Application of Joel F. Krizel, with Request to Receive and File.

Trustee Tarr gave a brief overview for the Board. She noted they were still waiting to receive all reports.

After brief comments, Trustee Pinkston moved to receive and file Receipt of the Duty Disability Application for Engineer Joel F. Krizel; seconded by Trustee Phillips.

Approved by viva voce vote.

UNFINISHED BUSINESS

There was no Unfinished Business presented for discussion.

NEW BUSINESS

There was no New Business presented for discussion.

EXECUTIVE SESSION

It was determined that an Executive Session was not needed at this time.

CITIZENS' OPPORTUNITY TO ADDRESS THE BOARD OF TRUSTEES

It was determined that there were no citizens to address the Board of Trustees.

ADJOURNMENT

Trustee Pinkston moved to adjourn the Regular Firemen's Pension Board Meeting; seconded by Trustee Phillips.

Approved by roll call vote.
Yeas: Higgins, Phillips, Pinkston, Tarr, Smith – 5;
Nays: None.

The Regular Firemen's Pension Board meeting adjourned at 10:40 A.M.

Stefanie Tarr

Stefanie Tarr, RMC, MMC, City Clerk
Trustee and Board Secretary,
Firemen's Pension Fund of Peoria, Illinois

/tb