PEORIA POLICE PENSION FUND

600 SW Adams St. Peoria, Illinois 61602

A regular meeting of the Board of Trustees of the Peoria Police Pension Fund was held at Kelleher's located at 619 S.W. Water Street, Peoria, IL 61602 and livestreamed through the Zoom digital platform.

THE PEORIA POLICE PENSION FUND BOARD OF TRUSTEES
REGULAR MEETING MINUTES
August 14, 2025, at 11:00 a.m.

TRUSTEES PRESENT: Scott Bowers
Alan Misener
Robert McMillen
Norman Burdick
Catherine Hardy

TRUSTEES ABSENT: None

OTHERS PRESENT: Chad Lucas, Sikich
Richard Reimer, Reimer Dobrovolny & LaBardi PC
John Falduto, Sawyer Falduto Asset Management, LLC (via Zoom)
Derek Flessner, Lauterbach & Amen (via Zoom)
Amanda Secor, Lauterbach & Amen (via Zoom)
Shadia Hernandez, Foster & Foster, Inc.

1. CALL TO ORDER: Trustee Bowers called the meeting to order at 11:00 a.m.

2. ROLL CALL: As reflected above.

3. MEETING MINUTES

A. *Review and Approve May 15, 2025, Regular Meeting Minutes*: The Board reviewed the draft minutes from the May 15, 2025 regular meeting. Trustee Misener complimented the thoroughness of the meeting minutes before pointing out corrections that were needed, as outlined below.

7.B.1. **Membership Updates:** Paul Deeb's last name was spelled incorrectly.
8.B.3. **Old Business:** Trustee Hardy's term was appointed by vote during the City Council meeting.
10.A. **Attorney's Report:** The motion carried was 5-0.
11. **Public Comment:** The motion carried was 5-0.
13. **Adjournment:** The motion carried was 5-0.

A motion was made by Trustee Misener and seconded by Trustee McMillen to approve May 15, 2025, Regular Meeting Minutes with discussed revisions; Motion carried 5-0.

B. *Review and Approve June 2, 2025, Special Meeting Minutes*: Trustee Bowers reviewed the Special Meeting Minutes of June 2, 2025.

A motion was made by Trustee Burdick and seconded by Trustee Misener to approve the June 2, 2025 Special Meeting Minutes as presented; Motion carried 5-0.

4. ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP

A. *Review and Accept Monthly Financial Report as of June 30, 2025:* Mr. Flessner presented the Monthly Financial Report as of June 30, 2025. The **Assets, Cash and Cash Equivalents** were $20,619.71. The **Money Market Mutual Funds** that are in Schwab $2,392,161.88. The **Pooled Investments** in the consolidated fund were $242,567,492.89. **The Net Position Held in Trust for Pension Benefits** ending in June were $245,018,335.67. **Municipal Contributions** were $7,928,748.29. The **Member Contributions** were $1,108,317.75. The **Net Investment Income** $18,697,585.91 when added together **a Total Additions** of $27,734,651.95. **Administration Fees** $115,739.18; **Pension Benefits** $11,576,917.07 and **Refunds** $112,280.49 with a **Change in Position** of $15,929,715.21. The **Net Position Held in Trust for Pension Benefits** at **the Beginning of the year** was $229,088,620.46 and the **End of Period** was $245,018,335.67.

B. *Review Cash Reserves and Cash Flow Projections*: Mr. Flessner discussed the Cash Reserves and Projections. The repeat withdrawal amount was previously set to $2,000,000.00 to pay bills and benefits of the Fund. Mr. Flessner explained that $1,945,878 went to Pension Benefits expenses. A couple of passings and new retirements will bring pension benefits expenses to approximately $1,970,000 in monthly benefit payments. There is about a $30,000 cushion which has historically been a standard amount. The 2026 COLAs need to be considered at the next meeting.

A motion was made by Trustee McMillen and seconded by Trustee Hardy to accept the Monthly Financial Report as of the Month Ended June 30, 2025 as presented; Motion carried 5-0

C. *Approve Vendor Check Report and Payment of Bills:* Mr. Flessner discussed the Vendor Check Report with Trustees starting on page 120 of the Meeting Packet. The **Total Payments** from April 1, 2025 through June 30, 2025 were $135,403.72.

A motion was made by Trustee McMillen and seconded by Trustee Misener to approve the payment register totaling $135,403.72; Motion Carried by Roll Call Vote 5-0.

AYES:	Trustees Bowers, Burdick, Hardy, McMillen and Misener
NAYS:	None
ABSENT:	None

D. *Approve Additional Bills*: Trustee Bowers reviewed the additional bills from Foster & Foster, Lauterbach & Amen and Reimer Dobrovolny & LaBardi PC totaling $24,020.32.

1) *Foster & Foster: Invoices* 36268, 36471, 36903, 37266
2) *Lauterbach & Amen, LLP Invoices:* 104018, 104936, 105257, 105975
3) *Reimer Dobrovolny & LaBardi PC:* Invoice 32055, 31838

A motion was made by Trustee Burdick and seconded by Trustee Misener to approve the additional bills totaling $24,020.32; Motion Carried by Roll Call Vote 5-0.

AYES: Trustees Bowers, Burdick, Hardy, McMillen and Misener
NAYS: None
ABSENT: None

5. INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC

A. *Review and Accept Asset Management Report as of June 30, 2025:* Mr. Falduto began with the Cash Flow and Performance Review on page 145 of the Meeting Packet. Mr. Falduto explained that as of January 1st the **Beginning Market Value** was $2,010,734. During the first six months of the year the **Contributions** were $9,037,066 and the **Distributions** were $8,689,568. The Fund is up $33,879 after **Income/Expenses** for the first six months of the year. The **Ending Market Value** $2,392,162. He reviewed the current performance of the top three indexes and their long-term performance. He explained that the growth of the pension fund is tracked from December 2022 through June 2025. The **Investment Return** was $233,865. He then discussed the transaction ledger with Trustees. He explained that it is important to transfer access funds and invest them because if the top two trading days are missed on average per year the return could be negative. Investing the money as quickly as possible and leaving it invested will add up in the long run.

A motion was made by Trustee McMillen and seconded by Trustee Burdick to accept Sawyer Falduto's Asset Management Report through June 30, 2025 as presented; Motion carried 5-0.

B. Review Illinois Police Officers' Pension Investment Fund Monthly Investment Report and Monthly Statement as of July 31, 2025: Mr. Falduto moved on to IPOPIF's Monthly Investment Report and Monthly Statement as of July 31, 2025 with Trustees; starting on page 163 of the Meeting Packet. The **Beginning Balance** started at $226,784,523.04. **Contributions** that were invested $11,004,402.17 and **Withdrawals** used to pay benefits and other expenses were $13,700,000. The **Income** on the portfolio was $700,278.03. **Administrative and Investment Expenses** totaled $107,106.29 year to date. The **Realized Gain/Loss** was $2,092,939.18. **Unrealized Gain/Loss** $18,070,513.69 and the **Ending Balance** was $244,906,056.59. The **Adjustment** line has to do with the consolidated fund charging the funds that participated in the lawsuit and the costs associated. Based on calculations, they then distributed to the funds that had been covering that since the inception of the IPOPIF Fund. The share that corresponds to the Peoria Police Fund is $60,506.77. A description of the adjustment is found in the Statement Notes on the bottom of page 161 of the Meeting Packet. The Trustees received and reviewed the report.

C. *Review Illinois Police Officers' Pension Investment Fund Verus Report as of June 30, 2025:* Mr. Falduto moved on to page 168 of the Meeting Packet. He explained that it is an overall look of the consolidated fund. The IPOPIF investment portfolio was $13,745,843,365 as of June 30, 2025. The Fund is invested roughly 30% in international stocks. The Trustees received and reviewed the report.

6. CASH MANAGEMENT

A. *Review of Cash Flow Projections and Discuss Cash Management Needs:* Trustee Bowers noted that this was already discussed. No Action Required.

B. *Amend Cash Management Directives and Update eCFM Form, If Needed:* The eCFM form will need to be updated for the consolidated fund.

C. *Add and/or Remove Authorized Agents and/or Account Representatives by Resolution, If Needed:* The authorized agents on the BMO account were completed. The Schwab account with Sawyer Falduto will need to be updated.

7. MEMBERSHIP UPDATES

A. *Applications for Membership:* Trustee Bowers stated that there were no new Applications for Membership. The department will be hiring later in August 2025.

B. *Applications for Retirement and/or Disability Benefits:* Trustee Bowers reviewed Michael Clark's and Brian Terry's pension applications with the Board. Trustee Misener discussed the retirement of officer Jacob Bradford stating that he is retiring at age 42 and won't be eligible for a pension for eight years. Mr. Reimer explained that by statute he is defined as a deferred pensioner. The officer is currently single and his estate would receive a refund of his contributions if he were to die single before the age of 50. Reimer explained that some funds choose not to address the issue until the officer is eligible for pension benefits other of his clients want to document the event in the minutes and have the officer fill out an application and do a retirement Decision and Order as a deferred pensioner.

1) *Michael B. Clark (Retirement):* Michael Clark's date of hire was 03/26/99. His last day worked was 07/12/25. The effective date of pension will be 10/07/25. Clark's annual pensionable salary is $161,358.07.

A motion was made by Trustee Burdick and seconded by Trustee McMillen to approve and process the request for retirement benefits in the amount of $8,740.23 for Michael B. Clark as presented; Motion carried by Roll Call Vote 5-0.

AYES:	Trustees Bowers, Burdick, Hardy, McMillen, and Misener
NAYS:	None
ABSENT:	None

2) *Brian D. Terry (Retirement):* Trustee Bowers reviewed Brian D. Terry's pension application with the Board. He noted that the effective date of pension for Terry is in September. Brian Terry's date of hire was 09/10/98. His last day worked will be 09/10/25. The effective date of pension is 09/11/25. Terry's annual pensionable salary is $118,800.00.

A motion was made by Trustee Burdick and seconded by Trustee Misener to approve and process the pension amount of $6,682.50 for Brian D. Terry as presented; Motion Carried by Roll Call Vote 5-0.

AYES:	Trustees Bowers, Burdick, Hardy, McMillen, and Misener
NAYS:	None
ABSENT:	None

C. *Withdrawals from the Fund and/or Contribution Refunds*: Trustee Bowers explained that officer Bryce Taylor contacted him about a withdrawal but nothing has been formalized yet. Updates will be provided to the Board as they become available.

D. *Deceased Members and/or Applications for Survivor Benefits*: Trustee Bowers reviewed the deceased members and applications for survivor benefits.

1) *Darlene R. Armentrout/Heath M. Armentrout (06/17/25)*

A motion was made by Trustee Burdick and seconded by Trustee McMillen to terminate the pension benefit for Heath M. Armentrout and approve the survivor benefit amount for Darlene R. Armentrout of $5,513.00; Motion Carried by Roll Call Vote 5-0.

AYES:	Trustees Bowers, Burdick, Hardy, McMillen, and Misener
NAYS:	None
ABSENT:	None

2) *Rosiland A. Swain/Danny W. Swain (06/30/25)*

A motion was made by Trustee Burdick and seconded by Trustee McMillen to terminate the pension benefit for Danny W. Swain and approve the survivor benefit amount for Rosiland A. Swain of $5,874.34; Motion Carried by Roll Call Vote 5-0.

AYES:	Trustees Bowers, Burdick, Hardy, McMillen, and Misener
NAYS:	None
ABSENT:	None

3) *Erine Stanley (05/13/25), No Beneficiaries*
4) *Lillian Knight (05/05/25), No Beneficiaries*

A motion was made by Trustee Misener and seconded by Trustee Hardy to terminate the pension benefits for Erine Stanley and Lillian Knight; Motion Carried by Roll Call Vote 5-0.

AYES:	Trustees Bowers, Burdick, Hardy, McMillen, and Misener
NAYS:	None
ABSENT:	None

5) *Ann Ruggles Beneficiary Status Update* – Mr. Reimer explained that dependency on the officer has to be proven. It will continue to be an ongoing agenda item.

E. OTHER

Trustee Bowers explained that he did not hear back from Evan or Joshua regarding the purchase of military service. No Action Required.
1) *Evan Z. Eichelkraut – Purchase of Military Service*
2) *Joshua Svoboda – Purchase of Military Service*

8. OLD BUSINESS

1) *2025 Events and Training Opportunities* – Trustee Hardy stated that she would complete online training. Trustees Bowers and McMillen will attend the upcoming IPPFA conference in October. Trustees Burdick and Misener completed the required training in May.
2) *State Annual Report* – No Action Required.
3) *2025 Rules and Regulations* – No Action Required. Mr. Reimer recommended tabling the signing of the 2025 Rules and Regulations because the Board should write new rules regarding psychiatric/psychological disability.
4) *Secretary Seat* – The appointments for the seats for Peoria Police Pension Fund's Board of Trustees is usually in July; this meeting is the closest. The Trustees all agreed to maintain their current positions. Trustee McMillen agreed to be the Secretary.

A motion was made by Trustee Burdick and seconded by Trustee Misener to maintain the existing slate and add Trustee Robert McMillen as the Secretary; Motion Carried 5-0.

5) *Final Audit Report* - Chad Lucas of Sikich discussed the Financial Statement for the Independent Auditors Report for the FYE December 31, 2024. On page 4 of the report are the financial statements. At the end of December 31, 2024 all the assets are listed in cash and cash equivalents. The investments into the IPOPIF fund were over $226 million including the receivables from participants. The Net Position is about $229 million. On page 5 is the Statement of Changes in Plan Net Position. The Income Statement, Employer Contributions, and Participant Contributions totaled about $18.6 million. The Total Net Investment Income is almost $20 million for the FYE December 31, 2024. The deductions for pension benefits and refunds totaled about $22.4 million. Administrative Expenses are $186,000. The Net Increase was a little over $16 million. On page 6; the Financial Statements including significant accounting policies for the Plan are followed by a Plan Description. On page 10

is the contribution section. On page 10 in note 2c in the contribution section; it is communicated that the City doesn't have a formal funding policy with respect to the Pension Fund. Beginning in FY23 the City chose to fund the Pension Fund using a different actuarial calculation. Previously that had been the statutory minimum; the projected credit calculations. Starting in FY23 the City chose to use a different funding method under GASB. The paragraph describes this event.

IPOPIF Report page 12 note 4, is a disclosure about what the net pension liability is for the City as of the end of the calendar year 2024. The total pension liability actuarial calculation was a little over 400 million. The Plan Net Position which has $229 million, information that was covered on page 4-5. The Net Pension Liability at the End of the Fiscal Year was $180 million from the City. The actuarial assumptions used goes into the discount rates, page 15 note 4. B. the discount rate is 6.7%. The actuary calculates sensitivity for what the net pension liability would have been if the discount rate was 1% more or less; ex: 5.75% and 7.75%. Page 17 shows trend information over the last ten years from 2015-2024. The last line is the Net Pension Liability for each of those years. For example, in 2022, the net pension liability was $206 million in 2023 it was $187 million and 2024 was $180 million. The fluctuations in market conditions affect those numbers but the numbers are also affected by the approach to funding. Page 18 is the percentage of covered payroll that the net pension liability is. Page 19 is the amount of the employer contribution for that 10 year period. The first line is the actuarially determined contribution and the second line is the amount that was actually contributed. The last page is the rate of return net of investment expenses for the investments of the plan for a ten year period. This year the rate of return was almost 9.5%. The Audit was performed in accordance with Yellow Book. Mr. Lucas then transitioned into the 2nd report; the Auditors Communication to the Board.

Mr. Lucas discussed the Auditors Communication to the Board. He explained that page 1 is the Cover Letter. Page 2, explains the required communication regarding auditing standards. He stated that no new accounting policies were adopted during FY24. The estimates that were evaluated were disclosed. There was no material weaknesses found. Under the advisory comments; during the review the auditor noticed that there were a couple of Board approvals that were for a couple of refunds where the approvals were not noted in the minutes. Mr. Lucas recommended that those be documented in the minutes.

A motion was made by Trustee Burdick and seconded by Trustee Misener to accept the Financial Audit Report and the Auditors Communication to the Board as presented; Motion Carried 5-0.

Chad Lucas exited the meeting at 11:25 a.m.

9. NEW BUSINESS

A. *Review/Approve Letter and Form for 2025 Affidavits of Continued Eligibility.* Lauterbach & Amen agreed to send out the Affidavits of Continued Eligibility.

B. Review/Approve Lauterbach & Amen's Proposal for PSA Services. Amanda Secor presented a proposal for Professional Service Administration (PSA), which included a timeline of workflow and pricing.

A motion was made by Trustee Burdick and seconded by Trustee McMillen to terminate Foster & Foster PSA services effective October 31, 2025 and retain L&A for PSA services on October 1, 2025 per the engagement letter; Motion Carried by Roll Call Vote 5-0.

AYES:	Trustees Bowers, Burdick, Hardy, McMillen, and Misener
NAYS:	None
ABSENT:	None

A motion was made by Trustee Misener and seconded by Trustee Burdick to authorize Lauterbach & Amen to send Affidavits of Continuing Eligibility; Motion Carried 5-0.

10. ATTORNEY'S REPORT – Reimer, Dobrovolny & LaBardi PC

A. *Legal Updates – July 2025 Newsletter.* Mr. Reimer explained that although this item was not on the agenda it could be discussed under legal updates. Mr. Reimer discussed the yearly exams required by statute to verify eligibility for disability benefits with Trustees. He will issue correspondence to Timothy Wight, Thane Hunt and Shawn Eckhoff for their annual independent medical examinations.

A motion was made by Trustee Hardy and seconded by Trustee Burdick to authorize Reimer, Dobrovolny & Labardi PC to send out annual medical record reviews for Wight, Hunt and Eckhoff; Motion Carried by Roll Call Vote 5-0.

AYES:	Trustees Bowers, Burdick, Hardy, McMillen, and Misener
NAYS:	None
ABSENT:	None

Mr. Reimer discussed the pending disability applications for David Buss, Seth Landwehr, Krista Marx and Justin Sinks. He did not discuss the specifics of the disability applications but did want to discuss the disability of Sergeant Curry. Historically, Curry is the only member to receive psychological disability benefits. Curry was sent to three board certified psychiatrists. Board certified MDs are not licensed to conduct an independent battery of diagnostic tests. A pattern of psychological disability applications could emerge. Generally, applicants should be subjected to a battery of psychological testing. Reimer did not recommend a battery of psychological testing for Sergeant Curry because his wife is a licensed clinical psychiatrist. Reimer had read her reports from years ago and had introduced her to INSPE, a firm that he uses to access practicing doctors. He figured it would be a conflict of interest. Reimer requested that the Board authorize him to send psychiatric/psychological disability applicants for a battery of diagnostic tests if need be. The Board was told that they absolutely did not face any issues if they decide to change course now from what was done with Curry. Reimer explained that leading up to attaining the experts the firm will collect all medical records by requiring applicants to disclose every healthcare provider that has treated or evaluated them. The Firm then subpoenas the workers comp agency and also the City and or the Police Department. The Firm is looking for any investigations, related records, performance problems, evaluations etc. The Firm then sends the records to INSPE whom then selects practicing doctors. The reports are then received along with exhibits. Reimer explained he would need an action to memorialize the changes in the 2025 Rules and Regulations and also make changes to the process for applicants that involves using Digitary. Trustee Burdick explained that he was a workers compensation fraud investigator and he used Digitary among other tools to uncover fraud.

A motion was made by Trustee Hardy and seconded by Trustee Burdick to require that all psychological disability evaluations include a clinical psychologist (PhD) and a battery of tests plus 3 IMEs; Motion Carried by Roll Call Vote 5-0.

AYES:	Trustees Bowers, Burdick, Hardy, McMillen, and Misener
NAYS:	None
ABSENT:	None

A motion was made by Trustee Burdick and seconded by Trustee Hardy to use Digitary or an equivalent for social media reports regarding disability claims; Motion Carried by Roll Call Vote 5-0.

AYES:	Trustees Bowers, Burdick, Hardy, McMillen, and Misener
NAYS:	None
ABSENT:	None

A motion was made by Trustee Burdick and seconded by Trustee Hardy not to have INSPE use doctor Michelle Lilly's services due to an appearance of conflict of interest; Motion Carried by Roll Call Vote 3-2.

AYES: Trustees Burdick, Hardy, and Misener
NAYS: Trustees Bowers and McMillen
ABSENT: None

B. *Adopt and Publish Decision and Order in the James M. Chiola Retirement Matter*

A motion was made by Trustee McMillen and seconded by Trustee Misener to adopt and publish the Decision and Order in the Lieutenant James Chiola Retirement Matter; Motion Carried by Roll Call Vote 5-0.

AYES: Trustees Bowers, Burdick, Hardy, McMillen, and Misener
NAYS: None
ABSENT: None

C. *Adopt and Publish Decision and Order in the Paul Deeb Retirement Matter*

A motion was made by Trustee Hardy and seconded by Trustee McMillen to adopt and publish the Decision and Order in the Lieutenant Paul Deeb Retirement Matter; Motion Carried by Roll Call Vote 5-0.

AYES: Trustees Bowers, Burdick, Hardy, McMillen, and Misener
NAYS: None
ABSENT: None

11. PUBLIC COMMENT. None.

12. CLOSED SESSION, if necessary. Not needed.

13. ADJOURNMENT

A motion was made by Trustee Burdick and seconded by Trustee McMillen to adjourn the meeting at 12:51; Motion Carried 5-0

Next Meeting TBD

Scott Bowers
Board President or Secretary

Minutes approved by the Board of Trustees on 12-04-25

Minutes prepared by Shadia Hernandez, Foster & Foster, Inc. with edits for completion and corrections completed by Sara Gutierrez, Lauterbach & Amen