PROCEEDINGS OF A RESCHEDULED REGULAR MEETING
OF THE BOARD OF TRUSTEES OF THE FIREMEN’S PENSION FUND
OF PEORIA, ILLINOIS

A Rescheduled Regular Meeting of the Board of Trustees of the Firemen’s Pension Fund of Peoria, Illinois, was held this date at City Hall, 419 Fulton Street, Room 404, Peoria, Illinois, at 9:41 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: Nichting, Smith, Tomblin, President Troglio – 4; Absent: Ball - 1.

Others present: Mr. Thomas McShane, First Vice President – Investments, Senior Investment Management Consultant with Graystone Consulting, a business of Morgan Stanley/Smith-Barney in Chicago; and Chief Deputy City Clerk Stefanie Tarr.

INVOCATION

President Troglio requested a moment of silent prayer or silent reflection in remembrance of those Firefighters who lost their lives while serving their community.

MINUTES

Recommendation to Approve the Minutes of the Rescheduled Regular Meeting held on May 28, 2019, and the Regular Board Meeting held June 24, 2019, as printed.

Trustee Tomblin moved to approve the Minutes of the Rescheduled Regular Meeting held on May 28, 2019, and the Regular Board Meeting held June 24, 2019, as printed; seconded by Trustee Smith.

Approved by viva voce vote.

ITEM NO. 1 PRESENTATION by FOSTER & FOSTER Regarding the January 1, 2019, ACTUARIAL VALUATION, with Request to Receive and File

Trustee Nichting said he had only received the State’s actuarial valuation and he said he was still waiting on Foster & Foster’s valuation. At the conclusion of his comments he moved to defer this item to the August Fire Pension Board meeting; seconded by Trustee Smith.

Approved by viva voce vote.
ITEM NO. 2  MONTHLY PORTFOLIO PERFORMANCE REVIEW by TOM McSHANE
GRAYSTONE CONSULTING (A business of Morgan/Stanley Smith-Barney),
and Discussion Regarding Recommendations, Possible Action Regarding
the Firemen's Pension Fund Portfolio Performance, Discussion and
Review of the Asset Allocations, with Request to RECEIVE and FILE the
Reports.

A copy of the Performance Update for the period ending June 30, 2019, was distributed to all
members of the Board. The Performance Update showed the portfolio valued at
$140,420,640.00. Since its inception, the total portfolio performance returned 6.03% versus
the custom benchmark of 5.90%.

The Performance Update showed the market value for the following managers:

<table>
<thead>
<tr>
<th>Manager</th>
<th>Ending Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>iShares S&amp;P 500 Index (Large Cap Equity)</td>
<td>$16,939,766</td>
</tr>
<tr>
<td>Aristotle (Large Cap Equity)</td>
<td>$22,100,004</td>
</tr>
<tr>
<td>iShares S&amp;P Mid Cap Index (Mid Cap Equity)</td>
<td>$5,183,918</td>
</tr>
<tr>
<td>Kayne Anderson (Small Cap Equity)</td>
<td>$8,192,530</td>
</tr>
<tr>
<td>Vanguard FTSE ETF (International Equity)</td>
<td>$18,385,179</td>
</tr>
<tr>
<td>Thornburg International</td>
<td>$19,106,106</td>
</tr>
<tr>
<td>Segall (Fixed Income)</td>
<td>$44,963,995</td>
</tr>
<tr>
<td>Insured Cash Sweep Account – PCB</td>
<td>$3,607,478</td>
</tr>
<tr>
<td>Cash Management Monitor</td>
<td>$1,941,665</td>
</tr>
</tbody>
</table>

Mr. McShane provided a summary of the Board's actions since January of 2019. He provided
a Capital Markets Overview for the second quarter of 2019 and highlighted the key global stock
market index returns for the period ending June 30, 2019, noting the International Markets
were undervalued and the US Markets were overvalued. He reviewed fixed income for the last
12 month reporting that when interest rates increased, the bond markets decreased. He
reviewed projections for the Gross Domestic Product for the next two years, the current
unemployment rate, corporate profits, inflation and housing. He reviewed the Investment
Outlook for July 2019 and discussed the current indicators for equity valuation. He reviewed "A
Cyclical Bear in the context of a Secular Bull," noting the ups and downs of the historical
markets.

Mr. McShane reviewed the allocations as follows:

<table>
<thead>
<tr>
<th>Target Allocation</th>
<th>Asset Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>2.00%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>38.00%</td>
</tr>
<tr>
<td>Equity</td>
<td>60.00%</td>
</tr>
</tbody>
</table>
Mr. McShane reviewed the Quarterly Performance Report dated June 30, 2019, noting the portfolio was over-allocated in equities by 4.03%. He said the Board currently had an opportunistic order to sell 3,690 shares IW (iShares S&P 500 Exchange Traded Fund ETF) at $305.00. He reviewed the cash allocation noting the Fund paid out approximately $1.2 million in benefits and invoices each month. He noted that the portfolio was overweight on cash due to the competitive rate Peoria Community Bank offered, which also provided the Board flexibility. He reviewed the current buy and sell IVV orders, noting the current price was close to the third sell order.

Mr. McShane reviewed the Small Cap Equity allocation, Kayne Anderson, noting it was currently over-allocated by 2.83%. He said the Board had taken money from this manager in the past in order to rebalance the portfolio. He reviewed the one-year return for Kayne Anderson noting it lagged the benchmark by -3.31%; however, he commented that this manager had performed better than the other indices with a 17.55% return. He reviewed Kayne Anderson’s strategy and he commented on its performance. He reported a return since its inception of 16.74% versus the benchmark of 10.50%. He said the Board reallocated $1 million from Kayne Anderson in May 2019 to Segall Bryant, and he recommended no change in allocation at this time.

Mr. McShane reviewed Thornburg and distributed a handout entitled “Performance Attribution June 30, 2018, through June 30, 2019”. Mr. McShane said Thornburg was an Emerging Market manager with a 4.0% exposure in International Equities. He reviewed the Fund’s portfolio year-to-date return of 12.84% versus the benchmark of 11.53%, and Thornburg’s year-to-date return of 16.86% versus the benchmark of 17.20%. He distributed another handout showing Thornburg’s performance and portfolio. He said the Board was currently paying 99 basis points versus 5 basis points for the Index. He reviewed Thornburg’s asset allocations noting it invested 93.13% in stocks. He continued to compare Thornburg to the benchmark in order to provide the Board a perspective of the manager.

Mr. McShane reviewed the Fund’s Opportunistic Strategy noting the first buy order of 1,988 shares of iShares S&P500 Exchange Traded Fund ETF (IVV) at $265.00 per share and the remaining sell order of 3,690 shares IVV at $305.00. He said Morgan Stanley employed a third party to oversee compliance of the IVV. He said there were discussions on whether the Exchange Traded Fund was permissible by State Statute, noting that Morgan Stanley had a letter that said it was permissible and that legislation may be needed in order to have it grandfathered and approved. He said Morgan Stanley was going to review the matter further and provide an update at the August Fire Pension meeting.

<table>
<thead>
<tr>
<th>Cash &amp; Cash Equivalents</th>
<th>Target Allocation</th>
<th>Asset Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.00%</td>
<td>3.95%</td>
</tr>
<tr>
<td>Mid Cap Equity</td>
<td>3.00%</td>
<td>3.69%</td>
</tr>
<tr>
<td>Small Cap Equity</td>
<td>3.00%</td>
<td>2.83%</td>
</tr>
<tr>
<td>Real Estate Equity</td>
<td>3.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>8.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>International Equity</td>
<td>16.00%</td>
<td>26.70%</td>
</tr>
<tr>
<td>Large Cap Equity</td>
<td>27.00%</td>
<td>27.80%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>38.00%</td>
<td>32.02%</td>
</tr>
</tbody>
</table>
A document entitled “Authorized Persons and Enabling Resolutions for municipalities and Certain Other Unincorporated Entities” was signed by President Troglio and placed on file.

Trustee Nichting moved to receive and file the Performance Update Report for period ending June 30, 2019; seconded by Trustee Smith.

Approved by viva voce vote.

ITEM NO. 3 Report from Fire Marshal Edward Olehy of Pension Fund Contributions, which were made by payroll deductions during the MONTH of JUNE 2019, 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.

<table>
<thead>
<tr>
<th>Payroll Period</th>
<th>When Deducted</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 21, 2019 – June 5, 2019</td>
<td>June 14, 2019</td>
<td>$ 66,115.28</td>
</tr>
<tr>
<td>June 6, 2019 – June 20, 2019</td>
<td>June 28, 2019</td>
<td>$ 66,208.10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$132,323.38</td>
</tr>
</tbody>
</table>

Trustee Tomblin moved to concur and place on file the Fire Marshal’s Report for June 2019; seconded by Trustee Smith.

Approved by viva voce vote.

ITEM NO. 4 Request to APPROVE the following BILLS:

Pensions for July 2019 (dated July 31, 2019) ........................................ $1,277,174.62
Foster & Foster – Preparation of January 1, 2019, Valuation .... 8,610.00
Lauterbach & Amen, LLP – IDOI Report for FY December 31, 2018 4,370.00
Lauterbach & Amen, LLP – Professional Services June 2019... 3,345.00
Office Depot, Inc. – President Troglio's Signature Stamp ...... 23.99
SUB-TOTAL FOR JULY 2019............................................................... $1,293,523.61

GRAND TOTAL FOR JULY 2019........................................................... $1,293,523.61

Trustee Nichting moved to approve the bills for July 2019, in the amount of $1,293,523.61; seconded by Trustee Tomblin.

Approved by roll call vote.

Yeas: Nichting, Smith, Tomblin, President Troglio - 4;
Nays: None.

ITEM NO. 5 APPLICATION for REGULAR RETIREMENT PENSION for BATTALION CHIEF BUDWA J. SOUS to become effective July 17, 2019, (last day paid by the City July 16, 2019) based on 62.50% of his Annual Salary of $113,462.48 (which includes longevity). Pension to be paid for the remaining 15 days of July, in the Amount of $2,859.45 and $5,909.50 for every month thereafter with recommendation for the Board to Approve.
After verifying the percentage for which the retirement is based, Trustee Nichting moved to approve the Application for Regular Retirement pension for Battalion Chief Budwa J. Sous to become effective July 17, 2019, (last day paid by the City July 16, 2019) based on 62.50% of his annual salary of $113,462.48 (which includes longevity) with pension to be paid for the remaining 15 days of July, in the amount of $2,859.45 and $5,909.50 for every month thereafter; seconded by Trustee Tomblin.

Approved by roll call vote.
Yeas: Nichting, Smith, Tomblin, President Troglio - 4;
Nays: None.

**ITEM NO. 6** REQUEST to APPROVE the ELECTION TO CONVERT A DISABILITY PENSION BENEFIT TO A RETIREMENT PENSION BENEFIT for THOMAS UNRUH to become effective April 22, 2019, (last day Duty Disability paid April 21, 2019) based on 66.67% of his Applicable Salary of $96,340.49. Regular Retirement Pension to be paid for the remaining 9 days of April, in the Amount of $1,605.68 and $5,352.25 for every month thereafter.

Trustee Tomblin moved to approve the Election to Convert a Disability Benefit to a Retirement Pension Benefit for Thomas Unruh to become effective April 22, 2019, (last day duty disability paid April 21, 2019) based on 66.67% of his applicable salary of $96,340.49 with regular retirement pension to be paid for the remaining 9 days of April in the Amount of $1,605.68 and $5,352.25 for every month thereafter; seconded by Trustee Smith.

Approved by roll call vote.
Yeas: Nichting, Smith, Tomblin, President Troglio - 4;
Nays: None.

**ITEM NO. 7** REQUEST to APPROVE the REMOVAL from the PENSION ROLLS of JOHN R. DICKSON due to his Death on July 17, 2019, and to make payment to the John R. Dickson Estate, in the Amount of $2,640.95 for 17 days of July 2019. Recommendation: RECEIVE and FILE the Death Certificate Upon Receipt and to APPROVE the Payment of $2,640.95 for 17 days of July.

Trustee Nichting moved to approve the removal from the pension rolls of John R. Dickson due to his death on July 17, 2019, and to make payment to the John R. Dickson Estate, in the amount of $2,640.95 for 17 days of July 2019 and to receive and file the Death Certificate; seconded by Trustee Tomblin.

Approved by roll call vote.
Yeas: Nichting, Smith, Tomblin, President Troglio - 4;
Nays: None.

**ITEM NO. 8** MONTHLY FINANCIAL REPORTS from LAUTERBACH & AMEN, LLP for the Month of JUNE 2019, which Includes the STATEMENT OF PLAN NET ASSETS, STATEMENT OF CHANGES IN PLAN NET ASSETS, SUMMARY of CASH AND INVESTMENTS, BALANCE SHEET, REVENUES and REVENUE REPORT, EXPENSES and EXPENSE REPORT, PAYROLL JOURNAL, and VENDOR CHECKS REPORT, with Recommendation to APPROVE.
Trustee Smith moved to approve the monthly financial reports from Lauterbach & Amen, LLP for the month of May 2019, which includes the Statement of Plan Net Assets, Statement of Changes in Plan Net Assets, Summary of Cash and Investments, Balance Sheet, Revenues and Revenue Report, Expenses and Expense Report, Payroll Journal and Vendor Checks Report; seconded by Trustee Tomblin.

Approved by roll call vote.
Yeas: Nichting, Smith, Tomblin, President Troglio - 4;
Nays: None.

ITEM NO. 9 REQUEST for APPROVAL of a RESOLUTION Authorizing Trustee Patrick Nichting the POWER TO INVEST, and Authorize Trustee Nichting to Maintain a Minimum of $10,000.00 in the HARRIS BANK ACCOUNT.

Trustee Tomblin moved to approve a Resolution authorizing Trustee Patrick Nichting the power to invest, and authorize Trustee Nichting to maintain a minimum of $10,000.00 in the Harris Bank Account; seconded by Trustee Smith.

Approved by roll call vote.
Yeas: Nichting, Smith, Tomblin, President Troglio - 4;
Nays: None.

ITEM NO. 10 DISCUSSION Regarding the 2019 IPPFA MIDAMERICAN PENSION CONFERENCE, to be Held October 1 - 4, 2019, in Lake Geneva, Wisconsin.
RECOMMENDATION: To Allow Board Members to Attend, if they wish, and to Receive a Per Diem, and Reimbursement for Hotel and Travel Expenses.

Trustee Tomblin moved to allow Board Members to attend the 2019 IPPFA MidAmerican Pension Conference, to be held October 1 – 4, 2019, in Lake Geneva, Wisconsin, and to receive a per diem, reimbursement for hotel and travel expenses; seconded by Trustee Smith.

Approved by roll call vote.
Yeas: Nichting, Smith, Tomblin, President Troglio - 4;
Nays: None.

ITEM NO. 11 DISCUSSION Regarding the CERTIFIED TRUSTEE PROGRAM 19-3, to be Held August 29, 2019, September 19, 2019, October 17, 2019, and November 14, 2019, in NIU Campus Hoffman Estates and NIU Campus Naperville, Illinois.
RECOMMENDATION: To Allow the New Trustee to Attend, and to Receive a Per Diem, and Reimbursement for Hotel and Travel Expenses.

Discussions were held regarding registration and hotel reservations. It was noted that the Board's Secretary would register Trustee Tomblin for the program and request a check to pay the registration fee. It was determined that Trustee Tomblin would make his own hotel reservations and submit those costs to Trustee Nichting for travel reimbursement.
Trustee Smith moved to approve Trustee Tomblin to attend the Certified Trustee Program 19-3, to be held August 29, 2019, September 19, 2019, October 17, 2019, and November 14, 2019, in NIU Campus Hoffman Estates and NIU Campus Naperville, Illinois, and to receive a per diem and reimbursement for hotel and travel expenses; seconded by Trustee Nichting.

Approved by roll call vote.
Yeas: Nichting, Smith, Tomblin, President Troglio - 4;
Nays: None.

ITEM NO. 12 UPDATE Regarding the ANNUAL REVIEW of the Disability of ROBERT PARKMON, with Request to RECEIVE and FILE or to Take Other Action.

Discussions were held regarding the annual review of the disability of Robert Parkmon and whether Mr. Parkmon needed to travel to Illinois for his medical appointments. Discussions were held regarding the Board’s policies, the Board’s past practice, and the cost. It was determined that the evaluation would need to take place within the State of Illinois near the City of Peoria, noting the Board’s policy and the cost to conduct the evaluation.

Trustee Tomblin moved to receive and file the information regarding the annual review of the disability of Robert Parkmon; seconded by Trustee Smith.

Approved by viva voce vote.

UNFINISHED BUSINESS

ITEM NO. 13 DISCUSSION and UPDATE Regarding the Lauterbach & Amen FINANCIAL ANALYSIS of the Fire Pension Board with Request to RECEIVE and FILE or Take Other Action Deemed Necessary.

Trustee Smith moved to defer this item to the August 27, 2019, Rescheduled Regular Fire Pension meeting; seconded by Trustee Tomblin.

Motion to defer to the August 27, 2019, Rescheduled Regular Fire Pension meeting was approved by roll call vote.
Yeas: Nichting, Smith, Tomblin, President Troglio - 4;
Nays: None.

ITEM NO. 14 DISCUSSION and UPDATE Regarding a Change in the MEETING DATE for the Fire Pension Board in Order to Coordinate with the Police Pension Board, with Request to RECEIVE and FILE or Take Other Action Deemed Necessary.

Trustee Tomblin moved to defer this item to the August 27, 2019, Rescheduled Regular Fire Pension meeting; seconded by Trustee Smith.

Motion to defer to the August 27, 2019, Rescheduled Regular Fire Pension meeting was approved by roll call vote.
Yeas: Nichting, Smith, Tomblin, President Troglio - 4;
Nays: None.
UPDATES REGARDING OUTSTANDING DISABILITY APPLICATIONS

President Troglio requested updates from the Board’s Attorney regarding the disability applications for Gary Stauthammer and Aldo Greg Scott.

UPDATES REGARDING THE APPEALS OF THE MICHAEL BROOKS AND ANGELA ALLEN DISABILITIES

President Troglio said the appeals for Michael Brooks and Angela Allen were currently in the Appellate Court.

NICK RIORDAN

President Troglio said no disability claim was made with the Board and that a benefit was not available due to the length of time Nick Riordan was on the Fire Department. He commented that a worker’s compensation case had been filed with the City.

NEW BUSINESS

It was determined that there was no new business to come before the Board of Trustees.

CITIZENS’ OPPORTUNITY TO ADDRESS THE BOARD OF TRUSTEES

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

EXECUTIVE SESSION

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

ADJOURNMENT

Trustee Smith moved to adjourn the Rescheduled Regular Firemen’s Pension Board Meeting; seconded by Trustee Tomblin.

Approved by viva voce vote.

The meeting adjourned at 11:11 A.M.

Beth Ball

Beth Ball, MMC, City Clerk
Trustee and Board Secretary,
Firemen’s Pension Fund of Peoria, Illinois