

MINUTES
ROCKFORD FIREFIGHTERS' PENSION FUND
December 17, 2015

A regular meeting of the Board of Trustees of the Rockford Firefighters' Pension Fund was held on Thursday, December 17, 2015, at 3:15 p.m. on the second floor of the Fire Department Administrative Building at 204 S. First Street, Rockford, Illinois, pursuant to notice.

CALL TO ORDER

The meeting was called to order at 3:15 p.m. Upon a call of the roll, the following answered:

ATTENDED: Alan Granite, President
Tracy Renfro, Trustee

Brian Carlson, Secretary

ABSENT: Chris Black, Trustee/City Finance Director Michael White, Trustee

STAFF: Linda Wlaznik, Pension Investment Accountant Judi Yehling, Recording Secretary

GUESTS: Attorney Vladimir Shuliga, Ottosen Britz Mike Piotrowski, Marquette Associates
Clark Koertner, Segall Bryant & Hamill

I. PUBLIC COMMENT -- None

II. MINUTES

- The November 19, 2015, minutes of the regular meeting were presented. Tracy Renfro made a motion to approve the minutes as presented and Brian Carlson seconded the motion. Upon a voice vote, the motion passed.

III. APPROVAL OF APPLICATIONS/PENSION CHANGES

- Geraldine Wahlstrom passed away and her surviving spouse benefit will terminate. Alan Granite made a motion, seconded by Tracy Renfro, to approve the termination of Gerald Wahlstrom's pension. A roll call vote was taken:

Ayes: Alan Granite Brian Carlson
Tracy Renfro

Nays: None

Absent: Chris Black Michael White

- Application for Firefighter Andrew Nanni's surviving spouse, Vivian Nanni, was received. Brian Carlson made a motion, seconded by Tracy Renfro, to approve the surviving spouse pension for Vivian Nanni. A roll call vote was taken:

Ayes: Alan Granite Brian Carlson
Tracy Renfro

Nays: None

Absent: Chris Black Michael White

IV. DISBURSEMENTS

- Brian Carlson made a motion to approve the December payroll of \$1,357,714.86. Tracy Renfro seconded the motion. A roll call vote was taken:

Ayes: Alan Granite Brian Carlson
 Tracy Renfro
Nays: None
Absent: Chris Black Michael White

- Invoices totaling \$12,354.80 as shown in the warrant packet were presented. A motion was made by Alan Granite, and seconded by Tracy Renfro, to pay the invoices as presented in the warrant packet. A roll call vote was then taken:

Ayes: Alan Granite Brian Carlson
 Tracy Renfro
Nays: None
Absent: Chris Black Michael White

V. CASH & INVESTMENTS

- Clark Koertner of Segall Bryant & Hamill, a fixed income manager for the Fund, presented Segall's performance review as of December 17, 2015.
 - Koertner began by saying that Segall is a high quality manager. He commented that the Feds had raised interest rates and that bond managers are "just muddling along" and it should be an "interesting time" given the upcoming elections.
 - Segall Bryant has not changed its philosophy or process. It is a Chicago-based firm but also have offices in St. Louis, Philadelphia and Naples, Florida. The firm has continued to grow and there are 19 principals with 5 persons in the new Philadelphia office which handles non-U.S. investments.
 - There are three partners on the Fixed Income team. Their consistent management style provides consistent investment results and they have outperformed over 80% of the months.
 - At the beginning of the year the portfolio was at a little over \$23 million. There was a little bit of negative cash flow and over the course of the year Segall made \$322,872. Segall has trailed the benchmark by 5 basis points the first half of the year but has picked up a lot in the past 6 months despite a lot of volatility. Through December, Segall is up 30 basis points for the fourth quarter.
 - Page 7 of the report shows that Segall is not a yield or treasury manager; it is overweight to high quality corporates. Koertner cited the fact that in 2008 when "corporates blew up," they outperformed by over 9%.
 - Page 8 shows the market dynamics and the sector weightings: overweight to credit, industrials and utilities and underweight to financial. Segall has over 50% in high-quality credit and don't invest in foreign securities.
 - In discussing the market in general, he cited the bond mutual fund company that "blew up" last Friday stating that like many of the companies, 6.5 of their top 10 holdings were "big issue" financials which were supported by the quantitative easing which is now done. "Big issues don't mean high quality. There's a lot of risk to buying these issues." Segall buys smaller issues that aren't in the mutual fund and are not dependent on leverage to survive – business models that are stable and not dependent on debt but "very much blue chip." According to Koertner this makes Segall "very different from (other) bond managers right now."

- Linda Wlaznik provided the 2016 Meeting Schedule to the Board. Tracy Renfro made a motion to approve the schedule as presented. Alan Granite seconded the motion. A roll call vote was taken:

Ayes: Alan Granite Brian Carlson
Tracy Renfro
Nays: None
Absent: Chris Black Michael White

VIII. TRAINING

- There is a program at the end of January presented by the Northern Illinois Association of Fire Districts that could be used for training if anyone is interested.

IX. CLOSED MEETING – None required.

X. ADJOURNMENT

A motion was made to adjourn the meeting. Motion carried and meeting was adjourned at 4:00 p.m.
Next regular meeting is January 21, 2016, at 3:00 p.m.

Signed:

Prepared by:



Brian Carlson, Secretary

Judith Yehling, Recording Secretary

1-21-16

Date

Date

Approved by the Board of Trustees at its January 21, 2016, meeting.

