

MINUTES
ROCKFORD FIREFIGHTERS' PENSION FUND
September 20, 2018

A regular meeting of the Board of Trustees of the Rockford Firefighters' Pension Fund was held on Thursday, September 20, 2018, at 3:07 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 3:07 p.m. Upon a call of the roll, the following answered:

ATTENDED:	Bill Beaman, Secretary	Alan Granite, President
	Michael White, Trustee	Carrie Hagerty, Trustee/City Finance Director
	Tracy Renfro, Trustee	

STAFF:	Linda Wlaznik, Principal Accountant	Allison Knox, Accountant
	Judi Yehling, Recording Secretary	

GUESTS:	Attorney Carolyn Clifford, Ottosen Britz	Mike Piotrowski, Marquette Associates
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I. PUBLIC COMMENT – None

II. MINUTES

The minutes of the regular August 16, 2018, meeting were presented. Tracy Renfro made a motion to approve the minutes and Carrie Hagerty seconded the motion. A roll call vote was taken:

Ayes:	Alan Granite	Bill Beaman	Michael White
	Tracy Renfro	Carrie Hagerty	
Nays:	None		

III. APPROVAL OF APPLICATIONS/PENSION CHANGES

Jesse Elliott has made application for a refund of his pension fund contributions. The amount of the refund is \$2,382.55 and he wants it to be a direct rollover. Tracy Renfro made a motion, seconded by Bill Beaman, to grant the refund request of pension contributions in the amount of \$2,382.55. A roll call vote was taken:

Ayes:	Alan Granite	Bill Beaman	Michael White
	Tracy Renfro	Carrie Hagerty	
Nays:	None		

Retired Firefighter Donald Weir passed away August 19, 2018, and his pension will terminate. Bill Beaman made a motion, seconded by Carrie Hagerty, to approve the termination of Donald Weir's service pension and grant the surviving spouse pension of Phyllis Weir. A roll call vote was taken:

Ayes:	Alan Granite	Bill Beaman	Michael White
	Tracy Renfro	Carrie Hagerty	
Nays:	None		

Jonathon Reitman is eligible for his first increase; the monthly increase will be \$262.37/month for a monthly benefit of \$6,092.78 or an annual pension of \$73,113.36. Bill Beaman made a motion, seconded by Carrie Hagerty, to approve the increase as presented. A roll call vote was taken:

Ayes: Alan Granite Bill Beaman Michael White
Tracy Renfro Carrie Hagerty
Nays: None

Larry Peterson's youngest child has turned 18 and Larry is no longer eligible for a disability dependent stipend. The termination of his monthly disability dependent stipend was set to terminate September 13, 2018. Alan Granite made a motion, seconded by Carrie Hagerty, to terminate the disability dependent stipend for Larry Peterson youngest child, Lauren. A roll call vote was taken:

Ayes: Alan Granite Bill Beaman Michael White
Tracy Renfro Carrie Hagerty
Nays: None

IV. DISBURSEMENTS

Warrant packet for September 20, 2018, was presented in the amount of \$1,580,683.95. Tracy Renfro made a motion, seconded by Bill Beaman, to approve payment of the warrant packet as presented in the amount of \$1,580,683.95. A roll call vote was taken:

Ayes: Alan Granite Bill Beaman Michael White
Tracy Renfro Carrie Hagerty
Nays: None

V. CASH & INVESTMENTS

Mike Piotrowski presented Marquette Associates' Flash Report for August 31, 2018:

- o The Fund was up 0.8% for the month net of fees and 1.7% YTD but trailing behind the benchmark and under the assumed rate of return. The Fund is currently at \$160.8 million and is a little overweight to US equity.
- o The value orientation has hurt the portfolio over the long term. Fiduciary held up well in July. There has been a change in market leadership and US stocks and real estate have done well. However, given global trade concerns, things are "a bit murky and the bond markets are "challenging."
- o Individually there is still some concerns with the performance of Fiduciary, Brandes and PIMCO but Principal's performance has been strong.

Mike Piotrowski updated the Board on fees being charged by fund managers. Marquette likes to review the fees every 3-5 years and the Rockford Police Pension Fund Board has already begun the process of looking at fees. Since the performance of Segall, Hillswick and Fiduciary has not been the best, the hope is to get them to lower their fees a little bit. Currently the combined fee reductions are approximately a \$22,000 savings annually. Tracy Renfro made a motion, seconded by Carrie Hagerty, to approve renegotiated fee structures. A roll call vote was taken:

Ayes: Alan Granite Bill Beaman Michael White
Tracy Renfro Carrie Hagerty
Nays: None

There are no cash needs for the month.

Records of purchases and sales were distributed. Tracy Renfro made a motion, seconded by Bill Beaman, to approve the purchases and sales for the month. A roll call vote was taken:

Ayes:	Alan Granite	Bill Beaman	Michael White
	Tracy Renfro	Carrie Hagerty	
Nays:	None		

VI. OLD BUSINESS

Gustafson disability matter – Attorney Carolyn Clifford has sent out a memo covering the progress in this matter. Gustafson attended the interview with the psychologist, Dr. Goldstein, on August 31 and she has submitted her report. The interview with Dr. Dinwiddie has been set for October 15th and Dr. Mosk on October 26th. The third IME doctor, Dr. Salzburg, asked that we “hold off” for when her schedule becomes more clear. Dr. Dinwiddie has asked for a \$3,200 retainer; his charges are \$400/hour and \$600/hour if deposed. Attorney Clifford has provided Gustafson and his attorney with a notice of these appointments.

Status of Gazowski’s combined creditable service – There is nothing new to report in this matter. Alan Granite, however, believes that Gazowski may be leaning toward no longer seeking to combine his creditable service. Attorney Clifford suggested keeping it on the agenda only one more month and then dropping it. The repayment deadline was June 30th and no more calculations will be done unless the Board hears from Gazowski that he wishes to proceed.

Status of Lingel’s transfer of creditable service to Chicago – The Board has done everything it needs to do and Chicago seems to be “in a holding pattern” to finalize calculations at its end.

Annual Statement – Linda Wlaznik that DOI has started the practice of “desk audits” within the DOI annual statement process and found some “housekeeping items” that had to be handled before the DOI would accept the filing. She made the necessary “fixes” and has another recertification ready for signatures. Alan Granite made a motion, seconded by Carrie Hagerty, to approve the DOI annual statement as amended and corrected. A roll call vote was taken:

Ayes:	Alan Granite	Bill Beaman	Michael White
	Tracy Renfro	Carrie Hagerty	
Nays:	None		

Metheny Overpayment Issue – Linda Wlaznik stated that the last check was received July 1st and she will verify that the last two payments have not been received. She will provide an update at next month’s meeting.

Investment Consultant Services – (Mike Piotrowski stepped out at 3:40 pm so the board could discuss the matter.) Attorney Clifford reminded Board that the letter of understanding with Marquette expires today and will need to be renewed if a contract is not awarded today. Carrie Hagerty said that the Police Board had decided to holdover any decision on a contract until staff had time to compare to other communities and their fees. There were only two respondents to the RFP, Marquette and Segal. Suggestion was made to review the contracts over the next month. Decision was made to have the two Board attorneys work together on this matter. Michael White made a motion, seconded by Carrie Hagerty, to extend the letter of understanding with Marquette through November, have the attorneys review the contracts and comparables, and table negotiations at this time. A roll call vote was taken:

Ayes:	Alan Granite	Bill Beaman	Michael White
	Tracy Renfro	Carrie Hagerty	
Nays:	None		

VII. NEW BUSINESS

Affidavits – Linda Wlaznik informed Board that there are still 14 outstanding affidavits. Wlaznik will issue a final letter to these retirees and beneficiaries, extending the deadline until September 27th at noon. If the affidavit is not received by that time, the retiree’s or beneficiary’s automatic deposit will be shut off and the benefit check will be held at the City’s finance department. Linda Wlaznik will call each of the individuals and Bill Beaman said he would also call those whose affidavits are still outstanding. Michael White made a motion, seconded by Carrie Hagerty, to withhold direct deposit of pension benefits for the individuals who have not yet turned in their affidavits and a check will be issued when they turn in their affidavit. A roll call vote was taken:

Ayes:	Alan Granite	Bill Beaman	Michael White
	Tracy Renfro	Carrie Hagerty	
Nays:	None		

Rules & Forms – Review will be postponed until spring and the intercept process will be added at that time.

VIII. TRAINING

Legal updates – Tracy Renfro questioned whether we should be doing back x-rays as part of the pre-employment physicals. Attorney Clifford cited another fire department where the occupational physician had concluded that it was not necessary and the department could save about \$600/firefighter by not doing so.

Attorney Clifford recommended that the Board appoint Allison Knox as the new DOI security administrator and name her as FOIA officer for the Fund. This will need to be added to a future meeting agenda for action.

Attorney Clifford also informed Board that the Illinois Municipal League had made another proposal for consolidation of firefighter and police pension funds into IMRF for investment purposes only.

Attorney Clifford provided a “rough sketch” of the tax levy request letter for review. Carrie Hagerty said that Nyhart had been asked for a five-year plan to help determine the assumption rates and level of funding going forward. The NRN will present their seven-year plan at the October 9th City Council meeting. Carrie Hagerty said she is building in an increased contribution and a plan to go from a 7.5% to a 7% assumption rate over a five-year period; they are modeling what the IML is proposing. But having said that, Carrie Hagerty said that City Council cannot adopt any drastic change in one year. A lot depends on the audits and effects on the bond ratings.

Alan Granite and Bill Beaman will be registering for the AFFI conference to meet their training obligation.

IX. CLOSED MEETING – None

X. ADJOURNMENT

A motion was made to adjourn the meeting. Motion carried, and meeting was adjourned 4:30 p.m.

Next regular meeting is October 18, 2018, at 3:00 p.m.

Respectfully submitted:

Prepared by:

Bill Beaman, Board Secretary

Judith Yehling, Recording Secretary

Date

Date

Approved by the Board of Trustees at its October 18, 2018, meeting.