

**CORRECTED MINUTES  
ROCKFORD POLICE PENSION BOARD  
OCTOBER 18, 2018**

**MEMBERS PRESENT:** Jeff Nielsen, President  
Marcia Mueller, VP  
Joe Stevens, Secretary  
Randy Berke, Assist Secretary

**ABSENT:** Scott Laue

**ALSO PRESENT:** Mike Piotrowski – Marquette Associates  
Roberta Holzwarth – HolmstromKennedy PC

**GUESTS:** Aaron Reed – Kayne Anderson Rudnik

**STAFF:** Linda Wlaznik, Finance  
Allison Knox, Finance  
Carrie Hagerty, Finance Director  
Shurice Hunter, Human Resources Director

The October 18, 2018 Rockford Police Pension Board convened at City Hall 425 E. State St., Jeff Nielsen called the meeting to order 8:10 a.m.

Motion by Mueller and seconded by Stevens to table the minutes of the August 16, 2018 Board meeting. APPROVED.

Motion by Mueller and seconded by Stevens to approve the September 20, 2018 Board meeting as amended. APPROVED.

**PUBLIC COMMENT**

NONE

**CASH & INVESTMENTS**

Piotrowski stated that at the end of September, the Market Value of the pension was \$196.3 million. Interest rates increased again in a short period. Volatility picked up in the market again; there was a six to seven percent decline in the market.

Typically, the markets perform well near the end of the year. Piotrowski stated he reached out to DFA and informed them they were on alert for performance issues. The Fidelity share class exchange approved at the September meeting will take place October 19. It has been a challenging start to the fourth quarter.

Motion by Mueller and seconded by Stevens to approve purchases and sales. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Stevens to approve the withdrawal of \$500,000 from the Vanguard Institutional Index Fund for cash needs. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

## **CITY BILLS**

Motion by Mueller and seconded by Stevens to approve September postage charges of \$138.78. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Stevens to approve October City Services of \$7,133.33. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Stevens to approve payment to HolmstromKennedyPC for September attorney fees for general matters in the amount of \$2,216.25. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Stevens to approve payment to HolmstromKennedyPC for September attorney fees for Annual Medical Reviews (2018) in the amount of \$472.50. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Stevens to approve the payment to Marquette Associates for investment consulting services for the period of October 1, 2018 through October 31, 2018 in the amount of \$6,041.66. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Stevens to approve the payment to Rockford Orthopedic Associates for the Richard Kennedy medical evaluation in the amount of \$1,400.00. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Stevens to approve the payment Woodlake Medical Management for Aaron Lesmeister medical evaluation in the amount of \$1,890.00. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Stevens to approve the reimbursement for travel related to IPPFA Conference to Jeff Nielsen for mileage in the amount of \$196.20 and tolls in the amount of \$5.70. APPROVED.

Ayes: Mueller, Stevens, and Berke

Nays: None

Abstain: Nielsen

Motion by Mueller and seconded by Stevens to approve the reimbursement for travel expenses related to IPPFA Conference to Allison Knox in the amount of \$52.75. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

## **ATTORNEY'S REPORT**

Attorney Holzwarth stated that all the reports and certifications have been received for the disability pensioners.

Motion by Mueller and seconded by Stevens to approve the continued disability pensions for Sarah Ahrens, Holly Berke, Mark Honzel, Richard Kennedy, Aaron Lesmeister, Phillip Statler, Mark Valdez, and Christina Whisenand. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Abstain: Berke abstained on Holly Berke

Motion by Mueller and seconded by Stevens to approve the standard letter to the Mayor requesting police pension funding in the amount of \$8,207,238. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Attorney Holzwarth stated that the second responder to the RFP for Investment consulting services, Segall Marco, should be rejected.

Motion by Mueller and seconded by Stevens to reject the Segall Marco RFP due to not meeting the criteria specified in the RFP. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Stevens to authorize Attorney Holzwarth of HolstromKennedy PC to negotiate the fees for Marquette Associates. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Piotrowski discussed the reasons for the substantial increase in fees for Marquette Associates.

## **KAYNE ANDERSON RUDNICK**

Aaron Reed was at the meeting to present information regarding the performance of the City's portfolio with Kayne Anderson Rudnick.

Mr. Reed stated since inception the fund is up 12% versus the benchmark up 8% to 9%. Mr. Reed discussed the probability of the tariff amounts and the resiliency of companies.

## **OLD BUSINESS**

Motion by Mueller and seconded by Stevens to approve the service pension for Michael Meehan effective October 3, 2018 in the amount of \$5,390.48 monthly/annual benefit of \$64,685.78. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

## **NEW BUSINESS**

Motion by Mueller and seconded by Stevens to approve the report to City Council as modified. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Stevens to the service pension for Dennis Oblinger effective November 2, 2018 in the amount of \$6,445.23 monthly/annual benefit of \$77,342.72. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

## **PAYROLL**

Motion by Mueller and seconded by Stevens to approve the October estimated payroll in the amount of \$1,493,513.92. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion to adjourn was made and seconded at 10:01 a.m.