

**CORRECTED MINUTES  
ROCKFORD POLICE PENSION BOARD  
JANUARY 17, 2019**

**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:** None

**STAFF:** Allison Knox, Finance  
Carrie Hagerty, Finance Director  
Shurice Hunter, Human Resources Director  
Angela Hammer, City Attorney (exited at 8:18 a.m.)

The January 17, 2018 Rockford Police Pension Board convened at City Hall 425 E. State St., Jeff Nielsen called the meeting to order 8:16 a.m.

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

**PUBLIC COMMENT**

NONE

**CASH & INVESTMENTS**

Piotrowski referred the board to pages two and three of the handout. The Gross Domestic Product (GDP) has been solid over a number of quarters. Unemployment and inflation numbers continue to be low. The GDP has continued to be 1-1/2 to 2% growth on a quarterly basis. There will be an economic impact due to the government shutdown. The Federal **Reserve** has indicated that interest rates will increase an additional two times in 2019; the stock market is anticipating no interest rate increases.

The value of the pension fund the end of December was down to approximately \$182.1 million; the beginning of the year the fund was \$196.2 million. Piotrowski stated the portfolio was rebalanced at the end of the year. The month of December was extremely challenging for the stock market. The U.S. stock market was down approximately 9% for the month of December. The total plan return was -3.7% net of fees for the month of December, -6.3% for the 4<sup>th</sup> quarter, which brought the year-to-date return to -3.9%.

Piotrowski estimated that the portfolio is up approximately 2% for the month of January. Piotrowski reviewed the memo regarding the Annual Consultant Disclosure related to Public Act 100-0542.

Piotrowski reviewed the International Small-Cap search. There are not a lot of manager options from a performance perspective to replace DFA. It is not recommended to change from value to growth manager right now. The board discussed and decided to remove Brandes from the current list of managers to review listed on page 3 of exhibit II in the handout.

Motion by Mueller and seconded by Stevens to approve withdrawal of \$275,000 from Northern Trust Intermediate Government Index Fund, \$200,000 from Northern Trust Government Mortgage Fund, and \$475,000 from Segall Bryant & Hamill **for cash needs**. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Stevens to approve purchases and sales **as shown on the attachment to the agenda**. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

## **CITY BILLS**

Motion by Mueller and seconded by Stevens to approve December postage charges of \$139.23. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Stevens to approve January City Services of \$6,700.00. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Stevens to approve payment to HolmstromKennedyPC for December attorney fees for general matters in the amount of \$2,902.50. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Stevens to approve payment to HolmstromKennedyPC for December attorney fees for review of disability application for Shalene Eagleson in the amount of \$2,748.83. 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 January 1, 2018 through March 31, 2018 in the amount of \$19,625.00. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Stevens to approve the payment to Marquette Associates for retroactive fee increase for the period of July 1, 2018 through December 31, 2018 in the amount of \$3,000.00. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

## **ATTORNEY'S REPORT**

Attorney Holzwarth stated the board would consider the City's petition to intervene in the Shalene Eagleson matter at the February meeting. Discovery is progressing and they are receiving records. Shalene Eagleson is seeking a disability pension based on her physical injury only.

Attorney Holzwarth stated that included in the packet was the final policy that was amended in December giving City staff the ability to prorate a payment when they learns of a pensioner's death.

Attorney Holzwarth discussed the Lauterbach & Amen agreement to provide the death audit services. We need to make sure there are sufficient protections in place from the privacy perspective when providing personal information to them.

A letter was sent to Mr. Forsyth reminding him of the debt owed to the pension fund due to the pension overpayment to his mother after her death.

## **NEW BUSINESS**

Motion by Mueller and seconded by Stevens to approve the military buyback of two (2) years in the amount of \$52,178.56 for Donald Dular. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Stevens to approve the service pension for Michael Clark effective February 1, 2019 for a monthly benefit of \$5,490.48/\$65,885.78 annually. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Stevens to approve the service pension for John Gradick effective March 7, 2019 for a monthly benefit of \$5,390.48/\$64,685.78 annually. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Stevens to terminate the pension for Robert Sadler, due to his death on December 28, 2018. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Stevens to approve the surviving spouse pension for Margaret Sadler due to the death of Robert Sadler, in the amount of \$4,542.28 monthly/\$54,507.36 annually.

The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke  
Nays: None

Motion by Mueller and seconded by Stevens to approve the first pension increase for Christine Bishop for a monthly increase amount of \$849.53 and a new monthly benefit of \$6,609.05/\$79,308.60 annually. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke  
Nays: None

Motion by Mueller and seconded by Stevens to approve the first pension increase for Vickie Cowan for a monthly increase amount of \$1,184.63 and a new monthly benefit of \$2,764.13/\$33,169.56 annually. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke  
Nays: None

Motion by Mueller and seconded by Stevens to approve the first pension increase for Jeffrey Houde for a monthly increase amount of \$673.06 and the new monthly benefit of \$5,236.19/\$62,834.28 annually. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke  
Nays: None

Motion by Mueller and seconded by Stevens to approve the annual 3% pension increases shown on the attachment to the agenda. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Mueller, Stevens, and Berke  
Nays: None  
Abstain: Nielsen

Motion by Mueller and seconded by Stevens to approve the annual disability pension increases shown on the attachment to the agenda. 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 January estimated payroll in the amount of \$1,539,897.91. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, and Berke  
Nays: None

Motion by Mueller and seconded by Stevens to approve the December actual payroll in the amount of \$1,505,435.59. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, and Berke  
Nays: None

Motion to adjourn was made and seconded at 9:43 a.m.