

**CORRECTED**  
**ROCKFORD POLICE PENSION BOARD**  
**DECEMBER 20, 2018**

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

**ABSENT:**

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

**GUESTS:** None

**STAFF:** Linda, Wlaznik, Finance  
Allison Knox, Finance  
Carrie Hagerty, Finance Director

The December 20, 2018 Rockford Police Pension Board convened at City Hall 425 E. State St., Jeff Nielsen called the meeting to order 8:07 a.m.

Motion by Mueller and seconded by Berke to approve the November 15, 2018 Board meeting minutes as amended. APPROVED.

**PUBLIC COMMENT**

NONE

**CASH & INVESTMENTS**

Piotrowski stated that yesterday the Federal Government raised interest rates again .25 basis points, which was expected by the market. For the year, 2018 there have been four interest rate increases. Approximately \$50 billion in treasuries and mortgages are maturing per month; a total of \$600 billion is coming off the **federal** balance sheet annually. As of December 14, the Market Value of the fund is \$185.2 million.

Motion by Mueller and seconded by Laue to approve the withdrawal of \$1,200,000 from Northern Trust Intermediate Government Index Fund, withdraw \$925,000 from the Northern Trust Government Index Mortgage Fund, withdraw \$2,550,000 from Segall Bryant & Hamill, withdraw \$400,000 from Vanguard Value Index Fund, add \$150,000 to Vanguard Institutional Index Fund, add \$100,000 to Vanguard Mid-Cap Index Fund, add \$150,000 to Kayne Anderson **Rudnick**, add \$3,325,000 to Fidelity Diversified International Equity Fund, add \$1,200,000 to Vanguard Emerging Markets Fund, and liquidate the entire position in Vanguard **REIT** Index Fund, as of December 14 the value was \$2,752,237, add \$1,650,000 to Principal Property Fund, add \$175,000 to PIMCO All Asset Fund, and the remaining cash will be deposited into the checking account. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Berke, and Laue

Nays: None

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

Ayes: Nielsen, Mueller, Stevens, Berke, and Laue

Nays: None

## **CITY BILLS**

Motion by Mueller and seconded by Laue to approve November postage charges of \$141.98. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Berke, and Laue

Nays: None

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

Ayes: Nielsen, Mueller, Stevens, Berke, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve payment to HolmstromKennedyPC for November attorney fees for general matters in the amount of \$1,327.50. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Berke, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve payment to HolmstromKennedyPC for attorney fees regarding the Shalene Eagleson disability application in the amount of \$1,552.50. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Berke, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve the payment to Marquette Associates for investment consulting services for the period of December 1, 2018 through December 31, 2018 in the amount of \$6,041.67. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Berke, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve the payment to Northern Trust for investment management fees for October 1, 2018 through December 31, 2018 in the amount of \$6,230.90. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Berke, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve the payment to IPPFA for membership dues for January 1, 2019 through December 31, 2019 in the amount of \$795.00. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Berke, and Laue

Nays: None

## **ATTORNEY'S REPORT**

Attorney Holzwarth stated that the Shalene Eagleson disability matter is progressing; there are several medical providers.

Attorney Holzwarth stated she sent the board members one new policy and one revised policy for the policy manual. The amendment requires a change in benefits if an error in calculation of benefit that is based on an administrative or clerical error is discovered. If the error is more than three years old, you cannot seek recoupment unless the error is the result of a pensioner's fraud.

The policy that reflects that the board is providing administrative staff with the authority to suspend benefits and issue a prorated **amount through date of death** if staff or one of the board members is made aware of a pensioner's death. Upon receipt of direction and documentation, **such prorated** payment could be issued to the **estate** of the decedent.

Motion by Mueller and seconded by Laue to approve the Board Policy 5.6 as amended. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Berke, and Laue

Nays: None

Attorney Holzwarth stated that the investment policy would be reviewed today; we have an aspirational goal to employ **Minorities, Females, and Persons with Disabilities**. Attorney Holzwarth recommended including it in the rules and procedures.

The board recommended adding the planned retirement date to the pension application.

## **OLD BUSINESS**

Attorney Holzwarth will send a letter to the Forsyth family reminding them of the money due to the police pension fund and the interest rate that is accruing due to non-payment.

Wlaznik stated that we have received the final applicant for Article 3 to Article 3 transfer and have received the payment from the Village of Rockton. The new date of hire after the credible service transfer is October 11, 2009 for Robert Weist.

Knox stated that she is working with Lauterbach and Amen regarding the death service. Attorney Holzwarth requested the board table this item. Knox will contact Lauterbach and Amen regarding the privacy protections that are in place for the personal information being requested.

## **NEW BUSINESS**

Knox stated that a check was received from Arthur McGinnis' daughter for the pension over payment.

Piotrowski stated that the updated investment policy, which is the current policy, was included in the Marquette report. Piotrowski stated he did not have any recommended revisions. The board reviewed the current investment policy.

### **DOI Security Administrator Form**

Wlaznik stated that the form allows Allison to get the information for the annual statement and submit the information.

Motion by Mueller and seconded by Laue to approve the pension fund Department of Insurance (DOI) security administrator authorization form be submitted with Allison Knox as the security administrator.

Motion by Mueller and seconded by Stevens to approve to the surviving spouse application for Janet Morris in the amount of \$8,376.06 commencing on November 10, 2018, with the first retro payment of \$5,863.24. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code and subject to confirmation of by staff of the pension amount. APPROVED.

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

Motion by Mueller and seconded by Laue to approve the pension termination of Shirley Swart due to her death on November 28, 2018. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

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

Motion by Mueller and seconded by Laue to approve the pension termination of Jesse Otwell due to his death on November 30, 2018. APPROVED.

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

Motion by Mueller and seconded by Stevens to approve the first pension increase for Timothy Joseph effective December 1, 2018 for a monthly increase of \$209.63 and a monthly benefit of \$5,142.12/annually \$61,705.44. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

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

Motion by Mueller and seconded by Stevens to approve the payment to Timothy Drnek for December in the amount of \$3,376.61 based on 11 days of non-duty disability and 20 days of regular pension, the monthly benefit of \$3,489.16/annually \$41,869.87. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

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

Motion by Mueller and seconded by Stevens to approve the service pension for Duane Hackbarth effective January 2, 2019, for a monthly benefit of \$5,054.32 and a regular monthly pension of \$5,402.89/\$64,834.70 annually. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

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

## **PAYROLL**

Motion by Mueller and seconded by Stevens to approve the December estimated 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, Stevens, Berke, and Laue  
Nays: None

Motion by Mueller and seconded by Stevens to approve the November actual payroll in the amount of \$1,499,657.25. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Stevens, Berke, and Laue

Nays: None

Motion to adjourn was made and seconded at 10:02 a.m.