

**CORRECTED MINUTES
ROCKFORD POLICE PENSION BOARD
APRIL 29, 2019**

MEMBERS PRESENT: Jeff Nielsen, President
Marcia Mueller, V. P.
Joe Stevens, Secretary
Randy Berke, Assist Secretary
Scott Laue, Trustee

ABSENT:

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

The April 29, 2019 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 Laue to approve the March 26, 2019 minutes of the Board meeting as amended. APPROVED.

PUBLIC COMMENT

NONE

CASH & INVESTMENTS

Piotrowski reviewed the quarterly report. There is one manager on alert, Dimensional Fund Advisors (DFA). At the end of the quarter, the Market Value of the fund is \$192.4 million; at the beginning of the quarter, the Market Value of the fund was \$182 million.

Segall Bryant Hamill was in line for the quarter up 2.3%; Kayne Anderson was up 20.7% on a net basis for the quarter. Fidelity was up 11.2%; DFA underperformed for the quarter. DFA is scheduled to present next month. Piotrowski reviewed the fee schedule with the board.

Motion by Mueller and seconded by Laue to approve purchases and sales as attached to the agenda. APPROVED.

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

CITY BILLS

Motion by Mueller and seconded by Laue to approve March postage charges of \$141.37. APPROVED.

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

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

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

Motion by Mueller and seconded by Laue to approve payment to HolmstromKennedyPC for general matters for the month of March in the amount of \$1,417.50. APPROVED.

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

Motion by Mueller and seconded by Laue to approve payment to HolmstromKennedyPC in the amount of \$3,667.50 for services, and \$181.90 in Disbursements related to the Shalene Eagleson disability application for the month of March. APPROVED.

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

Motion by Mueller and seconded by Laue to approve payment to Segall Bryant & Hamill for investment management fees for the period January 1, 2019 through March 31, 2019 in the amount of \$15,889.40. APPROVED.

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

Motion by Mueller and seconded by Laue to approve payment to Marquette Associates for investment consulting services for the period April 1, 2019 through June 30, 2019 in the amount of \$19,625.00. APPROVED.

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

Motion by Mueller and seconded by Laue to approve payment to Woodlake for the evaluation of Shalene Eagleson by Dr. Vora in the amount of \$2,110.00. APPROVED.

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

ATTORNEY'S REPORT

Attorney Holzwarth stated that the duty disability hearing for Shalene Eagleson is scheduled for June 20, 2019 at 9:00 a.m.

Attorney Holzwarth asked the board if there were any changes to the policy manual. Carrie indicated there has been discussion regarding disability expenses that could be passed onto the applicant **such as missed appointment fees and fees for bringing in medical examiners for cross-examining**. Further discussion ensued.

Attorney Holzwarth stated that the board has not received any money from Elsie Jean Forsyth's son for the overpayment. A lien was placed on the house her son inherited from his mother.

The board has discussed requesting pensioners receive their paystubs via email. Attorney Holzwarth stated she received a response from Lauterbach & Amen regarding the Death Record Service; she will follow-up regarding their response.

Motion by Mueller and seconded by Laue the ratification to provide the address of Jim Bowman pursuant to the subpoena received related to the Pursley matter. APPROVED.

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

Nays: None

Attorney Holzwarth stated that the annual examination process has started.

Attorney Holzwarth discussed the assumption rate for the actuarial report. She reminded the board members of their fiduciary duties to the fund. She reviewed a summary provided by the Attorney for the Fire Pension Fund, Caroline Clifford. Both the Department of Insurance and other funds have reduced their rate of assumption. The summary put together by Attorney Clifford indicates that the 7-1/2 rate of assumption being used by both the police and fire pensions is higher than the rate used by other funds.

Piotrowski referred the board to the handout provided, **regarding the asset allocation study**, Exhibit III, page one. The “current portfolio”, **in that study** is the Police Pension portfolio; the others listed are not compliant with current State Statutes.

Further discussion ensued regarding the actuarial rate of assumption. Piotrowski explained that it is the actuary’s decision what rate of assumption is used. Eventually, there could be a change with State Statute’s **allowable investments**.

NEW BUSINESS

Motion by Mueller and seconded by Stevens to approve the service pension for Mark Jimenez effective May 2, 2019 in the amount of \$72,910.35 annually/\$6,075.86 monthly and an initial benefit of \$5,879.86. 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 Jeffrey Barabasz effective May 4, 2019 in the amount of \$54,215.28 annually/\$4,517.94 monthly and an initial benefit of \$4,080.72. 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 due to the retirement of Tammy Kuczynski effective April 8, 2019; her deferred benefit effective December 21, 2020 will be as follows, the amount of \$57,513.13 annually/\$4,792.76 monthly and an initial benefit of \$1,700.66. 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 refund to Kyle Olsta in the amount of \$7,672.99, which is the amount of his contributions. 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 acknowledge the receipt of the QILDRO and the payment to Sharon Vincere in the amount of \$2,255.79 upon the review of the QILDRO by Attorney Holzwarth. 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 Berke to approve the April estimated payroll in the amount of \$1,558,103.94. 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 Berke to approve the March actual payroll in the amount of \$1,549,387.63. 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 9:45 a.m.