

**AMENDED MINUTES
ROCKFORD POLICE PENSION BOARD
JULY 19, 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
Al Mezny – HolmstromKennedy PC (via phone)

GUESTS: Jordan Greenhouse – Kayne Anderson Rudnick

STAFF: Allison Knox, Finance

The July 19, 2019 Rockford Police Pension Board convened at City Hall 425 E. State St., Jeff Nielsen called the meeting to order 8:02 a.m.

Motion by Mueller and seconded by Berke to approve the June 20, 2019 minutes of the Board meeting as amended. APPROVED.

PUBLIC COMMENT

NONE

CASH & INVESTMENTS

Piotrowski stated that the month of June was a fantastic month. The month of July has shown signs of concerns with Global Trade and Foreign Policy. As of June 30, 2019, the market value of the fund is \$196.1 million. There are no cash needs for the month of July.

For the quarter, the fund composite is 3.1% relative to the policy benchmark, which is 2.7%. Both Fidelity and DFA outperformed for the month of June.

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

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

CITY BILLS

Motion by Mueller and seconded by Berke to approve June postage charges of \$111.08. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Berke to approve July City Services of \$6,700.00. APPROVED.
Ayes: Nielsen, Mueller, Stevens, and Berke
Nays: None

Motion by Mueller and seconded by Berke to approve payment to HolmstromKennedyPC for June attorney fees for general matters in the amount of \$1,822.50. APPROVED.
Ayes: Nielsen, Mueller, Stevens, and Berke
Nays: None

Motion by Mueller and seconded by Berke to approve payment to HolmstromKennedyPC for the Shalene Eagleson disability application in the amount of \$315.00. APPROVED.
Ayes: Nielsen, Mueller, Stevens, and Berke
Nays: None

Motion by Stevens and seconded by Berke to approve the payment to HolmstromKennedyPC for in the amount of \$360.00 for Professional Services and \$39.95, for a total of \$399.95 related to the Annual Medical Reviews. APPROVED.
Ayes: Nielsen, Mueller, Stevens, and Berke
Nays: None

Motion by Mueller and seconded by Berke to approve the payment to The Northern Trust Company for investment management fees for the period of April 1, 2019 through June 30, 2019 in the amount of \$6,033.67. APPROVED.
Ayes: Nielsen, Mueller, Stevens, and Berke
Nays: None

Motion by Mueller and seconded by Berke to approve the payment to Marquette Associates for investment consulting for the period July 1, 2019 through September 30, 2019 in the amount of \$20,115.75. APPROVED.
Ayes: Nielsen, Mueller, Stevens, and Berke
Nays: None

ATTORNEY'S REPORT

Attorney Mezny stated they are waiting for **Aaron** Lesmeister's records for the annual medical exams.

NEW BUSINESS

Motion by Mueller and seconded by Berke to approve the request for refund application for Christina Perez in the amount of \$17,114.59. 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 Berke to approve the request for refund application for Konrad Waksmundzki in the amount of \$5,470.12. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.
Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None
Scott Laue joined the meeting at 8:32 a.m.

PAYROLL

Motion by Mueller and seconded by Berke to approve the July estimated payroll in the amount of \$1,584,441.01. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

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

Allison stated that the Mid-American conference is scheduled for October 1-4, 2019.

Kayne Anderson Rudnick

Jordan Greenhouse **was** at the meeting to present information regarding the performance of the City's portfolio with Kayne Anderson Rudnick. Mr. Greenhouse briefly discussed portfolio summary as shown on page three. The current value of the portfolio is \$13,385,489. In July of 2018, four analysts were added to Kayne Anderson Rudnick.

Year-to-date the fund is up 28.09%, versus 16.98% for the index. Mr. Greenhouse discussed the Portfolio Characteristics. He stated they are very comfortable with **the company's whose stocks are being held in the portfolio** are conservative with their cash right now.

Mr. Greenhouse stated **that the Kayne Anderson portfolio holds stock in companies who have "true market" control in their industry.** They look for high return on equity, high return on invested capital, low levels of debt and companies that generate high degrees of cash flow. The type of environment that is the most difficult on a relative basis for performance is coming out of a recession. Low quality stocks tend to have the highest returns. It is not the size of the business that defines the quality of the business, large does not mean it is safer.

Nielsen reminded the board that the regular meeting for next month will start at 8:00 a.m. and the disability hearing will start at 9:30 a.m.

Motion to adjourn was made and seconded at 9:25 a.m.