

**CORRECTED MINUTES
ROCKFORD POLICE PENSION BOARD
MARCH 19, 2020**

MEMBERS PRESENT: Jeff Nielsen, President
Marcia Mueller, VP – via phone
Joe Stevens, Secretary
Randy Berke, Assist. Secretary
Scott Laue, Trustee – via phone

ABSENT:

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

GUESTS: None

STAFF: Allison Knox, Finance
Carrie Hagerty, Finance Director

The March 19, 2020 Rockford Police Pension Board convened at City Hall 425 E. State St., Marcia Mueller called the meeting to order 8:05 a.m.

Motion by Stevens and seconded by Berke to approve the February 20, 2020 minutes of the Board meeting as amended. APPROVED.

PUBLIC COMMENT

NONE

CASH & INVESTMENTS

Piotrowski commented on the extreme volatility in the market. Last month at this time, the markets were still positive. There was concern over the Corona virus, but not the concern there is today. Three of the worst 10 trading days in the history of the market over the last 70 years have occurred in the last two weeks. Although there is a lot of fear, volatility and selling in the market, we are not seeing a lockup in the credit market. We would expect additional stimulus from not only Congress and the Administration, but also the Federal **Reserve**. Until there is more clarity surrounding the Corona virus, we will continue to have volatility in the market. Through February, the fund had a negative return of - 4.1%. The value of the fund through March 16 is \$174 million, which is down from \$204 million.

Currently, Kayne Anderson Rudnick and Fidelity are holding up well in this environment.

Laue asked how much more Piotrowski thought the market would go down. Piotrowski stated that there was a possibility it could go down another 5% to 10%.

Piotrowski referred the board to the "Market Value Page" of the handout. The page illustrates the underweights and overweight's to fixed income and equities. Piotrowski recommended taking the money needed for benefit payments for the next three months. This insures the fund is safe for cash needs for the next three months. The recommendation is to move the fund back into equities. This would mean moving 1% back into stocks, evenly between US and non-US stocks on a weekly basis going forward.

Motion by Stevens and seconded by Berke to **authorize** Marquette Associates to move 1% from fixed income to US and Non-US equity on a weekly basis until the market increases and the fund be rebalanced according to the policy.

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

Nays: None

Motion by Stevens and seconded by Berke to sell fixed income stocks to raise \$2.5 million for cash needs for the months of March, April, and May. APPROVED.

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

Nays: None

Motion by Stevens and seconded by Berke to approve purchases and sales as attached to the agenda. APPROVED.

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

Nays: None

CITY BILLS

Motion by Stevens and seconded by Berke to approve February postage charges of \$247.94. APPROVED.

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

Nays: None

Motion by Stevens and seconded by Berke to approve March City Services of \$7,033.33. APPROVED.

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

Nays: None

Motion by Stevens and seconded by Berke to approve the February bill from HolmstromKennedyPC for general matters in the amount of \$810.00. APPROVED.

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

Nays: None

Motion by Stevens and seconded by Berke to approve payment to HolmstromKennedyPC for the Matthew Krantz disability application in the amount of \$2,231.50, which includes \$116.50 for disbursements. APPROVED.

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

Nays: None

ATTORNEY'S REPORT

Attorney Holzwarth stated there was nothing that needed action today.

OLD BUSINESS

Knox stated that Nielsen was the only one nominated for **retired trustee** of the Police Pension Board.

NEW BUSINESS

Motion by Stevens and seconded by Berke to approve the service application for LeRoy Armendariz effective March 12, 2020, the initial prorated amount is \$2,193.16, a monthly benefit of \$3,578.32/\$42,939.78 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

Motion by Stevens and seconded by Berke to approve the service application for Maurice Pruitt effective March 10, 2020, the initial prorated amount is \$3,483.58, a monthly benefit of \$5,142.43/\$61,709.18 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

Motion by Stevens and seconded by Berke to approve the increase and retro for Gregory S. Ross. 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 Stevens and seconded by Berke to approve the Police Pension refund application for Ian Bristol in the amount of \$3,195.13. 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 Stevens and seconded by Berke to approve the Police Pension refund application for Alexander Galuszka in the amount of \$1,274.32. 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 Stevens and seconded by Berke to approve the Police Pension refund application for Megan Semmelroth in the amount of \$3,494.12. 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 Stevens and seconded by Berke to approve the Police Pension refund application for Michael Machnik in the amount of \$1,210.63. 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 by Stevens and seconded by Berke to approve the Police Pension refund application for Mark Mendoza in the amount of \$12,604.28. 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 Stevens and seconded by Berke to approve the Police Pension refund application for Ricardo Jaime in the amount of \$328.54. 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 Stevens and seconded by Berke to approve the Police Pension refund application for Liam Ryan in the amount of \$2,865.09. 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 Stevens and seconded by Berke to approve the Police Pension refund application for Garrett Henderson in the amount of \$4,600.87. 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 Stevens and seconded by Berke to terminate the pension for Sherrie Ann MacMurchy effective March 11, 2020 due to her death. 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 Stevens and seconded by Berke to approve the first increase for Michael Clark effective March 1, 2020 in the amount of \$164.71 and a new monthly benefit of \$5,655.19/\$67,862.28 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 Stevens and seconded by Berke to approve the March estimated payroll in the amount of \$1,678,015.66. 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 to adjourn was made and seconded at 8:42.