

**MINUTES**  
**ROCKFORD FIREFIGHTERS' PENSION FUND**  
**January 21, 2021**

A regular meeting of the Board of Trustees of the Rockford Firefighters' Pension Fund was held on Thursday, January 21, 2021, at 3:00 p.m. via video and teleconference, Rockford, Illinois, pursuant to notice.

**CALL TO ORDER**

The meeting was called to order at 3:00 p.m. Upon a call of the roll, the following answered:

*PRESENT VIA TELECONFERENCE in accordance with Section 7(e) of the Open Meetings Act (5 ILCS 120/7(e)), recently amended by Public Act 101-0640 (Government Emergency Administration Act) as the result of the State's disaster declaration regarding the COVID-19 pandemic and the Board President's determination that an in-person meeting is not practical or prudent:*

|   |   |
|---|---|
| Alan Granite, President                       | Bill Beaman, Board Secretary                        |
| Carrie Hagerty, Trustee/City Finance Director |   |
| Todd Monahan, Trustee (joined at 3:10 pm)     | Michael White, Trustee, Trustee (joined at 3:10 pm) |

GUESTS: Attorneys Carolyn Clifford & Mike Weinstein, Ottosen DiNolfo  
Mike Piotrowski, Marquette Associates

STAFF: Karla Hunter, Accountant Judi Yehling, Recording Secretary

**I. PUBLIC COMMENT – None**

**II. MINUTES**

The minutes of the regular December 17, 2020, meeting were presented. Bill Beaman made a motion to approve the minutes and Carrie Hagerty seconded the motion. A roll call vote was taken:

|                |               |                |
|----------------|---------------|----------------|
| <b>Ayes:</b>   | Alan Granite  | Carrie Hagerty |
|                | Bill Beaman   |                |
| <b>Absent:</b> | Michael White | Todd Monahan   |
| <b>Nays:</b>   | None          |                |

**III. APPROVAL OF APPLICATIONS/PENSION CHANGES**

The pensions granted below do reflect the 1-2-21 contractual increase.

Driver Engineer Michael Haag has submitted his application for a service pension retiring January 4, 2021. He will have served 25 years, 2 months and 25 days upon retirement. He is entitled to a monthly pension of \$5,276.52 or an annual pension of \$63,318.23. Bill Beaman made a motion, seconded by Carrie Hagerty, to approve of the pension application as presented. A roll call vote was taken:

|                |               |                |
|----------------|---------------|----------------|
| <b>Ayes:</b>   | Alan Granite  | Carrie Hagerty |
|                | Bill Beaman   |                |
| <b>Absent:</b> | Michael White | Todd Monahan   |
| <b>Nays:</b>   | None          |                |

Captain John Straley has submitted his application for a service pension retiring January 3, 2021. He will have served 25 years, 2 months and 24 days upon retirement. He is entitled to a monthly pension of \$5,912.57 or an annual pension of \$70,950.79. Bill Beaman made a motion, seconded by Carrie Hagerty, to approve of the pension application as presented. A roll call vote was taken:

|                |               |                |
|----------------|---------------|----------------|
| <b>Ayes:</b>   | Alan Granite  | Carrie Hagerty |
|                | Bill Beaman   |                |
| <b>Absent:</b> | Michael White | Todd Monahan   |
| <b>Nays:</b>   | None          |                |

Driver Engineer Luke Vuttera has submitted his application for a service pension retiring January 3, 2021. He will have served 24 years, 3 months and 1 day upon retirement. He is entitled to a monthly pension of \$4,994.77 or an annual pension of \$59,937.18. Alan Granite made a motion, seconded by Carrie Hagerty, to approve of the pension application as presented. A roll call vote was taken:

|                |               |                |
|----------------|---------------|----------------|
| <b>Ayes:</b>   | Alan Granite  | Carrie Hagerty |
|                | Bill Beaman   |                |
| <b>Absent:</b> | Michael White | Todd Monahan   |
| <b>Nays:</b>   | None          |                |

#### IV. DISBURSEMENTS

The warrant for January 21, 2021, had been issued in the amount of \$1,765,510.73. An amended warrant was presented at the meeting reflecting both the decrease due to pensions deleted for deceased members and the annual increases for an amended amount of \$1,764,425.47. A motion was made by Alan Granite, seconded by Carrie Hagerty, to approve the amended disbursement warrant for \$1,764,425.47. A roll call vote was taken:

|                |               |                |
|----------------|---------------|----------------|
| <b>Ayes:</b>   | Alan Granite  | Carrie Hagerty |
|                | Bill Beaman   | Todd Monahan   |
|                | Michael White |                |
| <b>Absent:</b> | None          |                |
| <b>Nays:</b>   | None          |                |

#### V. CASH & INVESTMENTS

Prior to Mike Piotrowski's presentation of the Flash Report, Mike Piotrowski and the Board discussed the arrangements of the new Consolidated Pension Board. Mike Piotrowski indicated that the Board would be choosing and announcing the names of the new custodian and fund managers. The transition will likely take place around August 1 and the Pension Board will be contacted by the Consolidated Board about transferring funds. The first call will be simply an introduction to share information. The pension boards will likely be contacted in alphabetical order.

Mike Piotrowski presented Marquette Associates' Flash Report for December 31, 2020:

- The Fund stands at \$175.9 million which is another all-time high. The Fund started the year at \$165 million so there has been an increase of \$10 million. Last year the Fund hit a low of \$138 million in the first quarter so there has been a remarkable recovery. The Fund has had two extraordinary back-to-back years.
- Currently the Fund allocations are in line with the policy and no additional trades were placed and no rebalancing was necessary.
- Regarding the Fund's performance, the return at one month was 3.4%; 10.4% at three months and YTD the rate of return was 11.4% most of which came in the 4<sup>th</sup> quarter.
- The returns have been the result of a disciplined adherence to the policy and the aggressive investment in stocks.
- All the portfolios managers showed strong returns except for real estate. Fixed income did "fantastically." The most challenged was small cap value stocks but they have improved throughout

2020. Mike Piotrowski believes that the introduction of the vaccines will have a positive effect on stocks for the year. Of concern is the size of the deficit.

- Fixed income had a great year, especially Optimum Quantvest (formerly Hillswick). US equities had “a tough” year but value is up 30% in the fourth quarter. International is up 19% versus the broad market and DFA has had a solid fourth quarter.
- Principal is up 12% for the quarter; we still have a partial residue request with them. Their liquidity profile is improving and they are allowing new investment beginning February.
- Mike Piotrowski recommends continuing to “ride” with DFA but Marquette will keep them on alert status.
- As far as consolidation is concerned Mike Piotrowski said there is no date for the Fund to be consolidated. Since the Fund has no one custodial bank, he thinks the Fund will be later in line. He recommends not making any changes but to watch DFA closely. He added, however, that the larger funds may be first in line. He will keep the Board updated.

Alan Granite congratulated Mike Piotrowski on all the wise moves that were made and thanked him and Marquette for their counsel over the years. He added that he will send an email to all members and the retired members on the status of the Fund and consolidation. He asked Attorney Clifford if there is any way that the state can take the money from the Consolidated Fund. Attorney Clifford responded that that “cannot happen;” the money is in a trust and cannot be borrowed or used by another entity. Each fund will have its own account within the consolidated fund and will be segregated.

There is still sufficient cash on hand so there are no cash needs.

Records of purchases and sales were copied to Board members. Todd Monahan made a motion, seconded by Carrie Hagerty, to approve the purchases and sales for the month. A roll call vote was taken:

**Ayes:** Alan Granite Carrie Hagerty  
Bill Beaman  
Todd Monahan Michael White  
**Absent:** None  
**Nays:** None

## VI. OLD BUSINESS

*Annuity Contract Review* –Attorney Weinstein advised that he would be sending one copy of the letter he has created and passed by the Board to the Mayor and one copy to the Fiduciary Insurer who held the insurance in 2017. He will be making a few changes. This letter is essentially putting them on notice. In the letter to the Mayor, he will ask that the Mayor submit it to the City’s errors and omissions insurance. It is the Board’s obligation to issue these letters once they became aware of the situation. Michael White made a motion, seconded by Bill Beaman, to have the letters prepared and provided to the indicated bodies. A roll call vote was taken:

**Ayes:** Alan Granite Carrie Hagerty  
Bill Beaman  
Todd Monahan Michael White  
**Absent:** None  
**Nays:** None

*King disability matter* –Attorney Clifford advised the Board that King has been evaluated by all three IME physicians and she has received the evaluation from one of the three. The Board should be able to hold the hearing shortly; there has been to inquiry from the City for intervention as of yet. King has applied for an occupational or non-duty pension but it is possible it could be amended to a line-of-disability pension at a later date at which time the IMEs would need to be recontacted. Attorney Clifford said she will wait until all three IME reports come in and then schedule a hearing conducted via videoconference. She will handle getting a court reporter for the hearing. King is currently on light duty.

*Status of Lingel’s transfer of creditable service to Chicago* – Nothing further has been heard in this matter. However, Attorney Clifford did cite another case where the Chicago fund rejected a transfer check that had been sent. Apparently, there is some dispute between the accountants and the attorneys for the Chicago fund on how the transfer is being calculated. It is in the Chicago fund’s hands now.

*Fiduciary Liability Policy* –Attorney Clifford spoke with Roberta Holzwarth, the Police Pension Board Attorney, and it was decided to wait to issue an RFP until consolidation is finalized. This will give the industry time to react and determine exactly what the fiduciary responsibilities are. Attorney Clifford said this may come off the agenda for now.

## **VII. NEW BUSINESS**

*Economic Interest Statements* – Carrie Hagerty indicated that the County would be mailing out the forms but individuals would be able to respond by email. The statements are due to the County by May 1<sup>st</sup>.

*Attorney’s engagement letter and retainer for 2021* – Attorney Clifford advised Board the retainer fee will be going up for 2021. If the actual hours had been billed last year, the amount billed would have been \$14,688. The proposal is to have the retainer raised from \$950/month to \$1,100/month or \$13,000/year. The policy adjustment is included in the new retainer. Discussed the impact consolidation may have on meetings and agreed that can be addressed when it happens. Carrie Hagerty made a motion, seconded by Michael White, to approve the new attorney retainer agreement. A roll call vote was taken:

|                |              |                |
|----------------|--------------|----------------|
| <b>Ayes:</b>   | Alan Granite | Carrie Hagerty |
|                | Bill Beaman  |                |
|                | Todd Monahan | Michael White  |
| <b>Absent:</b> | None         |                |
| <b>Nays:</b>   | None         |                |

*Trustee Terms* – Discussed whose terms will be expiring. Todd Monahan will be up for re-election. Attorney Clifford reminded Board that if there is only one candidate he may be re-elected by acclamation. The position will be posted for nomination. Carrie Hagerty and Michael White positions are both appointed positions and are up August 20, 2021 and January 7, 2022 respectively, Will keep this on the agenda as a reminder.

## **TRAINING**

### *Legal Updates:*

Discussed consolidation training. Alan Granite and Todd Monahan have received their certificates but Bill Beaman is still waiting to get his. Attorney Clifford reminded the members that the four hours of consolidation training had no completion deadline and the consolidated fund did not charge for the training.

Attorney Clifford provided an overview of the new training requirements, a copy of the *First Quarter Insights* and a review of 2020 cases. She also mentioned a Northern Illinois Alliance of Fire Protection District's webinar on January 30 that Mike Piotrowski would be presenting at and which she will be moderating. A Power Point will be available of the webinar, which she can provide to the Board.

Alan Granite read a Resolution, No. 1-2021, of Appreciation for Judi Yehling's years of service to the Board. Alan Granite made a motion, seconded by Bill Beaman, to accept the resolution as read and presented. A roll call vote was taken:

|                |              |                |
|----------------|--------------|----------------|
| <b>Ayes:</b>   | Alan Granite | Carrie Hagerty |
|                | Bill Beaman  |                |
|                | Todd Monahan | Michael White  |
| <b>Absent:</b> | None         |                |
| <b>Nays:</b>   | None         |                |

## VIII. ADJOURNMENT

Alan Granite made a motion to adjourn the meeting, seconded by Bill Beaman. Motion carried and meeting was adjourned at 4:10 p.m.

Next regular meeting is February 18, 2021, at 3:00 p.m.

Respectfully submitted:

Prepared by:

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Bill Beaman, Board Secretary

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Judith Yehling, Recording Secretary

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Date

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Date

*Approved by the Board of Trustees at its February 18, 2021, meeting.*