

CORRECTED MINUTES ROCKFORD POLICE PENSION BOARD JANUARY 21, 2021

The meeting was conducted remotely in accordance with Section 7(e) of the Open Meetings Act, 5 ILCS 120/7(e).

MEMBERS PRESENT: Jeff Nielsen, President
Marcia Mueller, VP
Joe Stevens, Secretary
Randy Berke, Assist. Secretary

ABSENT: Scott Laue

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

GUESTS: None

STAFF: Karla Hunter, Finance
Carrie Hagerty, Finance Director

The January 21, 2020 Rockford Police Pension Board convened at City Hall 425 E. State St., Jeff Nielsen called the meeting to order 8:05 a.m.

Motion by Mueller and seconded by Stevens to approve the December 17, 2020 minutes of the Board meeting as amended. APPROVED.

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

PUBLIC COMMENT

NONE

CASH & INVESTMENTS

Piotrowski reviewed the December Marquette flash report. The police pension had a fantastic year. The year started at \$203.7 million and ended at \$218.4 million, \$14.7 million higher than where it started. The strength in the equity market was amazing. The year ended with 35.2% in fixed income and cash. The portfolio remains overweight in stocks and slightly underweight to real estate, but the portfolio remains in line with the target policy. For the month of December, the pension fund had a 2.9% net of fee return, and for the fourth quarter, the return was positive 8.8%, and for the plan year the fund was positive 11.1%.

Segall Bryant Hamill was up 6.2%, but they did underperform their benchmark by approximately 20 basis points net of fees for the year. Kayne Anderson has been a strong performer historically, but underperformed in the fourth quarter. Fidelity underperformed for the quarter, but had a fantastic year of 19.4% relative to 7.8%. DFA performed like we would expect them to, relatively well versus

their benchmark. We will continue to monitor DFA. There is still concern with the pandemic and how it will affect commercial real estate for the longer term. PIMCO had a nice quarter **providing a return of 12.2%**.

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

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

CITY BILLS

Motion by Mueller and seconded by Stevens to approve December postage charges of \$83.40. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Stevens to approve December City Services of \$7,385.00. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Stevens to approve the December bill from HolmstromKennedyPC for general matters in the amount of \$1,091.25. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Stevens to approve the Matthew Krantz disability application matter in the amount of \$315.00. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Stevens to approve the payment to Marquette Associates for investment consulting services for the period of January 1, 2021 through March 31, 2021 in the amount of \$20,618.50. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Motion by Mueller and seconded by Stevens to approve the payment to Northern Trust for investment management fees for October 1, 2020 through December 31, 2020 in the amount of \$5,969.06. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

ATTORNEY'S REPORT

Attorney Holzwarth stated she emailed updates to the policy manual. The State is moving slowly with the police pension consolidation; they are working on developing a website.

Sheri Glover is due for her first pension increase. Hunter stated that her first increase is due to her reaching the age of 60. The increase amount is \$1,600.02 for a monthly total of \$3,651.33.

Motion by Mueller and seconded by Stevens to approve the first pension increase for Sheri Glover for a monthly amount of \$3,651.33/\$43,815.00.00 annually effective January 1, 2021. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Attorney Holzwarth explained that Officer Hoeksema has more than two years of military service with 10 plus months of active service and two years of inactive service. The Statute allows for all creditable military service, which would include active and inactive service.

Motion by Mueller and seconded by Stevens to approve the military buyback for John Hoeksema for a two year period for a total cost of \$65,526.55, subject to the payment being made by January 31, 2021. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

Attorney Holzwarth recommended going out for request for proposals for Fiduciary Liability Insurance after the pension fund consolidation is completed.

OLD BUSINESS

Hunter will contact Mike Zurich regarding notification of death of pensioners.

NEW BUSINESS

Motion by Mueller and seconded by Stevens to approve the annual increases on the spreadsheet attached for the regular pension retirees in the amount of \$34,162.35, \$843.59 for disability increases and a total monthly amount of \$35,005.94. 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 Stevens to approve the termination of benefits for John Dahlberg due to his death on December 12, 2020. 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 Stevens to approve the first increase for Kristen McLester in the amount of \$448.77 and a new monthly amount of \$6,859.78/\$82,317.36 annually. 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 Stevens to approve the first increase for Paul Swanberg in the amount of \$520.60 and a new monthly amount of \$5,363.36/\$64,360.32. 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 Stevens to approve the service pension application for James Gulley effective January 9, 2021 in the amount of \$5,402.89 monthly/\$64,834.70 annually. 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 Stevens to approve the refund application for Gustavo Lopez in the amount of \$23,706.41. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Mueller, Stevens, and Berke

Nays: None

PAYROLL

Motion by Mueller and seconded by Stevens to approve the January estimated payroll in the amount of \$1,751,515.06. 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 December actual payroll in the amount of \$1,688,988.37. 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 9:14 a.m.