

MINUTES
ROCKFORD FIREFIGHTERS' PENSION FUND
March 18, 2021

A regular meeting of the Board of Trustees of the Rockford Firefighters' Pension Fund was held on Thursday, March 18, 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	Michael White, Trustee, Trustee

GUESTS: Attorneys Carolyn Clifford & Mike Weinstein, Ottosen DiNolfo
Mike Piotrowski, Marquette Associates (joined around 3:25 p.m.)

STAFF: Karla Hunter, Accountant

I. PUBLIC COMMENT – None

II. MINUTES

The minutes of the regular February 18, 2021, meeting were presented. Bill Beaman made a motion to approve the minutes and Michael White seconded the motion. A roll call vote was taken:

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

III. APPROVAL OF APPLICATIONS/PENSION CHANGES

Frank Decastris first increase of \$500.99 per month. Bill Beaman made a motion, seconded by Michael White. A roll call vote was taken:

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

Absent:	
Nays:	None

IV. DISBURSEMENTS

The warrant for March 18, 2021, was presented in the amount of \$1,792,665.60. A motion was made by Alan Granite, seconded by Carrie Hagerty, to approve the disbursement warrant. A roll call vote was taken:

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

V. CASH & INVESTMENTS

Mike Piotrowski presented Marquette Associates' Flash Report for February 28, 2021:

- There is a lot of good news for the month.
- The total value of the Fund as of February 28, 2021 is approximately \$174.8M, and the Fund saw nice gains over the course of the month. No significant deviations from previous months.
- The Fund is underweight to fixed income and relative overweight in equities, and a corresponding underweight in real estate and cash position.
- These over and underweights have been in place the last few months and are in response to market movements.
- At the end of 2020 Marquette did rebalance so there is no cash needs.
- There was a very strong start in January and then there was a difficult finish ending slightly negative. February stocks did well domestically and internationally.
- For the month, the total portfolio is up 1.9% with a YTD return of 1.2%. For the month the Fund outperformed the policy benchmark but YTD slightly behind 60 basis points. More importantly, over the trailing 12 months the Fund is about a percentage point ahead of policy benchmark with 17.7% return.
- Fantastic returns from equities. Broad US market was up 3.1% for the month, broad international markets up 2%. Both composites outperformed at 4.8% and 3.2%. We had a little bit of a challenge in the fixed income environment; bond yield rose so the Fund experienced some negative returns.
- Something interesting in the fixed income is that the 10-year US treasury has nearly doubled the yield since the beginning of the year. It is now at about 1.75%. The markets are moving rates higher in anticipation of stronger growth as the market start to reopen.
- Interest rates are to be kept at zero, but the markets are telling us something different.
- Real estate continues to chug along and PIMCO on the global piece is up 2% for the month and up 4.49% YTD. Allocations of global equities and commodities performing well with prospects of higher inflationary environment in the near term.
- There was challenging performance in bonds in general, as both managers underperformed.
- Value and small caps did pretty well.
- Fiduciary has not kept up as much as expected. Fiduciary is a very disciplined manager, valuation sensitive. Fiduciary tends to lack in upward moving markets but not by this much.
- DFA coming back strong. Europacific and Virtus taking a little pause over the past few months. A balanced approach but something to keep watching.
- Marquette is confident that we will see some very strong relative performance going forward.
- Once consolidation takes place, the consolidation board will handle actuarial services. Any suggested changes will be phased in over a 3-year period.
- Mike Piotrowski also reported on the Segall Bryant acquisition by CI Financial.
- A motion was made by Michael White and seconded by Carrie Hagerty to provide consent upon legal review.
- A motion was made by Alan Granite and seconded by Bill Beaman to place Segall Bryant on alert status based on the acquisition.

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 Bill Beaman, 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

King disability matter – The hearing was held on March 17, 2021. The transcript, findings, and draft are to be prepared and presented at the April meeting. Jason King may want to consider the possibility of converting to a service pension in about 5 years. He is not subject to annual physicals since he is 50 years old.

Status of annuity contract letters – There have been no responses from the fiduciary liability insurance carrier or the City regarding the correspondence as of yet.

VII. NEW BUSINESS

Annual Medical Exams of Disabled Members – John Albaugh has reached the age of 50 and no longer has to get physical exams. Michael McCallips will turn 50 in April so he will no longer have to get physical exams either. Carolyn will send out affidavit of eligibility and release of medical record forms to Jeffrey Gustafson and Sonenalin Chanthaphone to start the process.

Alan Granite made a motion, seconded by Bill Beaman, to direct Carolyn to begin the annual IME process for retirees under 50, Gustafson and Chanthaphone, but eliminate McCallips from this year's process because he turns 50 next month.

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

Active Trustee Election Ballots – Three nominations were submitted for the active trustee position; one person declined the nomination, Brian Carlson. Brett Beaman and Todd Monahan have accepted the nomination. Alan Granite is going to initiate an online election process.

Fiduciary Liability insurance policy review and possible RFP process – Carolyn is working with Bobbi Holzwarth, the attorney for the Rockford Police Pension Fund on this project.

Statement of Economic Interest – The forms have been mailed to the trustees' home address. Trustees were reminded to complete the forms and return them to the county or complete the process online before the May 1st deadline.

Death Audit Service – From the Nyhart death audit service, we received a notification of a purported death for one of our pensioners, David B. Johnson. Upon calling for confirmation, he was not deceased. Karla will be sending out an affidavit that he will need to get notarized and return for verification of identity. Our actuary is looking into what prompted the notification and possible mistaken identity.

VIII. TRAINING

The Board discussed the different factual scenarios for members possibly converting from disability or non-disability to service pension. It was noted that each situation is different for each member, with multiple considerations as to the tax implications and applicable pensionable salary, depending on years of service at time of disability and time of conversion.

IX. LEGAL UPDATES

The Board was provided a copy of the pending litigation, Arlington Heights Police Pension Fund v. Pritzker, which was filed in late February 2021, in an effort to stop the consolidation of Article 3 and 4 pension funds. Further updates will be provided as they become available.

X. ADJOURNMENT

Bill Beaman made a motion to adjourn the meeting, seconded by Carrie Hagerty. Motion carried and meeting was adjourned at 4:20 p.m.

Next regular meeting is April 15, 2021, at 3:00 p.m.

Respectfully submitted:

Prepared by:

Bill Beaman, Board Secretary

Karla Hunter, Staff

Date

Date

Approved by the Board of Trustees at its April 15, 2021, meeting.