

**MINUTES  
ROCKFORD POLICE PENSION BOARD  
APRIL 15, 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  
Scott Laue, Trustee

**ABSENT:**

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

**GUESTS:** Matt Pawlak – DFA  
Tanner Button – DFA  
Robert Deere - DFA

**STAFF:** Karla Hunter, Finance  
Carrie Hagerty, Finance Director  
Shurice Hunter, Human Resources

The April 15, 2021 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 Stevens to approve the March 18, 2021 minutes of the Board meeting as amended. APPROVED.

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

Nays: None

**PUBLIC COMMENT**

NONE

**ATTORNEY'S REPORT**

Attorney Holzwarth stated that the annual medical examination process is proceeding; the annual letters have been mailed to the pensioners under the age of 50 on a disability pension.

Attorney Holzwarth stated that the ballots for the active trustee election must be returned or postmarked by April 28. An early meeting in May will be needed to count the ballots and certify the election since there were three nominees. The two current trustees would not be present to count

the ballots. Attorney Holzwarth recommended a meeting between May 6 and May 19 to count the ballots and certify the election.

Attorney Holzwarth stated she reached out to three separate brokers for the Fiduciary Liability Policy. Both Attorney Holzwarth and Attorney Carolyn Clifford (fire pension) suggested scheduling a joint meeting to discuss the fiduciary liability policy options. Attorney Holzwarth stated all three brokers thought that CHUBB was a good broker. Mueller suggested the date of May 6 to have the joint meeting with the fire pension board.

The consolidated fund now has a website, the website address is in the materials provided to the board. Piotrowski stated that Marquette was not one of the finalists chosen to represent the police pension fund.

## **CASH & INVESTMENTS**

Piotrowski stated meeting agendas are being posted on the consolidation website.

Piotrowski reviewed the March Marquette flash report; the full quarterly report will be presented in May. The market value of the police pension fund as of March 31<sup>st</sup> is approximately \$220.7 million. On a net, net basis the fund had a gain of \$2.3 million for the first quarter. The fund remains in line with the asset allocation policy. There is a little under \$2 million in cash on hand. The performance for March was positive, 1.7% for the total plan, the fund outperformed the policy benchmark and the assumed rate of return. For the first quarter, the fund was positive 3.2%, the 12 month rate of return was positive 29.3%.

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

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

Nays: None

## **CITY BILLS**

Motion by Mueller and seconded by Stevens to approve March postage charges of \$87.02. APPROVED.

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

Nays: None

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

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

Nays: None

Motion by Mueller and seconded by Stevens to approve the March bill from HolmstromKennedyPC for general matters in the amount of \$1,800.00. Laid over.

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

Nays: None

Motion by Mueller and seconded by Stevens to lay over the annual medicals until the May meeting. APPROVED.

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

Nays: None

Motion by Mueller and seconded by Stevens to approve the payment to Marquette Associates for consulting services for April 1, 2021 through June 30, 2021 in the amount of \$20,618.50. APPROVED.

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

Nays: None

Motion by Mueller and seconded by Stevens to approve the payment to Northern Trust Company for management fees for January 1, 2021 through March 31, 2021 in the amount of \$6,270.06. APPROVED.

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

Nays: None

Attorney Holzwarth left the meeting at 9:00 a.m.

## **NEW BUSINESS**

Motion by Mueller and seconded by Stevens to approve the first increase for Leroy Armendariz effective April 1, 2021 in the amount of \$107.35, full monthly benefit amount of \$3,685.67/\$44,228.04 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 Mueller and seconded by Stevens to approve the refund application for Derek Wolfe in the amount of \$79.12. 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 Mueller and seconded by Stevens to approve the refund application for Adam Theis in the amount of \$19,026.93 due to his termination on September 3, 2009. 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 Mueller and seconded by Stevens to approve the service pension application for David Paterson effective April 25, 2021 for a prorated benefit in the amount of \$1,302.20, full monthly benefit amount of \$6,511.01/\$78,132.08 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 Mueller and seconded by Stevens to approve the military buyback application for Robert Reffett to purchase 18 months of military service credit for a total cost of \$44,305.20. 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 Mueller and seconded by Stevens to approve the April estimated payroll in the amount of \$1,782,288.27. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

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

Nays: None

## **Dimensional Fund Advisors**

Matt Pawlak, Tanner Button, and Robert Deere were in attendance for the remote meeting to present information regarding the performance of the City's portfolio with Dimensional Fund Advisors.

Mr. Button stated that it was the 40<sup>th</sup> Anniversary for Dimensional Fund Advisors. DFA currently has \$637 billion in assets under management. Mr. Deere stated a fund like DFA is in a tough spot when the stock market is in a crisis mode. It is desirable to be invested in the 10% to 15% bottom of the each market. DFA is invested in over 1,800 securities, no one stock is going to make or break the strategy. Mr. Deere reviewed the Equity Market Overview. Mr. Deere spoke about the effects on the global economy due to the pandemic. Over the last year, Small Cap stocks outperformed Large Cap stocks. Value stocks outperformed growth stocks within both large and small Caps. The 2021 first quarter performance was much better than the MSCI World ex USA Small Cap Index and the MSCI World ex USA Small Cap Value index.

Mr. Button stated that as of February 28, 2021 there would be a reduction of 15 basis points in management fees for this portfolio.

Motion to adjourn was made and seconded at 9:21 a.m.