

**MINUTES**  
**ROCKFORD FIREFIGHTERS' PENSION FUND**  
**May 20, 2021**

A regular meeting of the Board of Trustees of the Rockford Firefighters' Pension Fund was held on Thursday, May 20, 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, Ottosen DiNolfo

Mike Piotrowski, Marquette Associates

John Kevin Balaad, Journalist

STAFF: Karla Hunter, Accountant

**I. PUBLIC COMMENT – None**

**II. MINUTES**

The minutes of the regular April 15, 2021, meeting were presented. Bill Beaman made a motion to approve the minutes and Todd Monahan seconded the motion. A roll call vote was taken:

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

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

Chief Derek Bergsten has submitted his application for a service pension retiring May 8, 2021. He will have served 27 years, 2 months, and 1 day upon retirement. He is entitled to a monthly pension of \$9,533.15 or an annual pension of \$114,397.80. A motion was made by Alan Granite, seconded by Carrie Hagerty, to approve the service pension application. 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	

John Gasparini is eligible for his first increase; the monthly increase will be \$491.91/month for a new monthly benefit of \$5,809.84 or an annual pension of \$69,718.08. Alan Granite made a motion, seconded by Bill Beaman. A roll call vote was taken:

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

Marcus Wortman is eligible for his first increase; the monthly increase will be \$235.76/month for a new monthly benefit of \$8,094.52 or an annual pension of \$97,134.24. Bill Beaman made a motion, seconded by Carrie Hagerty. A roll call vote was taken:

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

Burnis Turner passed away April 25, 2021, and his pension will terminate. There is no surviving spouse. Michael White made a motion, seconded by Bill Beaman to approve the termination of Burnis Turner's pension. A roll call vote was taken:

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

Eugene Collins passed away April 21, 2021, and his pension will terminate. There is no surviving spouse. We were not informed of his passing until May so his daughter is going to reimburse the Fire Pension Fund \$1,521.58 for the overpayment above the prorated amount for April. Bill Beaman made a motion, seconded by Michael White to approve the termination of Eugene Collins' pension. A roll call vote was taken:

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

William Wright passed away May 4, 2021, and his pension will terminate. There is no surviving spouse. Todd Monahan made a motion, seconded by Carrie Hagerty to approve the termination of William Wright's pension. A roll call vote was taken:

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

The Board has received applications for membership for the following nine firefighter recruits who were appointed by the City of Rockford Fire Department on 5/3/2021: Kathryn Osborne, Ryan Wilcox, Kassidy Mack, James Smith, Alyssa Nicosia, Erick Eckerstrom, Peter Ruf, Joshua Hoffland, and Stephanie Dassie (appointed 5/17/2021). They are all considered Tier 2. Alan Granite made a motion, seconded by Carrie Hagerty to accept the membership applications of the nine new recruits. A roll call was taken:

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

A brief discussion took place on whether a recruit could transfer time over from a previous employer. Another topic of discussion was whether National Guard service is eligible for purchase of military buyback and if a refund from IMRF can be used to make the purchase of time through direct rollover.

#### IV. DISBURSEMENTS

The warrant for May 20, 2021, was presented in the amount of \$1,847,860.93. Amendments to IGFOA invoice totals introduced a new amended total of \$1,847,873.43. 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 April 30, 2021:

- The Fund's portfolio continues to grow during the month of April.
- The total value of the Fund as of April 30, 2021 is approximately \$181M.
- The portfolio is allocated relative to its policy targets.
- The portfolio is overweight to equities which is a byproduct of market appreciation.
- As a reminder we rebalanced at the end of the year and we are at a point of the year where we will have cash needs.
- We have about \$1.3M cash on hand, but will need to sell off some investments to cover benefit payments.
- Cash needs for this month will be around \$600K. Mike recommends that the Fund sell \$600K of Vanguard Institutional Index Fund to meet the need as it is the most overweight by around \$3.3M.

- April was a very strong month, positive 2.9% on a net of fee basis. This brings the calendar YTD return to positive 6.1%.
- The performance of the Fund is well over the assumed rate of return at 1 Yr. positive 27%, 5 Yr. up 9.1%, and at 10 Yr. up 7.5%.
- Bonds had a fairly nice month with a 60 basis point gain. They had a challenging start to the year.
- US Equity up 4.9%, Non-US up 4.2%, Global up 2.7%, and Real Estate up .5%.
- In general, the positioning and allocations have worked well in broad markets. Historically, we have had underperformance in US equities.
- The portfolio is well positioned for the remainder of the year.
- Value and small cap did very well in the 1<sup>st</sup> quarter. The fund saw a little backseat in April, but then they are coming back into favor in May.
- Quality did very well for the month. So you see managers like Fidelity that have not done well in the strong upward moving market in Q4 2020 and Q1 2021 have a very nice 1 month period.
- The market is concerned about fads, inflation, higher rates, and higher yields.
- DFA and Emerging value continue to do quite well. They still have a lot of ground to make up, but are contributing to the portfolio.
- All in all a very solid month. There has been a little volatility in May. All eyes on fed, all eyes on inflation.
- There are currently three funds in the portfolio that are on alert. Optimum and Segall are on alert because of ownership or organizational changes and DFA is on alert due to its performance. We can probably start thinking about removing the alert for Optimum and moving them back into compliance since their offense occurred in early 2019. DFA has improved their performance so you may want to consider removing the alert from them in the next coming months.

Cash needs of \$600K to be pulled from Vanguard Institutional Index Fund. Alan Granite made a motion, seconded by Carrie Hagerty to approve the cash needs. A roll call vote was taken:

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

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. FPIF UPDATES

- Policy development and rule making process continues.
- Transition start date is October 1<sup>st</sup>.
- Investment RFPs and interviews with actuaries are underway.

- Non-transferrable assets such as annuity contracts are not able to be reassigned and will stay at local funds.
- Fees will be allocated on a prorate basis, based on net asset value (NAV).
- Another executive trustee from the municipal community stepped down due to retirement. There are now two vacancies on the Board.
- The Board will have to hold a special election to replace the two executive trustees for their unexpired terms.
- The Board reviewed the FPIF Checklist prepared by Attorney Clifford and will be taking action by resolution designating authorized agents for FPIF.

## VII. OLD BUSINESS

*Status of annuity contract matter* – No updates

*Fiduciary Liability Insurance Policy* –

- Greg Kieswetter of Cook Castle Associates, LLC joined the meeting.
- He started placing fiduciary liability policies for Article 3 and 4 pension funds in 2009 and started his own business in 2012.
- No issues with Broker of Record letter.
- There are no issues transitioning to his firm
- The application would be the final item to submit to CHUBB once AI has signed it.
- CHUBB will likely offer a reduced amount of coverage. Greg has a contingency plan in case this happens.
- A hard market in insurance means that it is industry driven and the rates tend to increase.
- Greg will introduce additional coverage such as fidelity bond coverage, which is prime coverage and Cyber coverage.
- The City is able to add the Fund to its cyber policy. Greg will review and determine if it covers the needs of the Fund.

*Status of Annual Affidavits of Disabled Members and Appointment of IME Physicians* – We are moving forward with IME’s for Chanthaphone and Gustafson. We are still waiting on treating physician records, but will make the IME appointments at the June meeting.

## VIII. NEW BUSINESS

*Affidavit policy/info* – Alan Granite made a motion, seconded by Bill Beaman to waive the notary requirement again this year. . 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	

**IX. TRAINING**

We will be looking into coming up with a process and procedure for the handling of employee contributed funds once an employee leaves the City. There are three options: they can maintain the money in the fund and be considered a deferred pensioner; leave the funds in order to potentially transfer creditable service to their new employer; or take the refund with them upon leaving the City.

**X. ADJOURNMENT**

Carrie Hagerty made a motion to adjourn the meeting, seconded by Bill Beaman. Motion carried and meeting was adjourned at 4:15 p.m. . 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	

Next regular meeting is June 17, 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 June 17, 2021, meeting.*