

MINUTES
ROCKFORD POLICE PENSION BOARD
MAY 20, 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
Joe Stevens, Secretary
Scott Laue, Trustee

ABSENT: Marcia Mueller
Randy Berke

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

GUESTS: Greg Kiesewetter - Cook Castle

STAFF: Karla Hunter, Finance
Carrie Hagerty, Finance Director

The May 20, 2021 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 Stevens and seconded by Laue to approve the April 15, 2021 minutes of the Board meeting as amended. APPROVED.

Ayes: Nielsen, Stevens, and Laue
Nays: None

Motion by Stevens and seconded by Laue to approve the May 6, 2021 minutes of the Board meeting as amended. APPROVED.

Ayes: Nielsen, Stevens, and Laue
Nays: None

PUBLIC COMMENT

NONE

CASH & INVESTMENTS

Piotrowski presented the April flash report, April was a strong month. The value of the fund is currently \$225.4 million as of April 30. The fund is overweight to equities, largely due to the equity market strength. Currently there is \$1.1 million cash on hand. For the month, the return was positive 2.5%, ahead of the policy benchmark, which was up 2.2%. The year-to-date return was positive 5.7%, which was also outperforming the policy of 5.4%. Fixed income had a strong month; bond prices moved higher and bond yields fell over the month. The returns were driven by equities, up 4.4% in the U.S. and 3% in non-U.S., Global stocks were up 2.7%, and real estate was up **0.5%**.

Piotrowski reviewed the manager performance. The ranges for the composites **asset allocation** are plus or minus 5%, **the equity composite is** currently at 36.7%. Piotrowski recommended selling \$700,000 of the Vanguard Institutional Index Fund to raise cash for benefit payments.

Motion by Stevens and seconded by Laue to liquidate the following assets in order to raise cash for benefit payments the portfolio, withdraw \$700,000 from Vanguard Institutional Index Fund. APPROVED.

Ayes: Nielsen, Stevens, and Laue

Nays: None

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

Ayes: Nielsen, Stevens, and Laue

Nays: None

ATTORNEY'S REPORT

Attorney Holzwarth stated that she had no action items for the board today. She suggested the police pension board follow what the City is doing in regards to in person meetings. A quote will be available in June for the fiduciary liability insurance, along with other action items. The annual medical exams are in process.

Attorney Holzwarth introduced Greg Kiesewetter, Cook Castle. Mr. Kiesewetter stated he had been placing Article 3 and 4 pension funds since 2009. He has many years of experience prior to that placing fiduciary policies for multi-employer plans. The underwriter has sent the renewal solicitation and mentioned that they are reducing capacity, which means they could provide a lesser limit amount of coverage for the renewal. Contingent plans have been made, so that a plan could be presented that includes an aggregate \$5 million coverage. Many insurance companies have increased their reserves due to the pandemic. There are two other coverages that will be introduced at the June meeting is cyber and fidelity coverage. Director Hagerty stated that both the police and fire pension boards have been added to the City's cyber policy at no additional cost.

OLD BUSINESS

Nielsen asked if there was any news on the pension consolidation. Piotrowski commented that a request for proposals had been issued for custodial services and a general investment consultant was retained.

CITY BILLS

Motion by **Stevens** and seconded by **Laue** to approve April postage charges of \$72.45. APPROVED.

Ayes: Nielsen, Stevens, and Laue

Nays: None

Motion by **Stevens** and seconded by **Laue** to approve May City Services of \$7,385.00. APPROVED.

Ayes: Nielsen, Stevens, and Laue

Nays: None

Motion by Stevens and seconded by Laue to approve the April bill from HolmstromKennedyPC for general matters in the amount of \$2,520.00. APPROVED.

Ayes: Nielsen, Stevens, and Laue

Nays: None

Motion by **Stevens** and seconded by **Laue** to approve the April bill from HolmstromKennedyPC for Annual Medical Reviews in the amount of \$495.00. APPROVED.

Ayes: Nielsen, Stevens, and Laue

Nays: None

Motion by Stevens and seconded by Laue to approve the payment to Illinois Government Finance Officers Association (IGFOA) for 2021 Pension Institute Webinar Series in the amount of \$50.00. APPROVED.

Ayes: Nielsen, Stevens, and Laue

Nays: None

Motion by Stevens and seconded by Laue to approve the payment to Illinois Department of Insurance for the compliance fee in the amount of \$8,000.00. APPROVED.

Ayes: Nielsen, Stevens, and Laue

Nays: None

Motion by Stevens and seconded by Laue to table the payment to NIU (IPPFA Online 4-Hour Transition Training) for Jeff Nielsen - \$125.00, Marcia Mueller - \$125.00 and Scott Laue - \$125.00. TABLED.

Ayes: Nielsen, Stevens, and Laue

Nays: None

NEW BUSINESS

Motion by Stevens and seconded by Laue to approve the service pension application for Jeffery Andrews effective May 5, 2021, a prorated amount of \$4,313.01, full monthly benefit amount of \$4,951.97/\$59,423.65 annually. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Stevens, and Laue

Nays: None

Motion by Stevens and seconded by Laue to approve the deferred turned 50 service pension application for Jason Cebuhar effective May 14, 2021, a prorated amount of \$2,352.03, full monthly benefit amount of \$4,050.71/\$48,608.54 annually. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Stevens, and Laue

Nays: None

Motion by Stevens and seconded by Laue to approve the service pension application for Joseph Danforth effective May 13, 2021, a prorated amount of \$3,210.28, full monthly benefit amount of \$5,237.83/\$62,854.00 annually. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Stevens, and Laue

Nays: None

Motion by Stevens and seconded by Laue to approve the service pension application for Donald Dulgar effective May 8, 2021, a prorated amount of \$3,789.24, full monthly benefit amount of \$4,894.44/\$58,733.22 annually. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Stevens, and Laue
Nays: None

Motion by Stevens and seconded by Laue to approve the service pension application for Brad Larson effective May 4, 2021, a prorated amount of \$4,472.75, full monthly benefit amount of \$4,951.97/\$59,423.65 annually. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Stevens, and Laue
Nays: None

Motion by Stevens and seconded by Laue to approve the first increase for John Pozzi effective May 1, 2021, a prorated amount of \$325.99, full monthly benefit amount of \$9,019.09/\$108,229.08 annually. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Stevens, and Laue
Nays: None

Motion by Stevens and seconded by Laue to approve the first increase for Michael Triplett effective May 1, 2021, a prorated amount of \$671.31, full monthly benefit amount of \$5,146.71/\$61,760.52 annually. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Stevens, and Laue
Nays: None

The non-union retirees listed below retired prior to the COLA increases going into effect.

Motion by Stevens and seconded by Laue to approve the retro and increase adjustment for Harold Combs as follows:

	<u>2020 Rate</u>	<u>2021 Rate</u>	<u>Difference</u>
March - initial prorated month	4,974.59	5,074.51	99.92
April	6,704.88	6,839.56	<u>134.68</u>
			234.60

The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Stevens, and Laue
Nays: None

Motion by Stevens and seconded by Laue to approve the retro and increase adjustment for John Hoeksema as follows:

	<u>2020 Rate</u>	<u>2021 Rate</u>	<u>Difference</u>
February - initial prorated month	7,098.64	7,268.27	169.63
March	7,361.55	7,537.46	175.91
April	7,361.55	7,537.46	<u>175.91</u>
			521.45

The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code.
APPROVED.

Ayes: Nielsen, Stevens, and Laue
Nays: None

Motion by Stevens and seconded by Laue to approve the retro and increase adjustment for Kevin Ogden as follows:

	<u>2020 Rate</u>	<u>2021 Rate</u>	<u>Difference</u>
March - initial prorated month	8,247.87	8,412.68	164.81
April	8,522.80	8,693.10	<u>170.30</u>
			335.11

The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code.
APPROVED.

Ayes: Nielsen, Stevens, and Laue
Nays: None

Motion by Stevens and seconded by Laue to approve the retro and increase adjustment for Douglas Pann as follows:

	<u>2020 Rate</u>	<u>2021 Rate</u>	<u>Difference</u>
March - initial prorated month	4,032.34	4,113.12	80.78
April	7,812.65	7,969.17	<u>156.52</u>
			237.30

The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code.
APPROVED.

Ayes: Nielsen, Stevens, and Laue
Nays: None

Hunter explained that the notary requirement was waived last year and asked if that should be continued this year. Also, Maurice Pruitt is currently out of the country and would like his affidavit emailed if possible.

Attorney Holzwarth recommended including the notary requirement on the affidavits that will be mailed this year.

Motion by Stevens and seconded by Laue to approve waiving the notary requirement for the annual affidavit for 2021 and emailing the form to Maurice Pruitt due to him living out of the country.
APPROVED.

Ayes: Nielsen, Stevens, and Laue
Nays: None

PAYROLL

Motion by Stevens and seconded by Laue to approve the May estimated payroll in the amount of \$1,789,491.51. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

Ayes: Nielsen, Stevens, and Laue
Nays: None

Motion to adjourn was made and seconded at 9:00 a.m.