

MINUTES
ROCKFORD FIREFIGHTERS' PENSION FUND
September 16, 2021

A regular meeting of the Board of Trustees of the Rockford Firefighters' Pension Fund was held on Thursday, September 16, 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: Attorney Carolyn Clifford, Ottosen DiNolfo
Mike Piotrowski, Marquette Associates
Sherlock Ochoa, Ryan Estalilla, Cyril Espanol, and S&P Global

STAFF: Karla Hunter, Accountant, Shurice Hunter

I. PUBLIC COMMENT – None

II. MINUTES

The minutes of the regular August 19, 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	Todd Monahan	Carrie Hagerty
	Bill Beaman	Michael White	
Nays:	None		
Absent:	None		

III. APPROVAL OF APPLICATIONS/PENSION CHANGES

Salvatore Tarara has submitted his application for a service pension as a deferred pensioner retiring May 27, 2020. He served 20 years, 1 month, and 18 days upon retirement. He is entitled to a monthly pension of \$3,835.30 or an annual pension of \$46,023.60. A motion was made by Bill Beaman, seconded by Carrie Hagerty, to approve the service pension application. A roll call vote was taken:

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

IV. DISBURSEMENTS

The warrant for September 16, 2021, was presented in the amount of \$1,824,592.09. A motion was made by Michael White, seconded by Bill Beaman, to approve the disbursement warrant. A roll call vote was taken:

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

IV. CASH & INVESTMENTS

Mike Piotrowski presented Marquette Associates' Flash Report for August 31, 2021:

- The total value of the Fund as of August 31, 2021 is approximately \$189.1M.
- The Fund is underweight in fixed income and real estate and overweight in equities and cash. This is a byproduct of market movement.
- There is no need to sell investments to raise cash this month.
- Total composite return for the month is positive 1.6% and 10.7% YTD, outperforming the policy benchmark and ahead of the actuarial assumed rate of return of 7.1% which is down 20 basis points from the previous year.
- Long term numbers are showing to be quite strong on an absolute basis and on a relative basis compared to policy benchmark. At the 3-year mark, returns are showing 10.5%; 5 years, 9.3%; and at the 10-year mark, 8.3%.
- The Fund is showing challenging return for fixed income with a slight negative return of 0.1%, but is offset by strong returns in equity.
- International market outperformed the domestic market. Diversified components of real estate and global adding value for the month.
- This is a challenging environment for Fiduciary. Underperformance by about 1% for the month and behind YTD. Historically, they have had strong performance for the Fund in that they are value oriented and prefer companies with strong balance sheets. For this reason, there is no need for concern, but something to keep an eye on going forward.
- This is a little challenging environment, but it is believed to be short lived and over the longer term as we continue to recover from the pandemic, the cyclical themes will play out.
- International funds, American Funds, Virtus, and DFA have outperformed for the month and over the 3-month period.
- Principal Real Estate is up 1.8% and PIMCO All Asset is up 0.7%.
- All in all, this was another solid month. The Pension Fund is in a great position on a fiscal and calendar year to date.
- Market environment continues to be a challenge.
- A tremendous amount of liquidity and stimulus being put into the economy. More cyclical areas in the market will outperform.
- There are no cash needs.
- A question was brought up about what financial reporting will be available after the conversion. Mike believes that we will receive some type of reporting on a quarterly or even monthly basis. He will work with the Pension Fund to put something in place that we can utilize on a monthly basis to track our performance on a more local level.

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	Michael White
	Bill Beaman	Todd Monahan	
Nays:	None		
Absent:	None		

V. FIREFIGHTERS' PENSION INVESTMENT FUND (FPIF) UPDATES

- Continue to work on the cash flow projections.
- Our potential non-transferable assets would be the life insurance contracts held at Hartford.
- There will be a decision made by the judge on September 24th or 27th on the status of the litigation case *Arlington Heights PPF v. Pritzker*.
- We already have a cash account established locally at Associated Bank that we pay benefits out of.

VI. OLD BUSINESS

Article 4 to Article 6 transfer of service – Travis Lingel – No updates yet.

Status of annuity contract matter – The City's attorney is aware of the matter and will work to find out if there will be insurance coverage under the City's policy, should there be a viable claim down the road on the annuity.

Affidavit policy/info – There is one affidavit outstanding.

Status of Annual IMEs for Gustafson – A doctor's appointment has been set with Dr. Dinwiddie on October 4th at 1:30 p.m. for an in-person visit.

Status of DOI Annual Statement, City Audit – The DOI statement has been submitted and there has been no requests for adjustments to be made thus far. The City Audit is complete.

NEW BUSINESS

- *Review and Certification of Municipal Compliance Report (MCR)* – Table until October meeting
- *Review and Approval of Tax Levy Request Letter*

Attorney Clifford provided to the Board the annual tax levy request letter dated September 16 as the Board's formal request to the City to fund the Rockford Firefighters' Pension Fund in accordance with the actuarial report. A motion was made by Michael White, seconded by Al Granite and seconded by Michael White to present the tax levy letter to Council. A roll call vote was taken:

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

VII. TRAINING

Al Granite will send information to Karla Hunter so that she can register Al Granite, Bill Beaman, and Todd Monahan for the AFFI 2021 Pension Seminar for virtual attendance on October 25th and 26th.

VIII. ADJOURNMENT

Todd Monahan made a motion to adjourn the meeting, seconded by Michael White. Motion carried and meeting was adjourned at 3:48 p.m. A roll call vote was taken:

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

Next regular meeting is October 21, 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 October 21, 2021, meeting.