

MINUTES
ROCKFORD FIREFIGHTERS' PENSION FUND
October 21, 2021

A regular meeting of the Board of Trustees of the Rockford Firefighters' Pension Fund was held on Thursday, October 21, 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 (absent)	
Todd Monahan, Trustee	Michael White, Trustee, Trustee

GUESTS: Attorney Carolyn Clifford, Ottosen DiNolfo
Mike Piotrowski, Marquette Associates

STAFF: Karla Hunter, Accountant

I. PUBLIC COMMENT – None

II. MINUTES

The minutes of the regular September 16, 2021, meeting were presented. Michael White made a motion to approve the minutes and Bill Beaman seconded the motion. A roll call vote was taken:

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

III. APPROVAL OF APPLICATIONS/PENSION CHANGES

IV. DISBURSEMENTS

The warrant for October 21, 2021, was presented in the amount of \$1,837,322.59. A motion was made by Todd Monahan, seconded by Bill Beaman, to approve the disbursement warrant. A roll call vote was taken:

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

IV. CASH & INVESTMENTS

Mike Piotrowski presented Marquette Associates' Flash Report for September 30, 2021:

- The total value of the Fund as of August 31, 2021 is approximately \$186.5M.
- 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. We will have regular cash needs during the months October through February since the Fund has received the last large receipt of property taxes in September.
- This was a challenging month, as total composite return for the month is negative 2.3% net of fees. Before September, the Fund had 7 months of positive returns
- The Fund is at 0.0% for the quarter and did ok considering the decline in the equity and fixed income market in September.
- The Fund is still in great shape YTD with a positive 8.1% rate of return, outperforming the policy benchmark and ahead of the actuarial assumed rate of return.
- Traditional stocks and bonds have declined. Fixed Income has a negative .6%, US Equity is at negative 4.2%, Non-US Equity is at negative 4.1%, and Global is at negative 1.7%.
- The market is experiencing a higher inflationary environment, supply chain issues, and shortages of labor.
- There are issues in China such as in the real estate market and a change in the regulatory environment.
- Issues in Washington include the debt ceiling debate.
- Real Estate did well with a positive 2.6% return for the month and 5.0% for the quarter.
- The market has been resilient to the negative news.
- Corporate earnings have been phenomenal.
- A question was brought up in regards to the Fund being overweight to equity. Mike replied that the Fund is about \$5M over in US Equity and \$1.5M in Non-US Equity. We have held off on rebalancing due to property tax and cash on hand. We will need cash during the months of January through June so he recommends that we rebalance and raise funds in early December.

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

V. FIREFIGHTERS' PENSION INVESTMENT FUND (FPIF) UPDATES

- Full 9 member board is back in effect after September 30 meeting to certify the special election results. Tom Daily and John Perry were elected as executive trustees for the unexpired terms.
- First tranche of transfers occurred on October 1st. Originally 90 funds were scheduled, but only around 76 actually transferred around \$1.7B in assets. The transition was rather smooth.
- Letters of Direction authorize the Fund's custodians to provide information to FPIF and provides direction on which assets to transfer from what accounts to the Fund's new account with Northern Trust.
- The Fund will be assigned an auditor. December 10th we will receive a certified investment list, at which point the Fund's accounts will be frozen or no more trading may occur.
- Global Cash Movement Portal requires 4 Account Representatives: the first two being the Fund's Authorized Agents, Al Granite and Karla Hunter, then they require the treasurer, which is Carrie

Hagerty, and one additional trustee, which will be Todd Monahan. These are the individuals that will have access to the GCM Portal and have the ability to move money from or to FPIF.

- Mike recommends that the Fund holds off on terminating contracts with investment managers until the transition of assets is complete in 2022.
- *Arlington Heights PPF v. Pritzker* - The judge denied the request for a temporary restraining order in regards to the pension consolidation, but did not throw the case out. The remaining Plaintiffs are seeking class certification to join all of the thousands of participants in the funds that would be consolidated.

Approval of signature and disbursement of FPIF Letters of Direction to investment managers: PIMCO, US Bank (custodian), Putnam, Principal, Vanguard, American Funds, DFA, and Virtus. Alan Granite made a motion, seconded by Bill Beaman, to approve the signature and disbursement of the Letters of Direction as presented. A roll call vote was taken:

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

Approval of signature and disbursement of FPIF Global Cash Movement Portal Form and Resolution Authorizing Account Representatives for Northern Trust GCM Portal. Bill Beaman made a motion, seconded by Todd Monahan, to approve the signature and disbursement of GCM Portal form and resolution. A roll call vote was taken:

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

VI. OLD BUSINESS

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

Status of annuity contract matter – No update and remove for now.

Affidavit policy/info – There is one affidavit outstanding.

Status of Annual IMEs for Gustafson – IME report has been received from Dr. Dinwiddie and Gustafson has been approved for continued disability status.

Military service purchase time – No update and remove for now.

NEW BUSINESS

- *Review and Certification of Municipal Compliance Report (MCR)*

Karla Hunter provided to the Board the MCR. A motion was made by Alan Granite, seconded by Bill Beaman to certify the MCR. A roll call vote was taken:

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

VII. TRAINING

Al Granite, Bill Beaman, and Todd Monahan to attend the AFFI 2021 Pension Seminar via virtual attendance on October 25th and 26th.

VIII. ADJOURNMENT

Bill Beaman made a motion to adjourn the meeting, seconded by Todd Monahan. Motion carried and meeting was adjourned at 4:23 p.m. A roll call vote was taken:

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

Next regular meeting is November 18, 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 November 18, 2021, meeting.