

**MINUTES**  
**ROCKFORD FIREFIGHTERS' PENSION FUND**  
**November 18, 2021**

A regular meeting of the Board of Trustees of the Rockford Firefighters' Pension Fund was held on Thursday, November 18, 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 3:10 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 (absent)
Carrie Hagerty, Trustee/City Finance Director	
Todd Monahan, Trustee	Michael White, Trustee, Trustee (3:15 p.m.)

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 October 21,2021 meeting were presented. Carrie Hagerty made a motion to approve the minutes and Todd Monahan seconded the motion. A roll call vote was taken:

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

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

Jeffrey Poshka has submitted his application for a service pension retiring November 4, 2021. He served 27 years, 7 months, and 1 day upon retirement. He is entitled to a monthly pension benefit of \$6,790.37, or an annual pension of \$81,484.44. His prorated amount for the month of November is \$5,884.99. A motion was made by Carrie Hagerty, seconded by Alan Granite, to approve the service pension application. A roll call vote was taken:

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

David Nordenberg has submitted his application for a service pension retiring November 24, 2021. He served 26 years, 8 months, and 22 days upon retirement. He is entitled to a monthly pension benefit of \$6,744.52, or an annual pension of \$80,934.23. His prorated amount for the month of November is \$1,348.90. A motion was made by Carrie Hagerty, seconded by Alan Granite, to approve the service pension application. A roll call vote was taken:

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

#### IV. DISBURSEMENTS

The warrant for November 18, 2021, was presented in the amount of \$1,883,637.13. A motion was made by Carrie Hagerty, seconded by Michael White, to approve the disbursement warrant. A roll call vote was taken:

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

#### IV. CASH & INVESTMENTS

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

- October was a complete reversal from September. The market has gone back up.
- The total value of the Fund as of October 31, 2021 is approximately \$189.8M.
- The Fund is underweight in fixed income and real estate and overweight in equities and cash. This is a byproduct of market movement.
- We will use cash retention amount to rebalance the Fund as we approach the consolidation date.
- The individual account investment managers such as Optimum, Segall, and Fiduciary portfolios who separately manage their stocks and bonds should be as fully invested as possible so that there is not a lot of cash sitting in the account that cannot be included in the transfer of assets during the consolidation transition.
- The Fund is at positive 2.5% net of fees for the month, YTD positive 10.8% and longer term annualized performance at 5yr is 9.5%; 7yr is 7.8%; and 10yr is 8.3%. Very strong absolute returns and more importantly relative performance vs. policy benchmark and relative performance vs. actuarial assumed rate of return. This is turning out to be a very strong year leading up to the transition date of January 4, 2022.
- The driver of this performance is US Stock which is positive 6%. International, Real Estate, and Global were also positive at 1.6%; 1.3%; and 1.7% respectively.
- Risk assets performed very well. Fixed income continue to be challenged during this low interest environment that we are in.
- From a manager perspective, most of the managers outperformed pretty consistently. There was a little bit of a detraction from Fiduciary over the shorter term even though they did have a nice month. In the international space, Euro Pacific underperformed for the month, but Virtus outperformed. DFA underperformed for the month even though their performance has improved. No recommendations on termination with consolidation coming up.
- A question was raised if there has been a rotation out of value back to growth. The response is yes; over the last twelve months value is still outperforming overall. We saw this big move of value coming back

into favor coming out of the fall back of March 2020. Short term bond yield is falling again; we have seen growth outperform a little bit more.

- The environment is going to set up well for value stock going forward, if we see bond yields and interest rates go up.

Records of purchases and sales were copied to Board members. Todd Monahan made a motion, seconded by Michael White, to approve the purchases and sales for the month. A roll call vote was taken:

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

## V. FIREFIGHTERS' PENSION INVESTMENT FUND (FPIF) UPDATES

- Right now we are in a holding pattern. Letters of Direction have been sent out; resolution were completed and submitted; medallion signatures may need to be acquired on some of the LOD's and Northern Trust, FPIF's custodian, will take care of that.
- The auditor assigned to the Fund is Kerber, Eck & Braeckel, LLP. They are set to begin work around December 3<sup>rd</sup> and produce certified investment lists, including non-transferable funds and cash accounts on the freeze date of December 10<sup>th</sup>.
- There has been no ruling on the Arlington Heights Police Pension Fund consolidation litigation.
- So far around 125 funds have been transferred to the consolidated fund with a total of around \$2.3B in assets.
- The Board discussed the need to set the transition cash retention ahead of the December 10<sup>th</sup> freeze date. The Board discussed holding approximately four months of benefits, or \$8M, as transition cash retention to be raised and put aside in the Associated Bank account which is collateralized before the freeze date of December 10<sup>th</sup>.
  - Michael White made a motion to set the transition cash retention at \$8M, seconded by Carrie Hagerty. A roll call vote was taken:

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

## VI. OLD BUSINESS

None

## VII. NEW BUSINESS

- *Resolution Establishing Signatory Authority* -- A motion was made by Alan Granite, seconded by Carrie Hagerty to approve Resolution No, 2021-5, setting the signers on the Fund's accounts as Carrie Hagerty, Alan Granite, Todd, Monahan, and Karla Hunter. A roll call vote was taken:

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

## VIII. TRAINING

A discussion of topics that Al Granite and others discussed at the AFFI 2021 Pension Seminar via virtual attendance on October 25<sup>th</sup> and 26<sup>th</sup>. One of the topics to be researched is the Tier II salary cap on which pensionable contributions are withheld for Tier II members.

## IX. ADJOURNMENT

Carrie Hagerty made a motion to adjourn the meeting, seconded by Michael White. Motion carried and meeting was adjourned at 4:10 p.m. A roll call vote was taken:

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

Next regular meeting is December 16, 2021, at 3:00 p.m.

Respectfully submitted:

Prepared by:

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Bill Beaman, Board Secretary

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Karla Hunter, Staff

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Date

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Date

*Approved by the Board of Trustees at its December 16, 2021, meeting.*