

**MINUTES**  
**ROCKFORD FIREFIGHTERS' PENSION FUND**  
**January 20, 2022**

A regular meeting of the Board of Trustees of the Rockford Firefighters' Pension Fund was held on Thursday, January 20, 2022, 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 December 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:

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

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

None at this time.

**IV. DISBURSEMENTS**

The warrant for January 20, 2022, was presented in the amount of \$1,914,192.30. A motion was made by Alan Granite, seconded by Bill Beaman, to approve the disbursement warrant. A roll call vote was taken:

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

#### IV. CASH & INVESTMENTS

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

- The total value of the Fund as of December 31, 2021 is approximately \$189.6M. The performance of the Fund was strong in equity.
- Cash was raised as needed and retained ahead of the transfer of assets to the Firefighters' Pension Investment Fund (FPIF) on January 4, 2022, in order to meet pension benefit obligations and cash flow needs over the next few months.
- The Fund has a little over \$7M in cash to cover expenses for the next few months going into the consolidation.
- The Fund is showing a positive 2.8% for the month; 4.1% for the quarter; and 12.5% for the calendar plan year of 2021.
- The Fund has had three consecutive years of pretty strong returns (2019, 2020, and 2021). This has shown improved longer term annualized numbers.
- The Fund is showing positive 9.4% at 5-YR and 8.4% at 10-YR.
- The Fund is showing very strong absolute returns and relative performance vs. policy benchmark and assumed rate of return.
- Performance overall is quite strong. Real Estate had a fantastic 4<sup>th</sup> quarter. With repricing in commercial property pricing. The Fund saw positive 10% for the quarter and 22.5% for the year.
- The Principal Real Estate investment is being retained by FPIF and the Fund will still have exposure to it in the consolidated investment pool.
- We still have residual cash in our US Bank accounts that will need to be transferred to our local account.
- Initially FPIF was going to consist of 65% equity to 35% fixed income; then it was decided that 5% would be pulled from fixed income and put to real estate.
- The Fund's annuity contracts were on the non-transferable list and remain at the local fund.
- We will add to our calendar a review of the annuity contract statements quarterly.

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

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

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

- The Board started initial discussion on how do we want to handle request of cash to pay benefits and expenses, whether on an as needed basis or monthly.
- Carolyn Clifford provided a draft cash management policy for the Board's review.
  - Provides that the Board will keep a minimum amount of cash locally to cover benefits and expenses and keep as much as possible invested with FPIF;
  - Provides that a minimum of two months cash needed to cover pension benefits and other expenses will be kept locally;
  - Provides for a consideration of using a standing request for cash monthly with FPIF;
  - Provides surplus cash to be sent to the consolidated fund;
  - Sets forth procedures for emergency requests for cash;
  - Provides establishment of a cash projection chart to be submitted to FPIF annually.
- Karla will continue to maintain the cash flow projections for review at each meeting.
  - Continue to make updates for review at each meeting.

- The consolidated fund will be requesting us to present a cash flow soon for the remainder of calendar year 2022.
- Emergency cash disbursement
  - The Fund would have to initiate a request on the Global Cash Management portal (GCM) by way of the Board President in consultation with the Board Treasurer. An email explaining the emergency need must be provided to FPIF, as well.
  - The consolidated fund will approve or deny the request based on our explanation of the emergency need.
- The Fund will be able to send funds to the consolidated fund via ACH or wire transfer.
- On the pending consolidation lawsuit, *Arlington Heights PPF v. Pritzker*, – The judge stated on January 18, 2022, has not been able to be in court, due to personal and family matters. He has requested that the two sides get together and come up with an agreed order staying any disciplinary action by the Illinois Department of Insurance for pension funds not complying with the consolidated funds’ requests until he issues his decision in the next few weeks.
- The assets that we put into the pool, the returns, and the percentage of ownership in the consolidated fund will all be documented monthly on a “Statement of Results” issued by FPIF through the GCM portal.

## VI. OLD BUSINESS

*2022 City Services* – The new monthly amount is \$7,350.00 for now and it will be reevaluated once the investment transaction recording piece is reduced.

A motion was made by Alan Granite, seconded by Bill Beaman to accept the 2022 City Services fee. A roll call vote was taken:

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

## NEW BUSINESS

- *Review/Approve Ottosen Engagement Letter and Retainer for 2022-2023*

Council provided to the Board with the Engagement Letter and Retainer for 2022-2023. The hourly fee went from \$240 to \$245 and the retainer increased from \$1,100 to \$1,280. A motion was made by Alan Granite, seconded by Bill Beaman to accept the terms of the engagement letter. A roll call vote was taken:

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

- *Edward Sobczyk Disability Application-Review/Approve IME Physicians*

Counsel suggested that the Board use the medical referral organization, INSPE, to find physicians to begin the IME process. A motion was made by Alan Granite, seconded by Bill Beaman to allow

counsel to have INSPE to find and appoint the IME physicians to examine Sobczyk. A roll call vote was taken:

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

**VII. TRAINING**

Legal Insights for First Quarter 2022

- Three areas to focus on
  - Benefit oversight – be sure that the benefits are calculated correctly and the approval process
  - Cyber security – making sure pension fund data is secure
  - Funding and staying vigilant on the investments

**VIII. ADJOURNMENT**

Bill Beaman made a motion to adjourn the meeting, seconded by Todd Monahan. Motion carried and meeting was adjourned at 4:10 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 February 17, 2022, 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 February 17, 2022, meeting.*