

MINUTES
ROCKFORD FIREFIGHTERS' PENSION FUND
December 16, 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 3:00 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

STAFF: Karla Hunter, Accountant

I. PUBLIC COMMENT – None

II. MINUTES

The minutes of the regular November 18, 2021 meeting were presented. Bill Beaman made a motion to approve the minutes and Carrie Hagerty seconded the motion. A roll call vote was taken:

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

III. APPROVAL OF APPLICATIONS/PENSION CHANGES

Michael Keefe has submitted his application for a service pension retiring January 3, 2022. He served 22 years, 8 months, and 30 days upon retirement. He is entitled to a monthly pension benefit of \$4,668.65, or an annual pension of \$56,023.79. His prorated amount for the month of January is \$4,216.85. A motion was made by Bill Beaman, seconded by Todd Monahan, to approve the service pension application. A roll call vote was taken:

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

Alan Amend has submitted his application for a service pension retiring January 1, 2022. He served 20 years, 10 months, and 1 day upon retirement. He is entitled to a monthly pension benefit of \$4,536.54, or an annual pension of \$54,438.52. His prorated amount for the month of January is \$4,390.20. A motion was made by Bill Beaman, seconded by Todd Monahan, to approve the service pension application. A roll call vote was taken:

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

Matthew Felauer has submitted his application for a service pension retiring January 6, 2022 as a deferred pensioner (he won't be eligible to collect funds until his 50th birthday 10/2/2022). He served 21 years, 8 months, and 28 days upon retirement. He is entitled to a monthly pension benefit of \$4,462.68, or an annual pension of \$53,552.15. His prorated amount for the month of October is \$4,318.72. A motion was made by Bill Beaman, seconded by Todd Monahan, to approve the service pension application. A roll call vote was taken:

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

Surviving spouse Gloria Giardini passed away November 15, 2021, and her pension will terminate. Al Granite made a motion, seconded by Michael White to approve the termination of Gloria Giardini's pension. A roll call vote was taken:

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

IV. DISBURSEMENTS

The warrant for December 16, 2021, was presented in the amount of \$1,829,356.14. A motion was made by Carrie Hagerty, seconded by Michael White, to approve the disbursement warrant. A roll call vote was taken:

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

IV. CASH & INVESTMENTS

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

- The total value of the Fund as of November 30, 2021 is approximately \$185.9M. This is relatively one of the all-time highs.
- The Fund is underweight in fixed income and real estate and overweight in equities and cash. This is a byproduct of market movement.

- We have roughly \$8.6M cash on hand which is a sufficient amount to cover benefit payments and other bills for several months following the consolidation transfer of funds.
- Markets have bounced around, but are still at an all-time high.
- The Fund is at negative 1.3% net of fees for the month, YTD positive 9.4% and longer term annualized performance. Strong absolute returns and more importantly relative performance vs. policy benchmark and relative performance vs. actuarial assumed rate of return.
- This month's negative returns were driven by US Equity at negative 2.4%; Non-US Equity at negative 4.7%; as well as the Global Composite at negative 2.2%.
- There were some positives this month. Fixed income was flat and Real Estate was positive 6.2% which is up 20% YTD.
- A lot of success with the different managers and the plan is in good shape leading up to the consolidation.
- We are working with the managers to get their cash balances as low as possible as the consolidation board is only transferring securities.
- So far 125 funds have transferred roughly \$2.8B in assets. There are about 75 funds set to transfer roughly \$4.3B by mid-January. This will leave around 60 funds remaining to be consolidated.
- Fees savings have shown to be a significant cost savings. You can expect low costs for the portfolio up front, but they may increase a little going forward.
- It may take six to nine days to get funds repositioned and reconciled after the transfer date.
- No actions needed and not investment policies to update.
- There are no suggested reallocations and no cash needs.
- Mike still suggests that we hold off on terminating relationships with investment managers.

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:

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

V. FIREFIGHTERS' PENSION INVESTMENT FUND (FPIF) UPDATES

- Certified investment list was received. There are to be no more transactions within our investment funds.
- The list of non-transferable items included our cash accounts and Putnam accounts were a little outdated. The information was taken from DOI annual statements and were about a year old.
- The audit of the funds occurred on December 3rd.
- We have significant cash reserves on hand to cover benefit payments and other bills.
- On January 4th around 8:30 a.m. fiduciary responsibility switches to the consolidated board.
- Thirty days after the funds are sent in January we should receive a receipt of transfer.
- Additional revised LOD's have been issues and everything has been taken care of to get us ready for the consolidation to take place.
- There has not been an outcome on the litigation of Arlington Heights PPF v. Pritzker. The last action was taken on November 19th and we continue to wait on the outcome.
- The Committee of Audit and Operations recommend that we set investment return assumptions at 7.125% for actuarial studies.
- Foster & Foster will be preparing actuarial reports. There is speculation on what the reports will look like and the different approaches for GASB reporting, etc.
- There still seems to be a need for the fund to have its own actuary at a local level for funding and GASB reporting.

- GCM recurring withdrawal instructions have been sent.
- We will want to keep funds invested as long as possible and only draw funds when needed.
- There is a way to set up reoccurring monthly withdrawals. The request would expire at the end of the calendar year.
- There can be requests for withdrawals at the beginning of the month and the funds are expected to be received at the beginning of the following month.
- We should receive a statement around six weeks after the transfer with information of funds transferred in and the share of the fund as a percentage.
- Everyone is encouraged to sign up for the FPIF newsletter so that you can have access to flash reports similar investment information to what we received from Marquette.

VI. OLD BUSINESS

None

VII. NEW BUSINESS

- *2022 City Services* – hold for January meeting
- *FOIA/OMA officers* – continue to have Mary Johnson as FOIA and Karla Hunter as OMA
- *2022 Annual Meeting Schedule*

A motion was made by Alan Granite, seconded by Michael White to accept annual meeting schedule of the third Thursday of each month at 3 p.m. A roll call vote was taken:

Ayes: Alan Granite Todd Monahan Bill Beaman
 Carrie Hagerty Michael White

Nays: None

Absent:

- *Review Closed Session Minutes*
 - *Destroy recording Jeffrey Gustafson Hearing December 19, 2019.*
- A motion was made by Alan Granite, seconded by Carrie Hagerty to destroy the recording. A roll call vote was taken:

Ayes: Alan Granite Todd Monahan Bill Beaman
 Carrie Hagerty Michael White

Nays: None

Absent:

- *Keep remaining closed minutes closed*
- A motion was made by Alan Granite, seconded by Carrie Hagerty, seconded by Bill Beaman to keep closed minutes closed. A roll call vote was taken:

Ayes: Alan Granite Todd Monahan Bill Beaman
 Carrie Hagerty Michael White

Nays: None

Absent:

VIII. TRAINING

No updates at this time.

IX. ADJOURNMENT

Al Granite made a motion to adjourn the meeting, seconded by Bill Beaman. Motion carried and meeting was adjourned at 4:15 p.m. A roll call vote was taken:

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

Next regular meeting is January 20, 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 January 20, 2022, meeting.