

MINUTES
ROCKFORD FIREFIGHTERS' PENSION FUND
April 21, 2022

A regular meeting of the Board of Trustees of the Rockford Firefighters' Pension Fund was held on Thursday, April 21, 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 (arrived 3:02)

Carrie Hagerty, Trustee/City Finance Director

Todd Monahan, Trustee

Michael White, Trustee, Trustee

GUESTS: Attorney Carolyn Clifford, Ottosen DiNolfo

STAFF: Karla Hunter, Accountant

I. PUBLIC COMMENT – None

II. MINUTES

The minutes of the regular March 17, 2022, meeting were tabled until the May meeting.

III. APPROVAL OF APPLICATIONS/PENSION CHANGES

Surviving spouse Loretta Lundberg passed away March 26, 2022, and her pension will terminate. Al Granite made a motion, seconded by Michael White to approve the termination of Loretta Lundberg's pension. A roll call vote was taken:

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

Surviving spouse Susan Peterson passed away April 13, 2022, and her pension will terminate. Al Granite made a motion, seconded by Michael White to approve the termination of Susan Peterson's pension. A roll call vote was taken:

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

IV. DISBURSEMENTS

The warrant for April 21, 2022, was presented in the amount of \$1,883,822.59. A motion was made by Carrie Hagerty, seconded by Todd Monahan, to approve the disbursement warrant. A roll call vote was taken:

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

IV. CASH & INVESTMENTS

The warrant FPIF Monthly Investment Summary (February 2022) and FPIF Statement of Results were presented. A motion was made by Todd Monahan, seconded by Carrie Hagerty, to accept the FPIF investment report and Statement of Results as presented. A roll call vote was taken:

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

The Board discussed finalizing the cash flow statement for the remainder of 2022 that is due to the consolidation board by June 1st. A motion was made by Carrie Hagerty, seconded by Bill Beaman to give Karla the authority to send the Cash Flow statement 2022 to IFPIF. A roll call vote was taken:

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

FPIF has a pending rule change to shorten the length of time between requesting and receiving funds, from one month to 14 days.

As a result, the draft Cash Management Policy has now been updated to state that the Board will keep a minimum of cash in its local account to cover one month of benefit payments and other expenses instead of two months.

A motion was made by Carrie Hagerty, seconded by Michael White to approve Resolution 2022-1 Amending the Board's Rules to add Section 4.07, Cash Management Policy. A roll call vote was taken:

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

Review/Possible Action – Termination of Investment Professionals and Custodial Agreements – The Board agreed to continue to hold off on terminating relationships with investment managers and custodian until clarity on the consolidation litigation is reached.

V. OLD BUSINESS

Edward Sobczyk Disability Application – We finally received the last set of medical records from UW Health Systems to proceed to the IME stage. The Board had given Carolyn the authority to reach out to INSPE to recommend the three physicians for the IME reviews. INSPE has recommended three physicians: Dr. Peters, an occupational physician familiar with fire service out of Northwestern; and two oncologists, Dr. Steven Charous from Loyola and Dr. Elliot Lieberman affiliated with Northwestern. INSPE also suggested that the IME physicians are able to handle this as a “records review only” IME, since he is in active treatment. Carolyn stated that she will advise Sobczyk and his attorney of this records review only plan, and note that the IME physicians will be available for phone/video sessions in order to obtain background information from Edward and/or his attorney, if they so choose, before the IME physicians prepare their reports. The timing of everything will depend on when the physicians are able to review records. The City has the opportunity to intervene within 25 days prior to a hearing.

Annual Medical Exams of Disabled Pensioners – The Board gave Carolyn permission to go ahead and send out request letters for annual affidavits and medical records to begin this annual process with Gustafson and Chantaphone.

Statement of Economic Interests – The SEI are due May 1st. If you have to fill out an SEI for more than one position, one form will cover both. IML has provided guidance for what assets, etc. should and should not be listed.

Fiduciary Liability Policy – Greg Kiesewetter from Cook Castle Associates will present a proposal for the renewal at the May meeting.

Fire Pension Board Electronic Meeting Equipment – Carrie asked to have this issue tabled until the May meeting. Carrie will have a conversation with Todd and City IT concerning the details and logistics of the options.

VI. NEW BUSINESS

New Money Market Account at Associated Bank -- Carrie Hagerty presented a recommendation to set up a new money market account locally, to complement the Fund’s local operating bank account from which benefits and expenses are paid. The account would allow for more interest to be made on cash balances kept locally. A motion was made by Alan Granite, seconded by Michael White to set up a money market bank account at Associated Bank to hold excess funds locally until needed to make benefit payments. The funds would then be swept into the local “operating” bank account as needed to make benefit payments and other vendor payments. A roll call vote was taken:

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

VII. TRAINING

Legal Insights for Pension Boards (Second Quarter 2022) – Carolyn presented her firm’s legal update, which compared/contrasted the Fire/Police consolidation process. For fire 260 of 296 funds have transferred. One of the large pension funds, Skokie FPF, who is receiving the proceeds of pension obligation bonds, is scheduled for May 2nd after those proceeds have been received. The other remaining 36 funds are set to transfer June 1st. If they do not transfer prior to June 30, 2022, FPIF has a pending rule that would require those funds to liquidate their portfolio before transferring to the consolidated fund. IFPIF plans on ending their contracts with their transition managers by the end of June. The police consolidated fund did not start making transfers of its funds assets until March 1st. As of March 31st, IPOPIF had transferred 14 funds. Twenty funds are scheduled for April 1st; 53 on May 2nd; and the rest of the 358 are scheduled for June 1st or TBD. IPOPIF had requested an extension of the transition period for a year through a pending bill with the Illinois General Assembly, but IML was willing to grant them 6 months; no agreement was reached and the bill died. FPIF’s portfolio is 65% equity; 5% real estate and 30% fixed income. IPOPIF is more conservative with 50% equity; 16% fixed income; and 9% inflation protection which includes real estate; and 25% risk litigation including cash. Consolidated funds take over actuarial responsibility from DOI and will prepare minimum contribution reports after the transition period. FPIF has hired Foster and Foster to be their actuary and approved the actuarial experience study in December, setting an assumed investment rate of 7.125%. IPOPIF also hired Foster and Foster and did a study in March, but has yet to accept the assumption rate of 6.5%.

Deferred Tier II retirement benefits -- There was a brief discuss on whether Tier II has the ability to retire after 10 years and defer until age 50 or 55 without incurring penalties.

VIII. ADJOURNMENT

Michael White made a motion to adjourn the meeting, seconded by Carrie Hagerty. Motion carried and meeting was adjourned at 4:12 p.m. A roll call vote was taken:

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

Next regular meeting is May 19, 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 May 19, 2022, meeting.