

MINUTES
ROCKFORD FIREFIGHTERS' PENSION FUND
July 21, 2022

A regular meeting of the Board of Trustees of the Rockford Firefighters' Pension Fund was held on Thursday, July 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 3:10 p.m. Upon a call of the roll, the following answered:

Alan Granite, President	Bill Beaman, Board Secretary
Carrie Hagerty, Trustee/City Finance Director	
Todd Monahan, Trustee (absent)	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 May 19, 2022, meeting were presented. Michael White made a motion to approve the minutes and Bill Beaman seconded the motion. A roll call was taken:

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

The minutes of the regular June 16, 2022, meeting were presented. Bill Beaman made a motion to approve the minutes and Michael White seconded the motion. A roll call was taken:

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

III. APPROVAL OF APPLICATIONS/PENSION CHANGES

Retired pensioner Donald Poshka passed away June 16, 2022, and his pension will terminate. He has a surviving spouse Joyce Poshka. Bill Beaman made a motion, seconded by Carrie Hagerty to approve the termination of David Poshka's pension and approve the surviving spouse pension for Joyce Poshka. A roll call vote was taken:

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

Timothy Hare is eligible for his first increase; the monthly increase will be \$656.63/month for a new monthly benefit of \$5,612.34 or an annual pension of \$67,348.08. Bill Beaman made a motion, seconded by Carrie Hagerty. A roll call vote was taken:

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

Brad Walker is eligible for his first increase; the monthly increase will be \$320.45/month for a new monthly benefit of \$6,424.19 or an annual pension of \$77,090.28. Bill Beaman made a motion, seconded by Michael White. A roll call vote was taken:

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

IV. DISBURSEMENTS

The warrant for July 21, 2022, was presented in the amount of \$1,878,007.65. A motion was made by Mike White, seconded by Bill Beaman, to approve the disbursement warrant. A roll call vote was taken:

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

V. CASH & INVESTMENTS

The FPIF Monthly Investment Summary (May 2022) and FPIF Statement of Results (May 2022) were presented by Mike Piotrowski of Marquette Associates and investment consultant to FPIF. According to the Statement of Results, the Fund has a net gain of 0.33% for May and -10.88% YTD.

Mike Piotrowski said that currently almost 100% of the portfolio is managed passively. This is mainly due to the portfolio consisting of index funds with the exception of the Principal Real Estate piece. That has also been the best performer. Stocks and bonds have been a challenge because of inflation. Inflation will continue as long as the feds continue to raise rates to curb demand. It is anticipated that the feds will raise rates again by 75 basis points. U.S. consumer remains relatively strong right now, but inflation starts to eat away at their ability to be consumers which is 70% of our economy. If we were to experience a recession, it will be pretty shallow.

Mike reported that the consolidated fund is looking to hire two managers to manage Active, Core, and Core plus fixed income. This would equate to around \$1.2B. The multiple applicants that they expect to receive

are due back by August 5th and they anticipate making a decision by the end of the year. Further down the line, they may look for managers for the private market, keeping in mind that the consolidation is meant to reduce costs and improve performance. A motion was made Carrie Hagerty, seconded by Bill Beaman, to accept the FPIF Statement of Results and Investment Report as presented. A roll call vote was taken:

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

IV. OLD BUSINESS

Edward Sobczyk Disability Application – Review and Possible Action – Interim award of non-duty disability benefits --- A motion was made by Al Granite, seconded by Bill Beaman to grant an interim non-duty disability benefit to begin August 5th, the day after Sobczyk’s last day on city payroll August 4th, without prejudice to his pending application for line of duty or occupational disease disability benefits. By doing so, the Board’s attorney advised that there is no further review that will take place as to the determination that he is disabled and eligible at a minimum for non-duty disability benefits. If he is determined to qualify for the line of duty or occupational disease disability benefit when the hearing process is completed, the Board will go back and make him whole. A roll call vote was taken:

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

Efforts are being made for the scheduling of the next hearing dates and testimony from IME physicians and Applicant’s expert on the date of the Board’s August 2022 meeting. Updates will be provided to the Board as they become available.

Review/Possible Action – Termination of Investment Professionals and Custodial Agreements -- A motion was made by Trustee Carrie Hagerty, seconded by Michael White to allow Karla and Carrie to send out letters terminating agreements with the Fund’s investment professionals and custodians, now that transition of assets has been completed. A roll call vote was taken:

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

Annual IME Status – Gustafson and Chanthaphone – Dr. Samo can perform Chanthaphone’s IME virtually. Gustafson is being seen by Dr. Everson and an attempt was made to retrieve his medical records, but permission was denied. Further action will be made to acquire the records through an updated authorization for release of medical records from Gustafson.

Status of Actuarial Valuation and City’s Audit – The City’s audit was complete and presented to City Council on Monday. The audit was clean. We are still waiting on a final funding report from the actuary. There is a substantial increase in the funding contribution. Presentation is scheduled for next month.

VI. NEW BUSINESS

City Bills – With the investment piece moving to the consolidated fund, a reduced adjustment was made to the administration fee charged by the City to the pension fund.

Modification of FPIF Recurring Withdrawal of Cash to 14th of Month – A motion was made by Trustee Al Granite, seconded by Carrie Hagerty to change the withdrawal date to the 14th of the month. The amount of the recurring withdrawal will remain the same at \$1.8 million per month. A roll call vote was taken:

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

Cash to FPIF Policy – Review and possible action on cash management administrative procedures -- After a short discussion, a motion by Carrie Hagerty, seconded by Michael White to move excess cash not needed for benefits and expenses to the consolidated fund after processing payroll twice a month. A roll call vote was taken:

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

Resolution of Appreciation – Mike Piotrowski -- A motion was made by Al Granite and seconded by Michael White to approve Resolution 2022-2, a resolution expressing the Board’s appreciation to Mike Piotrowski and Marquette Associates for their years of work for the Fund as the investment consultant. A roll call vote was taken:

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

Affidavit Policy/info – We have received 147/338 of the affidavits from beneficiaries of the FUnd. The deadline is to have the affidavits returned to the Fund by August 12th. One of our pensioners is out of the country and requested permission to have an electronic affidavit sent to him in an effort to be able to get it “notarized” and return it from his location in Spain. The Board is willing to give the pensioner an extension until the end of September.

VII. TRAINING

Status of Litigation – Arlington Heights PPF v. Pritzker – Carolyn Clifford reported that there are no new updates; the matter continues to be pending before the Second District Appellate Court and a briefing schedule for the parties will be ensuing shortly.

VIII. ADJOURNMENT

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

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

Next regular meeting is August 18, 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 August 18, 2022, meeting.