

MINUTES
ROCKFORD FIREFIGHTERS' PENSION FUND
August 18, 2022

A regular meeting of the Board of Trustees of the Rockford Firefighters' Pension Fund was held on Thursday, August 18, 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 (left 4:20 p.m.) | |
| Todd Monahan, Trustee | Michael White, Trustee, Trustee (absent) |

GUESTS: Attorney Carolyn Clifford, Ottosen DiNolfo
Nick Meggos, Nyhart

STAFF: Karla Hunter, Accountant

I. PUBLIC COMMENT – None

II. MINUTES

The minutes of the regular July 21, 2022, meeting were presented. Al Granite made a motion to approve the minutes and Carrie Hagerty seconded the motion. A roll call was taken:

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

The minutes of the closed session June 16, 2022, special meeting were presented. Bill Beaman made a motion to approve the minutes and Todd Monahan seconded the motion. A roll call was taken:

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

The open and closed minutes of the July 14, 2022 hearing were tabled until September.

III. APPROVAL OF APPLICATIONS/PENSION CHANGES

Curtis Beilfuss is eligible for his first increase; the monthly increase will be \$303.34/month for a new monthly benefit of \$6,370.17 or an annual pension of \$76,442.04. Bill Beaman made a motion, seconded by Todd Monahan. A roll call vote was taken:

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

Joseph Corl is eligible for his first increase; the monthly increase will be \$1,081.88/month for a new monthly benefit of \$8,294.42 or an annual pension of \$99,533.04. Todd Monahan made a motion, seconded by Carrie Hagerty. A roll call vote was taken:

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

Michael Haag is eligible for his first increase; the monthly increase will be \$237.44/month for a new monthly benefit of \$5,513.96 or an annual pension of \$66,167.52. Bill Beaman made a motion, seconded by Todd Monahan. A roll call vote was taken:

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

Daniel Larson is eligible for his first increase; the monthly increase will be \$190.08/month for a new monthly benefit of \$6,526.02 or an annual pension of \$78,312.24. Todd Monahan made a motion, seconded by Carrie Hagerty. A roll call vote was taken:

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

Mark Reese is eligible for his first increase; the monthly increase will be \$447.12/month for a new monthly benefit of \$6,614.24 or an annual pension of \$79,370.88. Bill Beaman made a motion, seconded by Carrie Hagerty. A roll call vote was taken:

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

Robert Vertiz is eligible for his first increase; the monthly increase will be \$255.33/month for a new monthly benefit of \$8,766.43 or an annual pension of \$105,197.16. Todd Monahan made a motion, seconded by Carrie Hagerty. A roll call vote was taken:

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

Retired pensioner Dominic Gugliuzza passed away August 7, 2022, and his pension will terminate. He has a surviving spouse Suzanne Gugliuzza. Al Granite made a motion, seconded by Carrie Hagerty to approve the termination of Dominic Gugliuzza’s pension and approve the surviving spouse pension for Suzanne Gugliuzza. A roll call vote was taken:

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

Surviving spouse Roslyn Cave passed away August 8, 2022, and her pension will terminate. Bill Beaman made a motion, seconded by Todd Monahan to approve the termination of Roslyn Cave’s pension. A roll call vote was taken:

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

IV. DISBURSEMENTS

The warrant for August 18, 2022, was presented in the amount of \$1,903,017.27. A motion was made by Bill Beaman, seconded by Todd Monahan, to approve the disbursement warrant. A roll call vote was taken:

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

V. CASH & INVESTMENTS

The FPIF Monthly Investment Summary (June 2022) and FPIF Statement of Results (June 2022) were not available yet.

IV. OLD BUSINESS

Edward Sobczyk Disability Application – Scheduling of next hearing dates and testimony from IME physicians and Applicant’s Expert – Possible schedule for September 28th Start at 7:15 a.m. with Dr. Lieberman presenting via zoom from 7:30-9:00 a.m. Take a fifteen minute break and Dr. Samo will present from 9:15-10:45 a.m. unless Dr. Orris is available during that time. If so, Dr. Samo would present from 11:00-12:30 p.m. We will then take a break for lunch. We would have a break in between and then Dr. Campbell will present from 3:00-4:30 p.m. 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 on this last month.

Annual IME Status – Gustafson and Chanthaphone – Gustafson sent an updated release of medical records and is being actively treated by Dr. Everson. Another attempt to retrieve his medical records will be made to see if the treatment will allow his doctor to fill out a certification of disability or if he will need a separate IME exam. Dr. Samo can perform Chanthaphone’s IME virtually.

Cash to FPIF Policy – Review and possible action on cash management administrative procedures – Tabled to the September 2022 meeting.

VI. NEW BUSINESS

Actuarial Valuation and GASB reporting – Actuarial Valuation presented by Nick Meggos of Nyhart:

- Two main things to look at when trying to establish the liability is what has changed since last year with the Fund’s assets and the population of the Fund.
- The liability represents how much money you would have to come up with today in order to pay out the benefits that have been earned.
- We had an expected return this year of 7.10%; Market Value Return was 11.6% and Actuarial Value Return was 8.8%. The actuarial return spreads the gain/loss over 5 years instead of recognizing it all in one year. This keeps the asset value from bouncing around too much and reduces the volatility of the contribution amount.
- The deferred gains of \$10.9M will be recognized over the next 5 years.
- Total participants remained level at 609.
- Plan funding level slightly decreased from 50.4% to 49.5% mainly due to early retirements and fewer terminations than expected.
- Generational mortality shows that someone 25 today will live longer than someone that is 55 today due to health advances and healthier lifestyles. Longer life expectancy means higher liabilities and longer contributions.
- Setting the payroll growth affects how we are going to tackle the unfunded liability. The assumption is that we have less money today than in the future, so let’s pay a lower amount today and gradually increase payment.
- Initial valuation presented was to use a 7.10% interest rate and 4.50% payroll growth.
- The experience studies prepared by Foster & Foster for the Illinois Firefighters’ Pension Fund (FPIF) in December 2021 have been adopted and incorporated into the valuation which has also increased the actuarial liability and year-over-year recommended City contribution.
- Recommended Contribution increased from \$12.9M to \$14.7M.

VII. TRAINING

Legal updates from Board attorney – There are a couple of items included in the packet that you can read at your leisure.

Status of Litigation – Arlington Heights PPF v. Pritzker – No updates at this time; matter is still pending before the Second District Appellate Court.

VIII. ADJOURNMENT

Bill Beaman made a motion to adjourn the meeting, seconded by Todd Monahan. Motion carried and meeting was adjourned at 4:49 p.m. A roll call vote was taken:

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

Next regular meeting is September 15, 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 September 15, 2022, meeting.