

MINUTES
ROCKFORD FIREFIGHTERS' PENSION FUND
September 15, 2022

A regular meeting of the Board of Trustees of the Rockford Firefighters' Pension Fund was held on Thursday, September 15, 2022, at 3:00 p.m. at the Fire Department Headquarters, 204 South First Street, 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 (absent)
Carrie Hagerty, Trustee/City Finance Director (<i>via video conference</i>)	
Todd Monahan, Trustee	Michael White, Trustee

GUESTS: Attorney Carolyn Clifford, Ottosen DiNolfo (*via video conference*)
 Nick Meggos, Nyhart

STAFF: Karla Hunter, Accountant

I. PUBLIC COMMENT – None

II. MINUTES

The open session minutes of the July 14, 2022, special meeting were presented. Michael White made a motion to approve the minutes and Al Granite seconded the motion. A roll call was taken:

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

The minutes of the closed session July 14, 2022, special meeting were presented. Michael White made a motion to approve the minutes and Todd Monahan seconded the motion. A roll call was taken:

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

The minutes of the regular August 18, 2022, meeting were presented. Todd Monahan made a motion to approve the minutes and Michael White seconded the motion. A roll call was taken:

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

III. APPROVAL OF APPLICATIONS/PENSION CHANGES

Vito Licari is eligible for his first increase; the monthly increase will be \$162.49/month for a new monthly benefit of \$5,578.78 or an annual pension of \$66,945.36. Todd Monahan made a motion, seconded by Carrie Hagerty. A roll call vote was taken:

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

IV. DISBURSEMENTS

The warrant for September 15, 2022, was presented in the amount of \$1,896,290.22. 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	Michael White
	Carrie Hagerty	Todd Monahan
Nays:	None	
Absent:	Bill Beaman	

V. CASH & INVESTMENTS

The FPIF Monthly Investment Summary (June and July 2022), the Portfolio Activity Reports (June and July 2022), and FPIF Statement of Results (June and July 2022) were presented. July 2022 showed a 5.18% return. The Fund's ownership in FPIF at the end of July 2022 was 2.09%.

The Chief Financial Officer from FPIP, David Zaloga, informed Carolyn Clifford that all of the "other fees and expenses" on the statements are all investment-related transaction type fees. Going forward, they will begin charging the fund a fair share of operational expenses for FPIF. They want to begin to repay the \$5M loan over a two year period in quarterly installments starting in October. So we will probably begin to see additional fees which will be the proportionate share based on our share of ownership in the consolidated fund. The total operational fee to run the consolidated fund is estimated to be \$100K to \$200K per month. We will begin to see our portion of this fee on our statement each month based on our ownership in the fund. They are also tracking the fees paid to the investment managers.

A motion was made Al Granite, seconded by Michael White, to accept the FPIF Statement of Results, Portfolio Activity Reports, and Investment Report as presented. A roll call vote was taken:

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

IV. OLD BUSINESS

Edward Sobczyk Disability Application – Scheduling of next hearing dates and testimony from IME physicians and Applicant’s Expert – Dr. Orris will present first at the September 28th hearing at 11:00 a.m. We will then take a break for lunch. Dr. Samo will present at 1:15 and then wrap up with Dr. Campbell from 3:00-4:30 p.m. Updates will be provided to the Board as they become available. A discussion of possible agenda for a hearing on October 18th took place.

Review/Possible Action – Termination of Investment Professionals and Custodial Agreements – No Board action on this item is needed at this time. The Board reminded staff to make sure that we have all of the statements from the outgoing providers and everything that we need for annual reporting. The Board agreed to continue to keep this on the agenda as a reminder for now.

Annual IME Status – Gustafson and Chanthaphone – We received Chanthaphone’s affidavit back on May 3rd and requested medical records the same day. Then we can get the Dr. Samo to conduct the annual IME by video conference if the Board is amenable, given that Chanthaphone now lives out of state. We were finally able to confirm that Gustafson is not currently receiving any medical treatment in the current year so he will have to be evaluated by Dr. Dinwiddie, as opposed to accepting a certificate of continued disability from a current provider. Dr. Dinwiddie is open to performing a virtual IME examination.

Cash to FPIF Policy – Review and possible action on cash management administrative procedures – The Board reviewed the administrative procedure that will accompany the Board’s cash management policy. It was noted that the procedures are “a living document” that the Board will be update as needed without have to formally change its policy. The goal is to keep bare minimum in the local accounts and transfer excess cash to FPIF for investment.

A motion was made Al Granite, seconded by Todd Monahan, to accept the cash management administrative procedures. A roll call vote was taken:

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

VI. NEW BUSINESS

Review and Approval of Tax Levy Request Letter – The draft tax levy request letter outlines the annual request made to the City for funding and highlights the information provided by the actuary. The Pension Board voted to request the City Council levy in December 2022 and contribute in the fiscal year 2023 in the amount of \$14,746,535. The amount to be levied outside the tax cap is \$1,181,116. The DOI recommended a statutory minimum of \$17,763,671. Last year we sent out \$21.5M in benefits.

A motion was made Al Granite, seconded by Todd Monahan, to accept the Tax Levy Request Letter. A roll call vote was taken:

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

Review and Approval of Tax Levy Report (Also known as the Municipal Compliance Report) – Karla Hunter presented the tax levy report (MCR) to the Board. It is based on the statutory requirement and is provided to the City Council each year prior to the meeting at which the City Council approves the tax levy ordinance. It sets forth key data points from both the DOI and Nyhart actuarial valuations. It also shows a comparison between last year and the current year.

A motion was made by Michael White, seconded by Todd Monahan, to accept the Tax Levy Report. A roll call vote was taken:

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

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 – Carolyn Clifford gave an update on the status of the litigation and a copy of the Appellant’s brief that has been filed with 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 4:10 p.m. A roll call vote was taken:

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

Next regular meeting is October 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 November 17, 2022, meeting.