

MINUTES
ROCKFORD FIREFIGHTERS' PENSION FUND
April 21, 2016

A regular meeting of the Board of Trustees of the Rockford Firefighters' Pension Fund was held on Thursday, April 21, 2016, at 3:05 p.m. on the second floor of the Fire Department Administrative Building at 204 S. First Street, Rockford, Illinois, pursuant to notice.

CALL TO ORDER

The meeting was called to order at 3:05 p.m. Upon a call of the roll, the following answered:

ATTENDED: Alan Granite, President Brian Carlson, Secretary
 Michael White, Trustee

ABSENT: Tracy Renfro, Trustee Carrie Eklund, Trustee/Interim City Finance Director

STAFF: Linda Wlaznik, Pension Investment Accountant Judi Yehling, Recording Secretary

GUESTS: Attorney Vlad Shuliga, Ottosen Britz Mike Piotrowski, Marquette Associates
 Lieutenant Vince Boris

I. PUBLIC COMMENT -- None

II. MINUTES

- The March 17, 2016, minutes of the regular meeting were presented. Alan Granite made a motion to approve the minutes as presented and Michael White seconded the motion. Upon a voice vote, the motion passed.

III. APPROVAL OF APPLICATIONS/PENSION CHANGES

- Firefighter Richard Kollberg died on April 2, 2016, and his service pension will terminate. Brian Carlson made a motion, seconded by Michael White, to approve termination of Richard Kollberg's service pension. A roll call vote was taken:

Ayes: Alan Granite Brian Carlson
 Michael White

Nays: None

Absent Carrie Eklund Tracy Renfro

- Richard Kollberg's surviving spouse is eligible to receive a surviving spouse's pension and it will be approved upon receipt of her application. Brian Carlson made a motion, seconded by Michael White, to approve the surviving spouse pension for Carolyn Kollberg pending receipt of her application. A roll call vote was taken:

Ayes: Alan Granite Brian Carlson
 Michael White

Nays: None

Absent Carrie Eklund Tracy Renfro

- Linda Wlaznik informed Board that Albert Pauletto's repayments of pension overpayments found during an audit have terminated.

IV. DISBURSEMENTS

- Alan Granite made a motion to approve the April payroll of \$1,392,033.30. Brian Carlson seconded the motion. A roll call vote was taken:

Ayes: Alan Granite Brian Carlson
Michael White
Nays: None
Absent Carrie Eklund Tracy Renfro

- Invoices totaling \$31,008.27 as shown in the warrant packet were presented. Discussed the prepayment of invoices like the one for Carla Heitter on this warrant and the voluminous record fee as charged by Ortho Illinois on the warrant and if the Board wants to establish a policy for payment of these invoices. A motion was made by Alan Granite, and seconded by Michael White, to pay the invoices as presented in the warrant packet. A roll call vote was then taken:

Ayes: Alan Granite Brian Carlson
Michael White
Nays: None
Absent Carrie Eklund Tracy Renfro

V. CASH & INVESTMENTS

- Mike Piotrowski presented Marquette Associates' Flash Report as of March 31, 2016:
 - The Fund is at \$148.1 million, up slightly for the month. We will be rebalancing by taking cash needs of \$50,000 from Fiduciary which already has that amount in cash.
 - March was a strong month, and the Fund was up 4.5% for the month and 3% YTD for the quarter. This makes the Fund actually ahead of the actuarial rate of return and the benchmarks. This is driven largely by non-US equity component.
 - As far as performance of individual fund managers:
 - Hillswick has consistently outperformed its benchmark, and Segall Bryant is in line with its benchmark.
 - Fiduciary has done well at 5.6%.
 - Manning & Napier's performance has really improved, and it has outperformed the benchmark YTD. Marquette, however, will continue to keep them on alert for a little while longer.
 - Brandes International is up 8.6%, and DFA is up 15%.
 - All of the international funds are outperforming their indexes.
 - REITS has rebounded and is up 10% and PIMCO is doing well.
 - The markets were "digesting" what happened in March. A lot of attention will be paid to the height of corporate earnings and whether revenues will continue to grow.
- Cash needs are only \$50,000 as the replacement tax came in. The recommendation is to take the money from Fiduciary this month as they have the cash on hand and don't have to sell any securities.

Brian Carlson made a motion, seconded by Michael White, to take \$50,000 from Fiduciary to cover cash needs. A roll call vote was taken:

Ayes: Alan Granite Brian Carlson
Michael White
Nays: None
Absent Carrie Eklund Tracy Renfro

- Records of purchases and sales were distributed. Michael White made a motion, seconded by Brian Carlson, to approve the purchases and sales for the month. A roll call vote was taken:

Ayes: Alan Granite Brian Carlson
Michael White
Nays: None
Absent Carrie Eklund Tracy Renfro

VI. OLD BUSINESS

- Reporting on Carla Heitter's disability case, Attorney Shuliga explained that several additional documents were requested by Drs. Braksma and Levin. The functional capacity report from December of 2015 requested by Dr. Braksma was provided to all three IME physicians for review. But the MRI (from 2002) that Dr. Levin requested was destroyed by the hospital. The doctors were notified accordingly. Dr. Samo has already supplied his report. Attorney Shuliga is hoping to have their reports by the end of the month. Discussed the possibility of scheduling a special meeting but it would have to be before May 1st if we wanted the hearing to be held before the current Board because the newly elected Board member must start May 1st according to the rules. The other concern is being able to set up an appointment with Carla's attorney, Tom Duda, as it will have to fit into his schedule. Attorney Shuliga said Attorney Duda could be given several dates from which to choose and then he could decline.
- Attorney Shuliga informed the Board that all the record requests have been sent out in the case of Vince Boris' application for a Duty Disability Pension. Two sets of records have been received but they are waiting on the records from seven providers and the subpoenas to the City.
- Attorney Shuliga provided a written summary report on the meeting where the actuarial situation was discussed. The suggestion was made to maintain the status quo for this year so no action is required. Tim Sharpe will complete this year's actuarial report and then the Board can hopefully move forward with the RFP process in conjunction with the City and the Police Pension Fund. City Attorney Hayes had stated in the meeting with the Funds' attorneys that any information would be discussed with City Administration first before anything would be brought to City Council's attention, as they have traditionally had the final say in choosing the actuary. No action is necessary right now.
- Alan Granite informed the Board that the Trustee election for a retired member has been pushed back until May 6th; the ballots will be counted on May 11th and the results presented at the next Board meeting. If no one is elected by May 1st, then the May 1st rule does not apply, as the current Trustee will continue to hold the office.

VII. NEW BUSINESS

- Every year Attorney Clifford reviews the retainer the Board pays and tracks the hours spent on the account. Following this year's review, Ottosen Britz is requesting an increase to \$750.00/month.

A motion was made by Brian Carlson and seconded by Michael White to accept the proposed retainer of \$750 per month or \$9,000 annually. A roll call vote was taken:

Ayes: Alan Granite Brian Carlson
Michael White
Nays: None
Absent Carrie Eklund Tracy Renfro

- The fiduciary liability insurance expires in June. Linda Wlaznik will submit an application to renew the policy with the Board's approval and CHUBB will set up a packet showing the rates. The Board can then pick from those options. Alan Granite made a motion, seconded by Michael White, to approve the application for Fiduciary Liability Insurance through CHUBB. A roll call vote was taken:

Ayes: Alan Granite Brian Carlson
Michael White
Nays: None
Absent Carrie Eklund Tracy Renfro

- Carrie Eklund will need to take the IPPFA Trustee Certification Program. Brian Carlson made a motion, seconded by Michael White, to approve Carrie Eklund's training through the IPPFA's Trustee Certification Program. Upon a voice vote, the motion passed.
- Updates from Attorney Shuliga were:
 - The Illinois Department of Insurance has issued a Siren with some updates about new regulations. The Board must submit the City's audit every year online. There is also a DOI Security Administrator authorization form that is due August 1st; it is a new form that can be submitted online. They are definitely encouraging electronic submissions of filings to the DOI.
 - There is nothing imminent as far as pending legislation. The Chicago pension reform statute was overturned, and the consolidation of Article 3 and 4 Pension Funds will probably die in committee, as there is a lot of resistance.

VIII. CLOSED MEETING – None required.

IX. ADJOURNMENT

A motion was made to adjourn the meeting. Motion carried and meeting was adjourned 3:50 p.m.

Next regular meeting is May 19, 2016, at 3:00 p.m.

Signed:



Brian Carlson, Secretary

5/19/16

Date

Prepared by:

Judith Yehling, Recording Secretary

Date

Approved by the Board of Trustees at its May 19, 2016, meeting.