

MINUTES
ROCKFORD POLICE PENSION BOARD
MAY 16, 2013

MEMBERS PRESENT: Jeff Nielsen, President
Matt Williams, Secretary
Mike McDonald, Assist Secretary
Scott Laue, Trustee

ABSENT: Marcia Mueller, VP

ALSO PRESENT: Al Mezny – Holmstrom & Kennedy

GUESTS: None

STAFF: Ted Dutkiewicz, Finance
Linda Wiaznik, Finance

The May 16, 2013 Rockford Police Pension Board convened at City Hall 425 E. State St., Jeff Nielsen called the meeting to order at 8:02 a.m.

MINUTES

Motion by Laue and seconded by Williams to approve minutes of the April 18, 2013 Board meeting pending corrections. APPROVED. McDonald abstained.

PUBLIC COMMENT

NONE

MARQUETTE ASSOCIATES

Piotrowski stated that the S&P 500 was up nearly 2%. Non-US stocks continued to lag. International stocks performed well in April. The fund was up 1.3%, up 6.4% year-to-date. Fidelity Diversified and Kayne Anderson underperformed for the month of April. Piotrowski stated that he would continue to monitor the performance of Fidelity Diversified.

Piotrowski stated that Marquette Associates acquired another firm in Baltimore, Maryland.

Motion by Laue and seconded by Williams to withdraw \$800,000 from the Vanguard Value Index Fund for cash needs. APPROVED.

Ayes: Nielsen, Williams, McDonald, and Laue
Nays: None

Motion by Laue and seconded by Williams to approve purchases and sales. APPROVED.

Ayes: Nielsen, Williams, McDonald, and Laue
Nays: None

BILLS

Motion by Laue and seconded by Williams to approve May City Services of \$9,300.00. APPROVED.

Ayes: Nielsen, Williams, McDonald, and Laue

Nays: None

Motion by Laue and seconded by Williams to approve April postage charges of \$124.66. APPROVED.

Ayes: Nielsen, Williams, McDonald, and Laue

Nays: None

Motion by Laue and seconded by Williams to approve payment to Holmstrom & Kennedy, P.C. for April attorney fees for general in the amount of \$1,530.00. APPROVED.

Ayes: Nielsen, Williams, McDonald, and Laue

Nays: None

Motion by Laue and seconded by Williams to approve payment to Holmstrom & Kennedy P.C. for April attorney fees for the Haske-Whisenand disability matter in the amount of \$2,034.50. APPROVED.

Ayes: Nielsen, Williams, McDonald, and Laue

Nays: None

Motion by Laue and seconded by Williams to approve payment to Holmstrom & Kennedy, P.C. for April attorney fees for the Soria disability matter in the amount of \$4,796.07, which includes \$3,645.00 for services and \$1,151.07 for disbursements. APPROVED.

Ayes: Nielsen, Williams, McDonald, and Laue

Nays: None

Motion by Laue and seconded by Williams to approve payment to Holmstrom & Kennedy, P.C. for April attorney fees for the Lesmeister disability matter in the amount of \$2,765.57, which includes \$2,655.00 for services and \$110.57 for disbursements. APPROVED.

Ayes: Nielsen, Williams, McDonald, and Laue

Nays: None

Motion by Laue and seconded by Williams to approve payment to Holmstrom & Kennedy, P.C. for April attorney fees for the Drnek disability matter in the amount of \$1,020.00, which includes \$495.00 for services and \$525.00 for disbursements. APPROVED.

Ayes: Nielsen, Williams, McDonald, and Laue

Nays: None

Motion by Laue and seconded by Williams to approve payment to Holmstrom & Kennedy, P.C. for April attorney fees for the Honzel disability matter in the amount of \$247.50. APPROVED.

Ayes: Nielsen, Williams, McDonald, and Laue

Nays: None

Motion by Laue and seconded by Williams to approve payment to Marquette Associates for Investment Management fees for the period May 1, 2013 through July 31, 2013 in the amount of \$9,750.00. APPROVED.

Ayes: Nielsen, Williams, McDonald, and Laue

Nays: None

Motion by Laue and seconded by Williams to approve payment to Kayne Anderson Rudnick for Investment Management fees for the period January 1, 2013 through March 31, 2013 in the amount of \$32,205.00. APPROVED.

Ayes: Nielsen, Williams, McDonald, and Laue

Nays: None

Motion by Laue and seconded by Williams to approve payment to Segall Bryant & Hamill for Investment Management fees for the period April 1, 2013 through June 30, 2013 in the amount of \$17,419.95. APPROVED.

Ayes: Nielsen, Williams, McDonald, and Laue

Nays: None

OLD BUSINESS

Attorney Mezny stated that he provided the board with a timeline for the Haske-Whisenand disability matter. The city will file their last brief on August 16, 2013; on August 23, 2013 there will be an oral argument and the Judge will make the ruling. Nielsen asked why the city would file an appeal. Attorney Mezny stated that possibly the city does not feel either the officer is disabled or the disability did not occur in the line of duty. Attorney Mezny stated that it was unlikely the city would win the appeal.

Attorney Mezny asked the board if they would like to review his brief before it was filed. Board members, Nielsen, Williams, and Laue stated that they did not need to review the brief. Board member McDonald stated that he would like to see it since he is new to the board. Attorney Mezny stated that he would check with Mueller to see if she wanted to review the brief.

The board discussed their concern with lack of psychiatrist's available that they felt would be suitable for a disability case. Williams questioned the process for the selection of physician's. Attorney Mezny stated that the board had always obtained three examining physicians' opinions and never selected the treating physician as one of the three. Further discussion ensued.

Dutkiewicz discussed the results of the consultant request for proposals. Both Becker Burke and Marquette Associates experienced the loss of a prominent person in their firm within the last year. Dutkiewicz stated that based on what he had heard Marquette Associates handled the situation better than Becker Burke. The person from Becker Burke that would handle the pension board's account is the owner, which raises concern.

The board members discussed the performance of Marquette Associates. Dutkiewicz recommended maintaining monthly meetings for Marquette Associates.

Motion by Williams and seconded by Laue to approve retaining Marquette Associates as the fund consultant for three years plus two one year renewal options. APPROVED.

NEW BUSINESS

Motion by Williams and seconded by Laue to approve the surviving spouse benefit for Donna Bishop in the amount of \$5,375.44 monthly, annually \$64,505.28. She is the surviving spouse of Charles Bishop; he passed away on April 27, 2013. APPROVED.

Ayes: Nielsen, Williams, McDonald, and Laue

Nays: None

Motion by Williams and seconded by Laue to accept the new applicants, as attached, to the Police Pension fund. APPROVED.

Motion by Laue and seconded by Williams to approve payment to the IPPFA Certified Trustee Online Program for Mike McDonald in the amount of \$800. APPROVED.

Ayes: Nielsen, Williams, and Laue

Nays: None

Abstain: McDonald

The board reviewed and discussed the job description for Valadez, no conflicts were found.

Motion by Laue and seconded by Williams to approve Jeff Nielsen as President of the Police Pension Board. APPROVED. Nielsen abstained.

Motion by Laue and seconded by Williams to approve Marcia Mueller as Vice President of the Police Pension Board. APPROVED.

Motion by Laue and seconded by McDonald to approve Matt Williams as Secretary of the Police Pension Board. APPROVED. Williams abstained.

Motion by Laue and seconded by Williams to approve Mike McDonald as Assistant Secretary of the Police Pension Board. APPROVED. McDonald abstained.

PAYROLL

Motion by Laue and seconded by Williams to approve the April actual payroll amount of \$1,126,788.06. APPROVED.

Ayes: Nielsen, Williams, McDonald, and Laue

Nays: None

Motion by Laue and seconded by Williams to approve the May estimated payroll amount of \$1,128,885.60. APPROVED.

Ayes: Nielsen, Williams, McDonald, and Laue

Nays: None

Nielsen mentioned a reimbursement check for Marcia Mueller that had bounced. Wlaznik explained the PNC process. Dutkiewicz stated that it was a glitch in the PNC system.

ATTORNEY'S REPORT

Motion by Williams and seconded by Laue to approved closed session minutes of April 18, 2013. APPROVED. McDonald abstained.

Motion to go into closed session pursuant to Open Meetings Act section 2(c) (1) with respect to hearings regarding the Lesmeister matter was made by Williams and seconded by Laue at 9:28 a.m.

Ayes: Nielsen, Williams, McDonald, and Laue

Nays: None

The meeting returned to open session at 10:01 a.m. and found the following members present: Jeff Nielsen, Matt Williams, Scott Laue, and Mike McDonald.

A motion to adjourn was made and seconded at 10:01 a.m.

A handwritten signature in black ink, appearing to be 'MLC', is located on the right side of the page. The signature is written in a cursive style with a long, sweeping underline.