

MINUTES
ROCKFORD POLICE PENSION BOARD
JUNE 20, 2013

MEMBERS PRESENT: Jeff Nielsen, President
Marcia Mueller, VP
Mike McDonald, Assist Secretary
Scott Laue, Trustee

ABSENT: Matt Williams, Secretary

ALSO PRESENT: Roberta Holzwarth & Al Mezny – Holmstrom & Kennedy

GUESTS: Mike Piotrowski & Eric Gaylord – Marquette Associates

STAFF: Ted Dutkiewicz, Finance
Linda Wlaznik, Finance
Carrie Eklund, Finance

The June 20, 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 McDonald to approve minutes of the May 16, 2013 Board meeting. APPROVED.

Motion by Laue and seconded by McDonald to approved closed session minutes of May 16, 2013. APPROVED.

PUBLIC COMMENT

NONE

MARQUETTE ASSOCIATES

Piotrowski introduced Eric Gaylord, Client Analyst, with Marquette Associates. Piotrowski thanked the board for renewing the contract with Marquette Associates.

The bond market experienced the worst performance for the month of May since 2004. For the month of May the S & P was up 3.2%, but performance for the month of June is down. The returns for real estate have been strong over the year-to-date time period. The fund performance is good, but behind the policy benchmark. Pages 9 and 10 of the booklet illustrate the manager's performance. Piotrowski highlighted the performance of Fidelity Diversified, Kayne Anderson, and DFA International. Mr. Gaylord stated that the federal government is still projecting raising policy rates.

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

Ayes: Nielsen, Mueller, McDonald, and Laue

Nays: None

ATTORNEY'S REPORT

Attorney Mezny stated that the Haske-Whisenand case was the same. For the Soria and Lesmeister cases, two more psychiatrists were found. Of the two psychiatrists Attorney Mezny stated that he thought Dr. Robbins would be a better choice due to his experience. The board discussed their options between Dr. Robbins and Dr. Tudor.

Motion by Mueller and seconded by Laue to approve the evaluation of Officer Soria by Dr. Kenneth Robbins for the disability application determination. APPROVED.

Motion by Mueller and seconded by Laue to approve the evaluation of Officer Lesmeister by Dr. Kenneth Robbins for the disability application determination. APPROVED.

Attorney Mezny discussed the Peter Drnek disability case. The preference was for a Podiatrist or pain management specialist. The two physicians stated that they would not communicate with each other although they are located in the same office. Further discussion ensued regarding the choice of doctors.

Motion by Mueller and seconded by McDonald to approve Dr. Robert Borchardt and Dr. Kerry Reed to evaluate Officer Drnek for his disability application. APPROVED.

Attorney Holzwarth stated that she provided the board members with a red-lined copy of the investment consulting agreement that was initially provided by Marquette Associates. Marquette Associates agreed to make all of the changes requested. The majority of the requests are required by the code. Attorney Holzwarth highlighted the changes.

Motion by Mueller and seconded by Laue to approve the Marquette contract as modified. APPROVED.

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

Motion by Mueller and seconded by Laue to approve the modification to the Investment Policy as presented. APPROVED.

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

Dutkiewicz stated as a result of the audit, language modification was needed in the Investment Policy for the board's fiduciary responsibility.

BILLS

Motion by Mueller and seconded by McDonald to approve June City Services of \$9,300.00. APPROVED.

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

Motion by Mueller and seconded by McDonald to approve May postage charges of \$124.66. APPROVED.

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

Motion by Mueller and seconded by McDonald to approve payment to Holmstrom & Kennedy, P.C. for May attorney fees for general in the amount of \$1,980.00. APPROVED.

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

Motion by Mueller and seconded by McDonald to approve payment to Holmstrom & Kennedy P.C. for May attorney fees for the Haske-Whisenand disability matter in the amount of \$45.00. APPROVED.

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

Motion by Mueller and seconded by McDonald to approve payment to Holmstrom & Kennedy, P.C. for May attorney fees for the Soria disability matter in the amount of \$5,310.00, which includes \$630.00 for services and \$4,680.00 for disbursements. APPROVED.

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

Motion by Mueller and seconded by McDonald to approve payment to Holmstrom & Kennedy, P.C. for May attorney fees for the Lesmeister disability matter in the amount of \$830.00, which includes \$855.00 for services and (\$25.00) for a refund. APPROVED.

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

Motion by Mueller and seconded by McDonald to approve payment to Holmstrom & Kennedy, P.C. for May attorney fees for the Drnek disability matter in the amount of \$3,818.37, which includes \$3,487.50 for services and \$330.87 for disbursements. APPROVED.

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

The bill for the Honzel disability matter was tabled due to a question on the charges.

Motion by Mueller and seconded by McDonald to approve payment to Department of Insurance for compliance fee in the amount of \$8,000.00. APPROVED.

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

Motion by Mueller and seconded by McDonald to approve payment to Coalition for Qualified Plan Status in the amount of \$300.00. APPROVED.

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

Motion by Mueller and seconded by Laue to approve the renewal of the Fiduciary liability insurance for a payment to CHUB for a total of \$12,879.00 for \$2 million in coverage with a \$15,000.00 deductible. APPROVED.

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

NEW BUSINESS

Motion by Mueller and seconded by McDonald to approve the retirement of Steve Perry. His pension will be \$4,049.07 monthly or \$48,588.80 annually. APPROVED.

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

Motion by Mueller and seconded by McDonald to approve the retirement of David Hooks. His pension will be \$4,799.01 monthly or \$57,588.08 annually. APPROVED.

Motion by Mueller and seconded by McDonald to approve the refund of \$4,570.28 for Dustin Forney effective June 28, 2013. APPROVED.

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

Dutkiewicz stated that the board had received the audit report and highlighted some of the areas of the report. The report requests that instead of reporting the monthly salaries they are requesting annual salaries. According to a new public act there are some calculation errors for pension benefits. A reply to the audit report will be available next month to the audit report.

PAYROLL

Motion by Mueller and seconded by Laue to approve the June estimated payroll amount of \$1,135,360.46. APPROVED.

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

OLD BUSINESS

Nielsen stated that Officer Honzel refused to provide information regarding all of his medical providers. Attorney Holzwarth stated that the records are requested to allow the evaluators to determine whether the information that each physician has is relevant. Further discussion ensued.

Motion by Mueller and seconded by McDonald to issue Rule to Show Cause on why application should not be dismissed for the Honzel disability matter. APPROVED.

The board reviewed and discussed the policy manual.

A motion to adjourn was made and seconded at 10:22 a.m.

A handwritten signature in black ink, appearing to be 'M. Mueller', is located in the lower right quadrant of the page.