

MINUTES
ROCKFORD POLICE PENSION BOARD
JANUARY 18, 2013

MEMBERS PRESENT: Jeff Nielsen, President
Marcia Mueller, VP
Matt Williams, Assist. Secretary
Scott Laue, Trustee

ABSENT: Terry Peterson, Secretary

ALSO PRESENT: Roberta Holzwarth – Holmstrom & Kennedy
Mike Piotrowski – Marquette Associates

GUESTS: None

STAFF: Ted Dutkiewicz, Finance
Linda Wlaznik, Finance

The January 18, 2013 Rockford Police Pension Board convened at City Hall 425 E. State St., Jeff Nielsen called the meeting to order at 8:09 a.m.

MINUTES

Motion by Laue and seconded by Williams to approve minutes of the December 20, 2012 Board meeting. APPROVED.

PUBLIC COMMENT

NONE

MARQUETTE ASSOCIATES

Piotrowski commented on the strong performance of the funds. The total fund was up 1.4% for the month of December; up 1.5% for the quarter, and up 9.4% net of fees. International equities performance was excellent. For 2013, International equities are expected to outperform U.S. equities.

Piotrowski stated that Diversified Fund Advisor's performance improved over the fourth quarter. Mueller expressed concern with the performance of the Equity managers. Piotrowski discussed the fee schedule. The board members will receive a full report when the data from all the managers is available. The total Investment Management Fees are 26 basis points.

Piotrowski referred the board to Exhibit 1, page 3. Piotrowski highlighted an error on the page. Hedge Fund – GTAA should be GTA only, not Hedge Fund. Piotrowski discussed the different portfolios. Piotrowski recommended Portfolio C.

Motion by Mueller and seconded by Laue to select Portfolio C of the Marquette study. APPROVED.

Ayes: Nielsen, Mueller, Williams, and Laue

Nays: None

Motion by Mueller and seconded by Laue to fund the Global Tactical Asset Allocation (GTAA) as follows:

\$12 million from Vanguard Intermediate Government Index, \$4 million from Mortgage Fund, \$4 million from Vanguard REITS.

\$8 million to PIMCO, and \$12 million to Principal Core Real Estate Fund.

Ayes: Nielsen, Mueller, Williams, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve withdrawal of \$1,020,000 from Kayne Anderson for cash needs for the payment of benefits. APPROVED.

Ayes: Nielsen, Mueller, Williams, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve the Principal documents with the side agreements that are provided. APPROVED.

Motion by Mueller and seconded by Laue to approve Purchases and Sales.

Ayes: Nielsen, Mueller, Williams, and Laue

Nays: None

BILLS

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

Ayes: Nielsen, Mueller, Williams, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve December postage charges of \$124.65. APPROVED.

Ayes: Nielsen, Mueller, Williams, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve payment to Holmstrom & Kennedy, P.C. for December attorney fees for general in the amount of \$1,991.25. APPROVED.

Ayes: Nielsen, Mueller, Williams, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve payment to Holmstrom & Kennedy P.C. for December attorney fees for the Haske-Whisenand disability matter in the amount of \$1,011.25. APPROVED.

Ayes: Nielsen, Mueller, Williams, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve payment to Holmstrom & Kennedy, P.C. for December attorney fees for the Kuznets disability matter in the amount of \$3,476.20, which includes \$2,925.00 for services and \$551.20 for Disbursements. APPROVED.

Ayes: Nielsen, Mueller, Williams, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve payment to The Northern Trust Company for investment management fees for October 1, 2012 through December 31, 2012 in the amount of \$7,886.01. APPROVED.

Ayes: Nielsen, Mueller, Williams, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve payment to Foster & Foster for the actuarial valuation review in the amount of \$1,000.00. APPROVED.

Ayes: Nielsen, Mueller, Williams, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve payment to Dr. Lyle H. Rossiter in the amount of \$13,125.00 for the Kuznets disability matter. APPROVED.

Ayes: Nielsen, Mueller, Williams, and Laue

Nays: None

Payment approval to Rockford Orthopedic Associates is pending receipt of reports. Tabled until February.

The travel reimbursement for Mueller is tabled until February.

ATTORNEY'S REPORT

Attorney Holzwarth stated that a corrected order would need to be approved for the Haske-Whisenand matter to properly reflect that the officer received a duty disability pension. The item will be on the February agenda.

Attorney Holzwarth reported that discovery was issued in the Amado Soria duty/non-duty disability application.

OLD BUSINESS

The disability pension request for Yuliya Kuznets non-duty application was withdrawn.

The annual medical exams for Berke and Hollis were tabled.

The review/approval of the policy manual was tabled.

NEW BUSINESS

Motion by Mueller and seconded by Williams to approve the first increase for Bob Redmond effective January 1, 2013. His monthly pension will be \$4,970.79 monthly or \$59,649.48 annually. APPROVED.

Ayes: Nielsen, Mueller, Williams, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve surviving spouse benefits in the amount of \$5,053.45 monthly or \$60,641.40 annually to Patricia Dian Keenan, surviving spouse of John Keenan who passed away on December 28, 2012. APPROVED.

Ayes: Nielsen, Mueller, Williams, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve discontinuance of surviving spouse benefits to Dorothy Francis, surviving spouse of William Francis contingent upon receipt of the death certificate. She passed away on December 19, 2012. APPROVED.

Ayes: Nielsen, Mueller, Williams, and Laue

Nays: None

Motion by Mueller and seconded by Williams to approve the Law Enforcement Officers Safety Act for Val Diehl. APPROVED.

Williams expressed concern with the expenses incurred with the Kuznets disability matter.

Dutkiewicz stated that Mueller and Laue are appointed by the Mayor and asked if they were interested in remaining on the Police Pension Board. Laue stated that he was interested. Mueller will provide an answer at a later date.

Nielsen mentioned he had been approached by Robert Baird Company requesting the pension fund's business. Dutkiewicz stated that the fund has had a basic policy; the fund looks for consultants who are independent; no brokerage arm whatsoever. Dutkiewicz recommended anytime a board member is contacted to inform them that manager selections are handled by the Police Pension fund's consultant, Marquette Associates. Dutkiewicz will provide Nielsen with a letter to send to the Robert Baird Company.

PAYROLL

Motion by Mueller and seconded by Williams to approve the monthly pension benefit increases totaling \$26,512.74. APPROVED.

Ayes: Nielsen, Mueller, Williams, and Laue

Nays: None

Motion by Mueller and seconded by Williams to approve December actual payroll of \$1,099,833.52 comprised of: monthly benefits, new retiree, and first increases. APPROVED.

Ayes: Nielsen, Mueller, Peterson, Williams, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve the January estimated payroll amount of \$1,127,022.87. APPROVED.

Ayes: Nielsen, Mueller, Williams, and Laue

Nays: None

A motion to adjourn was made and seconded at 9:51 a.m.