

MINUTES
ROCKFORD POLICE PENSION BOARD
NOVEMBER 20, 2013

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

ABSENT:

ALSO PRESENT: Al Mezny - Holmstrom & Kennedy (joined meeting at 8:55 a.m.)

GUESTS: Mike Piotrowski and Eric Gaylord – Marquette Associates

STAFF: Ted Dutkiewicz, Finance
Linda Wlaznik, Finance

The November 20, 2013 Rockford Police Pension Board convened at City Hall 425 E. State St., Jeff Nielsen called the meeting to order at 8:09 am.

Motion by Mueller and seconded by Laue to approve the October 25, 2013 minutes as corrected. APPROVED.

PUBLIC COMMENT

NONE

Piotrowski stated that the performance in the third quarter for September was good and continued into October. There will be a new a Federal Reserve President at the end of January 2014.

The portfolio will be rebalanced next month. Mr. Gaylord stated that year-to-date the fund is up 12.2%; year-to-date fixed income is down 60 basis points. Mr. Piotrowski stated that the Vanguard REIT Index Fund was up 4.5%. Mr. Piotrowski recommended withdrawing cash needs from the Vanguard Institutional Index Fund.

Motion by Mueller and seconded by Laue to withdraw \$1,000,000 from Vanguard Institutional Index fund for cash needs. APPROVED.

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

Nays: None

Mr. Piotrowski stated that he was notified by Segall Bryant & Hamill of an ownership change. Marquette Associates recommends approval of the change of ownership. Mr. Piotrowski stated that he did not foresee any issues with the change. Segall Bryant is scheduled to present in December.

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

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

Nays: None

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

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

Motion by Mueller and seconded by Laue to approve October postage charges of \$126.50. APPROVED.

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

Motion by Mueller and seconded by Williams to table payment to Holmstrom & Kennedy, P.C. for October attorney fees for general in the amount of \$1,912.50. APPROVED.

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

Motion by Mueller and seconded by Williams to approve payment to Holmstrom & Kennedy, P.C. for October attorney fees for the Soria disability matter in the amount of \$2,876.25, which includes \$2,745.00 for services and \$131.25 for disbursements. APPROVED.

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

Motion by Mueller and seconded by Williams to approve payment to Holmstrom & Kennedy, P.C. for October attorney fees for the Lesmeister disability matter in the amount of \$6,865.00, which includes \$6,637.50 for services and \$227.50 for disbursements. APPROVED.

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

Motion by Mueller and seconded by Laue to approve payment to Holmstrom & Kennedy, P.C. for October attorney fees for general in the amount of \$1,912.50. APPROVED.

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

Motion by Mueller and seconded by Laue to approve payment to Holmstrom & Kennedy, P.C. for October attorney fees for the Drnek disability matter in the amount of \$1,507.50. APPROVED.

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

Motion by Mueller and seconded by Laue to approve payment to Holmstrom & Kennedy P.C. for October attorney fees for the Honzel disability matter in the amount of \$8,064.00, which includes \$1,620.00 for services and \$6,444.00 for disbursements, the previous balance was \$3,127.50. APPROVED.

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

Motion by Mueller and seconded by Laue to approve payment to Holmstrom & Kennedy P.C. for October attorney fees for the Ahrens disability matter in the amount of \$2,342.50, which includes \$2,092.50 for services and \$250.00 for disbursements. APPROVED.

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

Motion by Mueller and seconded by Laue to approve payment to Holmstrom & Kennedy P.C. for October attorney fees for the Fysh matter in the amount of \$2,947.50. APPROVED.

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

Nays: None

Motion by Mueller and seconded by Laue to approve payment to Marquette Associates for investment consulting services from November 1, 2013 through January 31, 2014 in the amount of \$16,250.00. APPROVED.

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

Nays: None

Motion by Mueller and seconded by Laue to approve payment to Kayne Anderson Rudnick for investment management fees from July 1, 2013 through September 30, 2013 in the amount of \$33,630.00. APPROVED.

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

Nays: None

Motion by Mueller and seconded by Laue to approve payment to Segall Bryant & Hamill for investment management fees from October 1, 2013 through December 31, 2013 in the amount of \$17,185.65. APPROVED.

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

Nays: None

Motion by Mueller and seconded by Laue to approve reimbursement to Matt Williams for IPPFA Midwest Pension conference expenses in the amount of \$148.89. APPROVED.

Ayes: Nielsen, Mueller, McDonald, and Laue

Nays: None

Abstain: Williams

Motion by Mueller and seconded by Laue to send only relevant records to medical providers for review. APPROVED.

Motion by Mueller and seconded by Laue to approve the September 23, 2013 minutes of the hearing regarding the disability of Officer Soria. APPROVED.

Motion by Mueller and seconded by Williams to table the minutes of the October 16, 2013 hearing of Officer Lesmeister. APPROVED.

Motion by Mueller and seconded by Laue to table the Soria matter until the revised order is received. Motion and second withdrawn.

Motion by Mueller and seconded by Laue to approve the order for the Soria duty-disability. APPROVED.

Nielsen stated that the disability hearing for the Honzel matter is scheduled for January 21, 2014 at 10:00 a.m.

Motion by Mueller and seconded by Laue to select Drs. Harris, Levitan, and Robbins as evaluators for the Sara Ahrens disability case, and to retain Dr. Giakis as a backup evaluator. APPROVED.

Motion by Mueller and seconded by Laue to move the January 16, 2014 meeting to January 21, 2014. APPROVED.

Motion by Mueller and seconded by Williams to table the minutes regarding the Fysh matter. APPROVED.

Motion by Mueller and seconded by Laue to approve the closed session minutes regarding the Soria hearing of September 23, 2013. APPROVED.

Motion by Mueller and seconded by Williams to approve the closed session minutes of October 16, 2013 regarding the Lesmeister hearing. APPROVED.

Motion by Mueller and seconded by Laue to approve the closed session minutes of October 25, 2013 regarding the Fysh matter as amended to show Matt Williams was absent. APPROVED.

Motion by Mueller and seconded by Williams to approve findings of the order for the Lesmeister disability hearing for a duty-related disability. APPROVED.

Motion by Mueller and seconded by Williams to approve the retirement pension for Christine Bishop effective January 2, 2014 in the amount of \$5,646.16 monthly. The Board shall retain jurisdiction of this cause to apply any set-off of benefits as may be provided for under the Police Pension Code and/or under any other applicable laws, that the Board shall retain jurisdiction of this cause to correct any error in the calculation of the pension benefit amount, to correct any overpayment or underpayment, or to change the amount if such correction or change is required for any reason including by amendment of the Pension Code, by operation of other law as in effect from time to time, or as may be required otherwise to comply with the Pension Code in accordance with the written advice of reputable legal counsel or the directive of a court or governmental agency and that the Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

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

Nays: None

PAYROLL

Motion by Mueller and seconded by Williams to approve the October actual payroll amount of \$1,147,466.50. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

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

Nays: None

Motion by Mueller and seconded by Williams to approve the November estimated payroll amount of 1,155,841.90. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

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

Nays: None

Wlaznik stated that the affidavits are complete.

A motion to adjourn was made and seconded at 10:03 a.m.

MINUTES
ROCKFORD POLICE PENSION BOARD
NOVEMBER 20, 2013

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

ABSENT:

ALSO PRESENT: Al Mezny - Holmstrom & Kennedy

GUESTS: Attorney and Peter Drnek

The November 20, 2013 Rockford Police Pension Board reconvened at City Hall 425 E. State St., Jeff Nielsen called the meeting to order at 11:42 am.

Motion by Mueller and seconded by Laue to approve the disability pension for Peter Drnek. The annual pension is \$38,063.52 or \$3,171.96 monthly. The benefit is retroactive to November 20, 2013. The Board shall retain jurisdiction of this cause to apply any set-off of benefits as may be provided for under the Police Pension Code and/or under any other applicable laws, that the Board shall retain jurisdiction of this cause to correct any error in the calculation of the pension benefit amount, to correct any overpayment or underpayment, or to change the amount if such correction or change is required for any reason including by amendment of the Pension Code, by operation of other law as in effect from time to time, or as may be required otherwise to comply with the Pension Code in accordance with the written advice of reputable legal counsel or the directive of a court or governmental agency and that the Board retains jurisdiction of this matter for purposes of enforcing the Pension Code including but not limited to requirements set forth in 40 IL CS5/3-115 regarding verification the continuance of disability from service as a police officer with the Rockford Police Department. APPROVED.

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

Nays: None

Motion by Mueller and seconded by Laue that benefits will begin effective November 20, 2013; the timing of the first payment may be dependent upon submission of the paperwork or the administrative capacity of the City to prepare the check after the paperwork is signed. The Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. APPROVED.

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

Nays: None

Peter Drnek thanked the board.

Attorney Mezny stated that the board would reduce the decision to a written order and the board's decision is not a final administrative decision for purposes of the Administrative Review Act until the board issues the written order. The written order will reflect the board's findings of fact and its

application of applicable case law to those facts. The written order will be served to Peter Drnek by certified mail, return receipt requested, and the attorney by email. Mr. Drnek will have 35 days to appeal if he so chooses.

A motion to adjourn was made and seconded at 11:46.

MINUTES
ROCKFORD POLICE PENSION BOARD
November 20, 2013

MEMBERS PRESENT: Jeff Nielsen, President and Chair
Marcia Mueller, Vice President
Michael McDonald
Scott Laue
Matt Williams

ABSENT: None

ALSO PRESENT: Alexander J. Mezny – Holmstrom & Kennedy

GUESTS: Officer Peter Drnek
Attorney Timothy O'Neil

STAFF: Court Reporter Doris Kennay

The November 20, 2013 special meeting of the Rockford Police Pension Board for the purpose of the disability hearing of Officer Peter Drnek convened at City Hall 425 E. State St., with chair Jeff Nielsen calling the meeting to order at 10:04 a.m.

PUBLIC COMMENT

NONE

HEARING

The Application of Officer Peter Drnek for Disability Pension –Not in the Line of Duty– was heard by the Board of the Rockford Police Pension Fund pursuant to posted notice and written notice to Officer Peter Drnek's counsel.

Officer Peter Drnek was present with his attorney, Timothy O'Neil. Also present were the Board's attorney, Alexander J. Mezny, and court reporter Doris Kennay, who made a record of the hearing.

Attorney Mezny and Attorney O'Neil agreed to the admission of 4,586 pages of exhibits (most of which had been previously reviewed by the Trustees pursuant to agreement of the parties) as more fully set forth in the Board's Order.

Attorney Mezny, Attorney O'Neil and the Trustees examined Officer Peter Drnek. Officer Peter Drnek testified on his own behalf as to the history of his injury and condition, the course of treatment and present status of his condition.

Attorney O'Neil made closing arguments.

At 11:27 a.m., a MOTION was made by Trustee Mueller and seconded by Trustee Williams to go into closed session pursuant to sections 2(c)1 and 2(c)4 of the Open Meetings Act with respect to

compensation of a member and discussion of evidence and testimony with regard to Officer Peter Drnek.

A motion to return to open session was made by Trustee Mueller and seconded by Trustee Laue and approved at 11:37 a.m. No action was taken in closed session.

Trustee Mueller made a motion seconded by Trustee Laue to find Officer Peter Drnek disabled from service in the City of Rockford Police Department, pursuant to Section 3-114.2 of the Illinois Pension Code; that his initial pension benefit is \$38,063.52 per year; that his benefit shall be retroactive to today's date; that the Board shall retain jurisdiction of this cause to apply any set-off of benefits as may be provided for under the Police Pension Code and/or under any other applicable laws; that the Board shall retain jurisdiction of this cause to correct any error in the calculation of the pension benefit amount, to correct any overpayment or underpayment, or to change the amount if such correction or change is required for any reason including by amendment of the Pension Code, by operation of other law as in effect from time to time, or as may be required otherwise to comply with the Pension Code in accordance with the written advice of reputable legal counsel or the directive of a court or governmental agency, and that the Board shall retain jurisdiction of this cause for purposes of enforcing the Pension Code, including but not limited to the requirements set forth in 40 ILCS 5/3-115 regarding verification of the continuance of disability from service as a police officer with the Rockford Police Department. The motion passed 5-0.

Trustee Mueller made a motion seconded by Trustee Laue that benefits would begin effective November 20, 2013 although the timing of the first payment may be subject to the submission of paperwork or the administrative capacity of the City of Rockford in processing the benefit check and that the Board retains jurisdiction of this matter for purposes of enforcing the Pension Code. The motion passed 5-0.

Trustee Williams made a motion to adjourn the meeting at 11:46 a.m. Trustee Mueller seconded the motion. The Motion passed 5-0.

4838-8826-8567, v. 1

A handwritten signature in black ink, appearing to read "Mueller", is written over the text of the final paragraph. The signature is cursive and somewhat stylized.