

**MINUTES  
ROCKFORD FIREFIGHTERS' PENSION FUND**

**January 21, 2014**

A regular meeting of the Board of Trustees of the Rockford Firefighters' Pension Fund was held on Tuesday, January 21, 2014, at 3:00 p.m. in the second floor conference room 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  
Tracy Renfro, Secretary  
Chris Black, City Finance Director

Jim Strey, Trustee  
Michael White, Trustee

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

GUESTS: Attorney Carolyn Clifford , Ottosen Britz  
Mike Piotrowski & Eric Gaylord, Marquette Associates

**I. PUBLIC COMMENT -- None**

**II. MINUTES**

- The December 18th minutes were presented. Tracy Renfro made a motion to approve the minutes and Chris Black seconded the motion. A roll call vote was taken:

**Ayes:** Alan Granite      Jim Strey  
Tracy Renfro      Michael White  
Chris Black

**Nays:** None

**III. APPROVAL OF APPLICATIONS/PENSION CHANGES**

- Travis Lingel, who resigned from the Rockford Fire Department after 3 years and 10 months of service, has filed an application to maintain his contributions in the Rockford Fire Department Pension Fund as he cannot carry them over to the Chicago Fire Department Fund as it is not covered by the portability act. Alan Granite made a motion to approve Travis Lingel's application to maintain his pension contributions in the fund and Jim Strey seconded the motion. A roll call vote was taken:

**Ayes:** Alan Granite      Jim Strey  
Tracy Renfro      Michael White  
Chris Black

**Nays:** None

- Driver/Engineer Tony Spataro withdrew his application for retirement on January 3, 2014.

#### IV. DISBURSEMENTS

- Alan Granite made a motion to approve the 2014 annual increases of \$27,893.43 which are included in the January payroll. Tracy Renfro seconded the motion. A roll call vote was taken:

**Ayes:** Alan Granite      Jim Strey  
          Tracy Renfro      Michael White  
          Chris Black  
**Nays:**      None

- Alan Granite made a motion to approve the January payroll of \$1,311,191.41. Tracy Renfro seconded the motion. A roll call vote was taken:

**Ayes:** Alan Granite      Jim Strey  
          Tracy Renfro      Michael White  
          Chris Black  
**Nays:**      None

- Invoices totaling \$39,358.75 were presented as shown in the attached warrant packet. Alan Granite made a motion to approve the invoices as presented in the warrant packet. Chris Black seconded the motion. A roll call vote was taken:

**Ayes:** Alan Granite      Jim Strey  
          Tracy Renfro      Michael White  
          Chris Black  
**Nays:**      None

#### V. CASH & INVESTMENTS

- Mike Piotrowski presented Marquette Associates' Flash Report for December 31, 2013:
  - The market environment is "remarkable" and equities indices were up over 10%. "The more risk, the better you did."
  - International stocks did well but bonds finished in negative territory.
  - All in all, it was a "good year" – the best in over a decade. Mike Piotrowski feels US and International stocks will continue to do well but the market will continue to be challenging in fixed income.
  - The fund is \$153 million which is a significant increase. It is currently overweight to equities but were rebalanced at the end of the plan year. Marquette will be doing an asset allocation study next month following receipt of the year-end numbers. But Mike doesn't anticipate any major changes in the asset allocation.
  - Pages 8 and 9 of the report show the performance of the fund which was up 5.4% for the month and over 15% for the plan year more than doubling the assumed rate of return. The US equity was the strongest component and real estate did well.
  - Pages 9 and 10 show the managers' performance which provided doubled the assumed rate of return at 15.2% YTD. Mike Piotrowski's prediction is that "bond returns will increase but equities will probably come down" when looking at the various allocations.
  - The \$1.3 million insurance payment the fund received made up a little over 1% of the return for the total fund composite. This fund did 80 basis points better than Police's – approximately the equivalent of the insurance. The rate of return for this fund is "middle of the road;" a better

return would have been had if more had been invested in US equity but it would mean greater volatility.

- As far as adjusting the amount in equity, the fund currently has 37.5% in fixed income so there is 2.5% to “play with” as only 35% is required by statute. Mike Piotrowski will present the asset allocation study at next month’s meeting.
- Cash needs for the month are \$1.1 million. The recommendation is to take \$550,000 from the Vanguard Value Index and \$550,000 from the Vanguard Institutional Index fund. Alan Granite made a motion, seconded by Tracy Renfro, to take \$550,000 from the Vanguard Value Index and \$550,000 from the Vanguard Institutional Index fund to meet cash needs for the month. A roll call vote was taken:

**Ayes:**        Alan Granite        Jim Strey  
                  Tracy Renfro        Michael White  
                  Chris Black

**Nays:**         None

- Ted Dutkiewicz passed out the report on the status of the Fund as of December 31, 2013:
  - The report showed total current market value of the Fund was \$153.06 million, up 9.589% year to date and the highest value yet for the fund. The equity fund is up 27.342%, and fixed income is down 12.056% at 36.161% of the total Fund.
  - Total annual return is at 15.12%; equity annual return is 26.36%, a fixed income annual return of -1.34%, and a total income return of 6.92%.
- Records of purchases and sales were distributed.

Alan Granite made a motion, seconded by Chris Black, to approve the purchases and sales for the month. A roll call vote was taken:

**Ayes:**        Alan Granite        Jim Strey  
                  Tracy Renfro        Michael White  
                  Chris Black

**Nays:**         None

## **VI. OLD BUSINESS**

- There has been no further progress on the DOI audit report.
- Attorney Clifford passed out a memo concerning the fiduciary liability policy outlining the current status and progress on sharing liability coverage with Police. Current coverage provided through Chubb is \$2 million and there are several proposals to obtain added coverage and receive a break on the rate by sharing with the Police. The recommendation is to go with a carrier that specializes in municipal funds utilizing a broker like Mesirow. Will continue with Chubb for now (contract expires July 1, 2014) and also arrange for Ted Bowen of Mesirow to make a presentation at the Board’s March 20<sup>th</sup> meeting in conjunction with Police.

## **VII. CLOSED MEETING – None required.**

## **VIII. NEW BUSINESS**

- Chris Black presented his letter to the Board covering the cost to the Board for City Services for 2014. The annual cost will be \$121,900, an increase of \$10,300. The letter outlines the reasons for the increased cost.

Michael White made a motion, seconded by Tracy Renfro, to approve the cost for City services for 2014 as presented. A roll call vote was taken:

**Ayes:**        Alan Granite        Jim Strey  
                   Tracy Renfro        Michael White  
                   Chris Black

**Nays:**        None

- Attorney Clifford brought several other matters before the Board:
  - Attorney Clifford provided a timeline of what needs to be done on an annual basis, especially required filings with the DOI.
  - Handed out information dealing with the three lawsuits filed against the pension reform law. Expectation is that these cases will be consolidated.

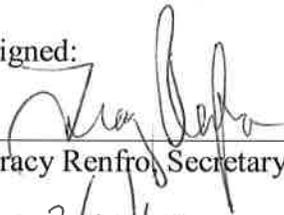
**IX. Training**

- There is an IPPFA seminar in May and other regional seminars.
- Tracy Renfro needs 16 hours and will be signing up for an 8-hour seminar and doing 8 hours of on-line training. All other Board members are up to date.

**X. ADJOURNMENT**

A motion was made to adjourn the meeting. Motion carried and meeting was adjourned at 3:45 p.m. Next regular meeting is February 20, 2014, at 3:00 p.m.

Signed:



Tracy Renfro, Secretary

2/20/14  
Date

Prepared by:



Judith Yehling, Recording Secretary

2-20-14  
Date

*Approved by the Board of Trustees at its February 20, 2014, meeting.*