

**MINUTES OF A REGULAR MEETING OF  
THE ROCK ISLAND POLICE PENSION FUND  
BOARD OF TRUSTEES  
JANUARY 22, 2020**

A regular meeting of the Rock Island Police Pension Fund Board of Trustees was held on Wednesday, January 22, 2020 at 4:30 p.m. in the Police Station Meeting Room located at 1212 5<sup>th</sup> Avenue, Rock Island, Illinois 61201, pursuant to notice.

**CALL TO ORDER:** Trustee Morris called the meeting to order at 4:40 p.m.

**ROLL CALL:**

**PRESENT:** Trustee James Morris (April 2020), Trustee Aaron Curry (January 2021), Trustee Kondon Karzin (April 2021), Trustee Shawn Slavish (April 2021) and Trustee Stephanie Masson (April 2021)

**ABSENT:** None

**ALSO PRESENT:** Keri O'Brien, Lauterbach & Amen, LLP (L&A); Ross Stanforth, Investment Consulting Group (ICG); Attorney Rick Reimer, Reimer & Dobrovolny PC

**PUBLIC COMMENT:** There was no public comment.

**APPROVAL OF MEETING MINUTES:** *October 14, 2019 Special Meeting and October 23, 2019 Regular Meeting:* The Board reviewed the October 14, 2019 special meeting minutes and the October 23, 2019 regular meeting minutes. A motion was made by Trustee Masson and seconded by Trustee Slavish to approve the October 14, 2019 special meeting minutes and the October 23, 2019 regular meeting minutes as written. Motion carried unanimously by voice vote.

**ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP:** *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the twelve-month period ending December 31, 2019 prepared by L&A. As of December 31, 2019, the net position held in trust for pension benefits is \$39,577,294.06 for a change in position of \$4,745,038.44. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal and the Vendor Check Report for the period October 1, 2019 through December 31, 2019 for total disbursements of \$162,763.63. A motion was made by Trustee Masson and seconded by Trustee Slavish to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$162,763.63. Motion carried by roll call vote.

**AYES:** Trustees Curry, Morris, Karzin, Slavish and Masson

**NAYS:** None

**ABSENT:** None

*Additional Bills, if any:* There were no additional bills presented for approval.

**INVESTMENT REPORT – INVESTMENT CONSULTING GROUP:** *Portfolio Review:* Mr. Stanforth presented the Quarterly Investment Report for the period ending December 31, 2019. As of December 31, 2019, the quarter-to-date net return is 4.28% for a total fund balance of \$39,215,656. The current asset allocation is as follows: 1.7% Real Estate, 3.0% Emerging Markets,

5.5% International, 13.7% Small Mid Value, 4.7% Blend, 19.7% Large Value, 47.4% Fixed Income and 4.3% Money Market. A motion was made by Trustee Morris and seconded by Trustee Masson to accept the Quarterly Investment Report as presented. Motion carried by roll call vote.

AYES: Trustees Curry, Morris, Karzin, Slavish and Masson

NAYS: None

ABSENT: None

Mr. Stanforth apprised the Board that C.S. McKee was acquired by CSM Advisors. Attorney Reimer informed the Board that he has spoken with C.S. McKee's Attorney asking for a written agreement with whom ever is going to consult or manage the Fund's assets. A motion was made by Trustee Karzin and seconded by Trustee Slavish to table this item pending receipt of a revised CS McKee successor agreement. Motion carried unanimously by voice vote.

The Board discussed rebalancing the portfolio. A motion was made by Trustee Masson and seconded by Trustee Morris to transfer \$500,000 from the cash account and reallocate the proceeds as follows: \$258,000 to Tortoise, \$46,000 to DFA Real Estate, \$76,000 to Oakmark International, \$40,000 to Vanguard Selected Value, \$39,000 to Vanguard 500 Index Adm and \$41,000 to Vanguard Value Index Adm, based on the recommendation of US Bank. Motion carried by roll call vote.

AYES: Trustees Curry, Morris, Karzin, Slavish and Masson

NAYS: None

ABSENT: None

The Board noted that Vanguard International Explorer Fund and Vanguard Selected Value have been performing at an optimal level and have been taken off watch status. No further action is needed.

Mr. Stanforth distributed copies of the Asset Allocation Study prepared by Investment Consulting Group to the Board and discussed portfolio options based on fund performances over various time periods.

*Review/Update Investment Policy:* The Board discussed the amended Investment Policy draft prepared by Investment Consulting Group. A motion was made by Trustee Masson and seconded by Trustee Morris to approve the amended Investment Policy Statement as prepared. Motion carried unanimously by voice vote.

**COMMUNICATIONS AND REPORTS:** *Statements of Economic Interest:* The Board noted that the List of Filers must be submitted to the County by the City of Rock Island by February 1, 2020. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2020.

*Affidavits of Continued Eligibility:* The Board noted that all 2019 Affidavits of Continued Eligibility have been received by L&A and the originals were given to the Board for their recordkeeping.

L&A informed the Board that due to recently implemented requirements mandated by the IDOI, spousal data will be necessary in order to file the IDOI Annual Statement. L&A recommended issuing Affidavits of Continued Eligibility to all pensioners with the December payroll cycle, to coincide with the fiscal year-end and ensure adequate time to compile the necessary data.

*2020 IRS Mileage Rate:* The Board noted that the IRS standard business mileage rate used for reimbursement decreased to \$0.575 per mile effective January 1, 2020.

**TRUSTEE TRAINING UPDATES:** The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities. Trustees were reminded to submit all training certificates to L&A for recordkeeping.

*Approval of Trustee Training Registration and Reimbursable Expenses:* There were no trustee training registrations or reimbursable expenses presented for approval.

**APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND:** *Contribution Refund – Gregory Ferguson:* The Board reviewed the contribution refund request submitted by Gregory Ferguson. A motion was made by Trustee Masson and seconded by Trustee Morris to approve Gregory Ferguson's contribution refund in the amount of \$3,716.07 paid directly to himself issued on December 13, 2019. Motion carried by roll call vote.

AYES: Trustees Curry, Morris, Karzin, Slavish and Masson

NAYS: None

ABSENT: None

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS:** *Review/Approve – Decisions & Orders – Matthew Edwards & Daniel Knittle:* The Board reviewed the Decision and Orders prepared by Reimer & Dobrovolny PC. A motion was made by Trustee Morris and seconded by Trustee Masson to approve, adopt and publish the Decision and Orders for Matthew Edwards and Daniel Knittle as presented. Motion carried by roll call vote..

AYES: Trustees Curry, Morris, Karzin, Slavish and Masson

NAYS: None

ABSENT: None

*Review/Approve – Retroactive Payment – Matthew Edwards:* The Board noted that Matthew Edwards is due a retroactive payment in the amount of \$1,430.40 for the period February 11, 2019 through October 31, 2019 due to the recalculation of his regular retirement benefit as a result of the contract settlement.

*Review/Approve – Retroactive Payment – Daniel Knittle:* The Board noted that Daniel Knittle is due a retroactive payment in the amount of \$1,671.38 for the period February 14, 2019 through October 31, 2019 due to the recalculation of his regular retirement benefit as a result of the contract settlement.

A motion was made by Trustee Masson and seconded by Trustee Morris to approve the retroactive payments to Matthew Edwards in the amount of \$1,430.40 and to Daniel Knittle in the amount of \$1,671.38 as calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Curry, Morris, Karzin, Slavish and Masson  
NAYS: None  
ABSENT: None

*Approve Regular Retirement Benefit & Retroactive Payment – Timothy Steines:* The Board reviewed the regular retirement benefit calculation for Timothy Steines prepared by L&A. Lieutenant Steines had an entry date of June 24, 1991, retirement date of August 4, 2019, effective date of pension of August 5, 2019, 50 years of age at date of retirement, 28 years of creditable service, applicable salary of \$102,455.37, applicable pension percentage of 70%, amount of originally granted monthly pension of \$5,976.56 and amount of originally granted annual pension of \$71,718.72. The Board also noted that Timothy Steines is due a retroactive payment in the amount of \$546.46 for the period August 5, 2019 through October 31, 2019 due to the recalculation of his regular retirement benefit as a result of the contract settlement. A motion was made by Trustee Masson and seconded by Trustee Slavish to approve Timothy Steines's regular retirement benefit and retroactive payment in the amount of \$546.46 as calculated by L&A and instructed Attorney Reimer to prepare a Decision and Order to be presented to the Board for review at the next regular meeting. Motion carried by roll call vote.

AYES: Trustees Curry, Morris, Karzin, Slavish and Masson  
NAYS: None  
ABSENT: None

*Approve Regular Retirement Benefit – Patrick Richter:* The Board noted that Patrick Richter's retirement benefit calculation is currently in process. Further discussion will be held at the next regular meeting.

*Deceased Pensioner – Dennis Hutton/Approval of Surviving Spouse Benefits – Shari Hutton:* The Board noted that Dennis Hutton passed away on December 8, 2019. The Board reviewed the surviving spouse benefit calculation for Shari Hutton with an effective date of December 9, 2019 for a monthly benefit of \$5,287.28 with no additional increases. A motion was made by Trustee Morris and seconded by Trustee Masson to approve the surviving spouse benefit of Shari Hutton as calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Curry, Morris, Karzin, Slavish and Masson  
NAYS: None  
ABSENT: None

*Deceased Surviving Spouse – Donna Ott:* The Board noted that surviving spouse Donna Ott passed away January 1, 2020 with no eligible surviving dependents and her pension benefit has ceased. A motion was made by Trustee Masson and seconded by Trustee Slavish to cease pension benefits for Donna Ott as stated. Motion carried by roll call vote.

AYES: Trustees Curry, Morris, Karzin, Slavish and Masson  
NAYS: None  
ABSENT: None

**OLD BUSINESS: *Fiduciary Liability Insurance Renewal:*** The Board reviewed the fiduciary liability insurance renewal provided by Alliant Insurance Services, Inc. through Hudson Insurance Company. A motion was made by Trustee Masson and seconded by Trustee Slavish to authorize Trustee Masson to obtain an updated fiduciary liability insurance renewal quote and to approve the updated quote not to exceed 5% of \$6,650, subject to approval by the Board's Attorney. Motion carried by roll call vote.

AYES: Trustees Curry, Morris, Karzin, Slavish and Masson  
NAYS: None  
ABSENT: None

**NEW BUSINESS: *Approve Annual Cost of Living Adjustments (COLAs) for Pensioners:*** The Board reviewed the 2020 Cost of Living Adjustments (see attached) calculated by L&A. A motion was made by Trustee Morris and seconded by Trustee Slavish to approve the 2020 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Curry, Morris, Karzin, Slavish and Masson  
NAYS: None  
ABSENT: None

*Review Trustee Term Expirations and Election Procedures:* The Board noted that the active member term currently held by Trustee Morris is expiring in April 2020. Trustee Morris wishes to remain on the Board if nominated. L&A will conduct an election on behalf of the Pension Fund for one of the two active member Trustee positions.

*IDOI Annual Statement:* The Board noted that the IDOI Annual Statement is in process and the final report will be sent to the Board for review upon completion.

**ATTORNEY'S REPORT – REIMER & DOBROVOLNY PC: *Disability Application – Steven Marty:*** Attorney Reimer informed the Board that Steven Marty's disability hearing scheduled for January 22, 2020 at 6:30 p.m. has been cancelled. Further discussion will be held at the next regular meeting.

*Annual Independent Medical Evaluation – Shawn Trask:* The Board noted that Shawn Trask will reach the age of 50 on April 4, 2020, therefore he will no longer be subject to annual independent medical examinations.

*Annual Independent Medical Evaluation – Jonathan Cary:* The Board noted that Jonathan Cary's independent medical evaluation results are currently in process. Further discussion will be held at the next regular meeting.

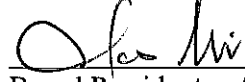
*Legal Updates:* The Board reviewed the *Legal and Legislative Update* quarterly newsletter. Attorney Reimer discussed recent court cases and decisions, as well as the pension consolidation plan with the Board.

**CLOSED SESSION, IF NEEDED:** The Board entered into closed session at 6:19 p.m. to discuss Steven Mary disability matter under 5 ILCS 120/2 (c)(11) of the Open Meetings Act.

*The Board resumed open session at 6:27 p.m.*

**ADJOURNMENT:** A motion was made by Trustee Morris and seconded by Trustee Slavish to adjourn the meeting at 6:27 p.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for April 22, 2020 at 4:30 p.m.



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Board President or Secretary

Minutes approved by the Board of Trustees on 04-22-20.

*Minutes prepared by Keri O'Brien, Pension Services Administrator, Lauterbach & Amen, LLP*