

**MINUTES OF A REGULAR MEETING OF
THE ROCK ISLAND POLICE PENSION FUND
BOARD OF TRUSTEES
JULY 28, 2021**

A regular meeting of the Rock Island Police Pension Fund Board of Trustees was held on Wednesday, July 28, 2021 at 4:30 p.m. in the Police Station Meeting Room located at 1212 5th Avenue, Rock Island, Illinois 61201, pursuant to notice.

CALL TO ORDER: Trustee Morris called the meeting to order at 4:35 p.m.

ROLL CALL:

PRESENT: Trustee James Morris (May 2022), Trustee Aaron Curry (January 2021) (*arrived at 4:41 p.m.*), Trustee Linda Barnes (April 2022), Trustee Kondon Karzin (May 2023) and Trustee Tim Muehler (May 2023)

ABSENT: None

ALSO PRESENT: Keri O'Brien, Lauterbach & Amen, LLP (L&A); Donald Stanforth, Investment Consulting Group (ICG); Attorney Bryan Strand, Reimer Dobrovolny & LaBardi PC

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *April 28, 2021 Regular Meeting:* The Board reviewed the April 28, 2021 regular meeting minutes. A motion was made by Trustee Morris and seconded by Trustee Karzin to approve the April 28, 2021 regular meeting minutes as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Meeting Minutes: There were no closed session meeting minutes for review.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the six-month period ending June 30, 2021 prepared by L&A. As of June 30, 2021, the net position held in trust for pension benefits is \$44,697,535.16 for a change in position of \$2,640,793.23. 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 April 1, 2021 through June 30, 2021 for total disbursements of \$217,502.17. A motion was made by Trustee Morris and seconded by Trustee Barnes to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$217,502.17. Motion carried by roll call vote.

AYES: Trustees Morris, Karzin, Barnes and Muehler

NAYS: None

ABSENT: Trustee Curry

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

NEW BUSINESS: *Certify Special Election Results – Active Member:* L&A conducted a special election for one of the active member positions on the Rock Island Police Pension Fund Board of

Trustees. Timothy Muehler ran unopposed and was elected for an unexpired two-year term expiring May 9, 2023. A motion was made by Trustee Morris and seconded by Trustee Barnes to certify the active member election results. Motion carried unanimously by voice vote.

Trustee Curry arrived at 4:41 p.m.

INVESTMENT REPORT – INVESTMENT CONSULTING GROUP: *Portfolio Review:* Mr. Stanforth presented the Quarterly Portfolio Review for the period ending June 30, 2021. As of June 30, 2021, the quarter-to-date net return is 4.37% for a total fund balance of \$43,807,242. The current asset allocation is as follows: 1.9% Real Estate, 3.3% Emerging Markets, 7.1% International, 16.0% Small Mid Value, 5.9% Blend, 22.6% Large Value, 42.4% Fixed Income and 0.8% Money Market. A motion was made by Trustee Karzin and seconded by Trustee Muehler to accept the Quarterly Portfolio Review as presented. Motion carried by roll call vote.

AYES: Trustees Morris, Karzin, Barnes, Curry and Muehler

NAYS: None

ABSENT: None

Review/Update Investment Policy: The Board discussed the Investment Policy and determined that no changes are required at this time.

COMMUNICATIONS AND REPORTS: There were no communications or reports.

TRUSTEE TRAINING UPDATES: The Board 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: The Board discussed the 16-hour Certified Trustee Training Program offered through IPPFA. A motion was made by Trustee Morris and seconded by Trustee Barnes to approve Trustee Muehler's registration fees for the 16-hour Certified Trustee Training Program. Motion carried by roll call vote.

AYES: Trustees Morris, Karzin, Barnes, Curry and Muehler

NAYS: None

ABSENT: None

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Application for Membership – Matthew Bundy:* The Board reviewed the Application for Membership submitted by Matthew Bundy. A motion was made by Trustee Morris and seconded by Trustee Muehler to accept Matthew Bundy into the Rock Island Police Pension Fund effective May 3, 2021, as a Tier II participant. Motion carried unanimously by voice vote.

Contribution Refunds – Andrew Gustafson & Justin Holmes: The Board reviewed the contribution refund requests submitted by Andrew Gustafson and Justin Holmes. A motion was made by Trustee Morris and seconded by Trustee Muehler to approve Andrew Gustafson's contribution refund in the amount of \$27,801.05 paid in a direct rollover issued on August 19, 2021 and Justin Holmes's contribution refund in the amount of \$69,669.19 paid in a direct rollover issued on July 13, 2021. Motion carried by roll call vote.

AYES: Trustees Morris, Karzin, Barnes, Curry and Muehler
NAYS: None
ABSENT: None

Resignation of Officer – Craig Smith: The Board noted that Craig Smith has separated service from the Rock Island Police Department effective July 25, 2021, a contribution refund has not been requested at this time. Updates will be provided to the Board as they become available.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Deceased Pensioner – Lowell McClellan:* The Board noted that pensioner Lowell McClellan passed away May 3, 2021 with no surviving spouse and his pension benefit has ceased.

Approve Regular Retirement Benefits – Larry Hufford: The Board reviewed the regular retirement benefit calculation for Larry Hufford prepared by L&A. Lieutenant Hufford had an entry date of January 13, 1995, retirement date of May 21, 2021, effective date of pension of May 22, 2021, 50 years of age at date of retirement, 26 years of creditable service, applicable salary of \$103,778.89, applicable pension percentage of 65.00%, amount of originally granted monthly pension of \$5,621.36 and amount of originally granted annual pension of \$67,456.32. A motion was made by Trustee Morris and seconded by Trustee Karzin to approve Larry Hufford's regular retirement benefit calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Morris, Karzin, Barnes, Curry and Muehler
NAYS: None
ABSENT: None

Approve Revised Regular Retirement Benefits & Retroactive Payments – Ronnie Waddle, Shane Sharp & Tyson Nichols: The Board reviewed the regular retirement benefit calculation for Ronnie Waddle prepared by L&A. Patrolman Waddle had an entry date of December 11, 2000, retirement date of April 4, 2021, effective date of pension of April 5, 2021, 53 years of age at date of retirement, 20 years of creditable service, applicable salary of \$77,601.77, applicable pension percentage of 50.00%, amount of originally granted monthly pension of \$3,233.41 and amount of originally granted annual pension of \$38,800.92.

The Board noted that Ronnie Waddle is due a retroactive payment in the amount of \$42.83 for the period April 5, 2021 through June 30, 2021 due to the recalculation of his regular retirement benefit as a result of the contract settlement.

The Board reviewed the regular retirement benefit calculation for Shane Sharp prepared by L&A. Officer Sharp had an entry date of January 29, 1996, retirement date of March 20, 2021, effective date of pension of March 22, 2021, 50 years of age at date of retirement, 25 years of creditable service, applicable salary of \$82,296.32, applicable pension percentage of 62.50%, amount of originally granted monthly pension of \$4,286.27 and amount of originally granted annual pension of \$51,435.24.

The Board noted that Shane Sharp is due a retroactive payment in the amount of \$63.43 for the period March 22, 2021 through June 30, 2021 due to the recalculation of his regular retirement benefit as a result of the contract settlement.

The Board reviewed the regular retirement benefit calculation for Tyson Nichols prepared by L&A. Patrolman Nichols had an entry date of April 13, 1992, retirement date of April 16, 2021, effective date of pension of April 17, 2021, 51 years of age at date of retirement, 29 years of creditable service, applicable salary of \$79,818.98, applicable pension percentage of 72.50%, amount of originally granted monthly pension of \$4,822.40 and amount of originally granted annual pension of \$57,868.80.

The Board noted that Tyson Nichols is due a retroactive payment in the amount of \$54.21 for the period April 17, 2021 through June 30, 2021 due to the recalculation of his regular retirement benefit as a result of the contract settlement.

A motion was made by Trustee Morris and seconded by Trustee Muehler to approve Ronnie Waddle, Shane Sharp and Tyson Nichols's regular retirement benefits and the retroactive payments to Ronnie Waddle, Shane Sharp and Tyson Nichols calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Morris, Karzin, Barnes, Curry and Muehler

NAYS: None

ABSENT: None

OLD BUSINESS: *IDOI Annual Statement:* The Board noted that the IDOI Annual Statement has been completed and submitted to the Department of Insurance prior to the June 30, 2021 deadline.

NEW BUSINESS (CONTINUED): *Appointed Member Term Expiration – Aaron Curry:* The Board noted that Trustee Curry's appointment expired June 1, 2021. Trustee Curry was reappointed to the Rock Island Police Pension Fund Board of Trustees by the Mayor of the City of Rock Island for a two-year term, effective June 29, 2021 through June 29, 2023.

Board Officer Elections – President, Vice President, Secretary & Assistant Secretary: The Board discussed Board Officer Elections and nominated the slate of Officers as follows: Trustee Morris as President, Trustee Karzin as Vice President, Trustee Muehler as Secretary and Trustee Curry as Assistant Secretary. A motion was made by Trustee Morris and seconded by Trustee Barnes to elect the slate of Officers as stated. Motion carried unanimously by voice vote.

FOIA Officer & OMA Designee: The Board discussed designating Trustee Barnes as the FOIA Officer and OMA Designee. A motion was made by Trustee Morris and seconded by Trustee Karzin to designate the FOIA Officer and OMA Designee as stated. Motion carried unanimously by voice vote.

Review/Approve – Actuarial Valuation & Tax Levy Request: The Board reviewed the finalized Actuarial Valuation prepared by Nyhart. Based on data and assumptions, the recommended

municipal contribution is \$4,440,359 and the statutory minimum contribution amount is \$4,440,359.

The Board discussed requesting a tax levy in the amount of \$4,440,359. A motion was made by Trustee Morris and seconded by Trustee Karzin to accept the Actuarial Valuation and to request a tax levy in the amount of \$4,440,359 from the City of Rock Island, based on the recommended amount stated in the Actuarial Valuation prepared by Nyhart. Motion carried by roll call vote.

AYES: Trustees Morris, Karzin, Barnes, Curry and Muehler
NAYS: None
ABSENT: None

Review/Adopt – Municipal Compliance Report: The Board reviewed the Municipal Compliance Report prepared by the City. A motion was made by Trustee Morris and seconded by Trustee Muehler to adopt the MCR as prepared and to authorize signatures by the Board President and Secretary. Motion carried by roll call vote.

AYES: Trustees Morris, Karzin, Barnes, Curry and Muehler
NAYS: None
ABSENT: None

BMO Harris Bank Signature Cards & Resolution Update: L&A provided the Board with the necessary forms to update the signers on the BMO Harris Bank account with the current Board members and municipal representative. A motion was made by Trustee Morris and seconded by Trustee Karzin to designate Trustees Morris and Barnes as signers on the BMO Harris Bank account. Motion carried by roll call vote.

AYES: Trustees Morris, Karzin, Barnes, Curry and Muehler
NAYS: None
ABSENT: None

Resolution Appointing Authorized Representatives for IPOPIF: The Board reviewed the Resolution Appointing Authorized Representatives in accordance with IPOPIF Rule 2021-01. A motion was made by Trustee Morris and seconded by Trustee Barnes to adopt Resolution 2021-01 appointing Trustees Muehler and Morris as the Authorized Representatives for the Rock Island Police Pension Fund. Motion carried by roll call vote.

AYES: Trustees Morris, Karzin, Barnes, Curry and Muehler
NAYS: None
ABSENT: None

ATTORNEY’S REPORT – REIMER DOBROVOLNY & LABARDI PC: *Legal Updates:* The Board reviewed the *Legal and Legislative Update* quarterly newsletter. Attorney Strand discussed recent court cases and decisions, as well as general pension matters with the Board.

Disability Application – Steven Marty: The Board noted that Steven Marty’s request to correct his duty disability application to a non-duty disability was denied at his disability hearing. The Board reviewed the written Decision and Order prepared by Reimer Dobrovoly & LaBardi PC. A motion was made by Trustee Karzin and seconded by Trustee Morris to approve, adopt and publish

the written Decision and Order for Steven Marty as presented. Motion carried unanimously by voice vote.

Annual Independent Medical Examination – Jonathan Cary: The Board discussed sending Jonathan Cary for his annual independent medical examination (IME). Further discussion will be held at the next regular meeting.

CLOSED SESSION, IF NEEDED: There was no need for closed session.

ADJOURNMENT: A motion was made by Trustee Morris and seconded by Trustee Karzin to adjourn the meeting at 5:39 p.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for October 27, 2021 at 4:30 p.m.

Board President or Secretary

Minutes approved by the Board of Trustees on _____.

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