

**MINUTES OF A REGULAR MEETING OF
THE ROCK ISLAND FIREFIGHTERS' PENSION FUND
BOARD OF TRUSTEES
OCTOBER 25, 2023**

A regular meeting of the Rock Island Firefighters' Pension Fund Board of Trustees was held on Wednesday, October 25, 2023 at 2:30 p.m. in the Rock Island Police Department Community Room located at 1212 5th Avenue, Rock Island, Illinois 61201, pursuant to notice.

CALL TO ORDER: Trustee Jacobs called the meeting to order at 2:30 p.m.

ROLL CALL:

PRESENT: Trustee Linda Barnes (April 2025), Nicholas Border (April 2024), Jim Fobert (April 2025), Chad Jacobs (April 2026) and Trustee Shellee Showalter (December 2026) *(arrived at 2:45 p.m.)*

ABSENT: None

ALSO PRESENT: Finance Manager Jessica Sager, City of Rock Island; Attorney Nemura Pencyla, Reimer Dobrovolny & LaBardi PC; Sara Gutierrez, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *February 16, 2021 Special Meeting Transcript and February 16, 2021 Closed Session:* The Board reviewed the February 16, 2021 special meeting transcript and the February 16, 2021 closed session minutes. A motion was made by Trustee Fobert and seconded by Trustee Border to approve the February 16, 2021 special meeting transcript as prepared and the February 16, 2021 closed session minutes as written. Motion carried unanimously by voice vote.

July 26, 2023 Regular Meeting: The Board reviewed the July 26, 2023 regular meeting minutes. A motion was made by Trustee Border and seconded by Trustee Barnes to approve the July 26, 2023 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 eight-month period ending August 31, 2023 prepared by L&A. As of August 31, 2023, the net position held in trust for pension benefits is \$25,272,803.11 for a change in position of \$729,939.42. The Board reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal, Quarterly Deduction Report and Transfer Report for the period June 1, 2023 through August 31, 2023. The Board also reviewed the Quarterly Disbursement Report for the period June 1, 2023 through August 31, 2023 for total payments of \$21,635.06. A motion was made by Trustee Barnes and seconded by Trustee Fobert to accept the Monthly Financial Report as presented and to approve payments in the amount of \$21,635.06 as listed on the Quarterly Disbursement Report. Motion carried by roll call vote.

AYES: Trustees Barnes, Border, Fobert and Jacobs

NAYS: None

ABSENT: Trustee Showalter

Additional Bills, if any: The Board reviewed the following additional bill for approval:

- Illinois Public Pension Fund Association (IPPFA) invoice #7886 in the amount of \$795 for IPPFA membership dues for the period January 1, 2024 through December 31, 2024

A motion was made by Trustee Border and seconded by Trustee Fobert to approve the additional bill as presented. Motion carried by roll call vote.

AYES: Trustees Barnes, Border, Fobert and Jacobs
NAYS: None
ABSENT: Trustee Showalter

Discussion/Possible Action – Cash Management Policy and GCM Recurring Withdrawal Instructions for 2024: The Board discussed maintaining the current BMO Bank account target balance of \$700,000 and amend the maximum balance to \$1,200,000, with funds exceeding the maximum balance to be transferred to FPIF for investment on behalf of the Fund. The Board also reviewed the GCM Recurring Withdrawal Instructions for 2024. A motion was made by Trustee Barnes and seconded by Trustee Border to maintain the current BMO Bank account target balance, to amend the BMO Bank account maximum balance as discussed and to establish the 2024 monthly recurring withdrawals from FPIF as \$500,000 effective January 2024. Motion carried by roll call vote.

AYES: Trustees Barnes, Border, Fobert and Jacobs
NAYS: None
ABSENT: Trustee Showalter

Trustee Showalter arrived at 2:45 p.m.

INVESTMENT REPORT: *FPIF – Marquette Associates:* The Board reviewed the FPIF Monthly Investment Summary prepared by Marquette Associates for the period ending July 31, 2023. As of July 31, 2023 the one-month total net return is 2.7% and the year-to-date total net return is 11.8% for an ending market value of \$8,150,912,989. The current asset allocation is as follows: Equity at 66.6%, Fixed Income at 27.6%, Real Estate at 4.9% and Cash at 0.9%.

Statement of Results: The Board reviewed the FPIF Statement of Results prepared by Northern Trust for the period ending September 30, 2023. The beginning net asset value (NAV) is \$24,760,739.95, the ending value is \$24,426,941.09 and as of September 30, 2023, 2023 the month-to-date net return on total assets is (3.64%) and the year-to-date net return on total assets is 5.24%.

COMMUNICATIONS AND REPORTS: *Affidavits of Continued Eligibility:* The Board noted that L&A will mail Affidavits of Continued Eligibility to all pensioners in December. Further discussion will be held at the next regular meeting.

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

Approval of Trustee Training Registration Fees and Reimbursable Expenses: The Board discussed the 2023 IPPFA Online Seminar Course. A motion was made by Trustee Fobert and seconded by Trustee Barnes to approve the registration fee in the amount of \$275 for Trustee Showalter to complete the 2023 IPPFA Online Seminar Course and to direct L&A to register Trustee Showalter for the event. Motion carried by roll call vote.

AYES: Trustees Barnes, Border, Fobert, Jacobs and Showalter
NAYS: None
ABSENT: None

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Applications for Membership – Brady Kreiter, Bryce Lawson and Matthew Taylor:* The Board reviewed the Applications for Membership submitted by Brady Kreiter and Bryce Lawson. A motion was made by Trustee Showalter and seconded by Trustee Border to accept Brady Kreiter and Bryce Lawson into the Rock Island Firefighters' Pension Fund effective August 28, 2023, as Tier II participants. Motion carried unanimously by voice vote.

The Board will review the Application for Membership for Matthew Taylor at the next regular meeting.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Regular Retirement Benefits – Joseph Duran:* The Board reviewed the regular retirement benefit calculation for Joseph Duran prepared by L&A. Lieutenant Duran had an entry date of June 30, 1997, retirement date of October 4, 2023, effective date of pension of October 5, 2023, 60 years of age at date of retirement, 26 years and 3 months of creditable service, applicable salary of \$95,343.88, applicable pension percentage of 65.63%, amount of originally granted monthly pension of \$5,214.12 and amount of originally granted annual pension of \$62,569.44. A motion was made by Trustee Barnes and seconded by Trustee Fobert to approve Joseph Duran's regular retirement benefit calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Barnes, Border, Fobert, Jacobs and Showalter
NAYS: None
ABSENT: None

OLD BUSINESS: *Review/Approve – Actuarial Valuation and Tax Levy Request:* The Board reviewed the finalized Actuarial Valuation prepared by L&A. Based on data and assumptions, the recommended transition contribution* amount is \$4,633,722 which is a \$123,719 increase from the prior year recommended contribution. The Board also reviewed the memorandum provided by the City of Rock Island Finance Department and noted that the FPIF Actuarial Valuation statutory minimum required contribution for fiscal year ended December 31, 2022 is \$5,039,929. A motion was made by Trustee Border and seconded by Trustee Showalter to accept the Actuarial Valuations as prepared and to request a tax levy in the amount of \$5,039,929 from the City of Rock Island. Motion carried by roll call vote.

AYES: Trustees Barnes, Border, Fobert, Jacobs and Showalter
NAYS: None
ABSENT: None

**There is a Transition Plan between the Pension Board and the City, as noted in the Actuarial Funding Policies section of the report. Therefore, the Transition Contribution for the current valuation is \$4,633,722.*

FOIA Officer and OMA Designee: The Board discussed maintaining the City Clerk, Samantha Gange, as the FOIA Officer and OMA Designee. A motion was made by Trustee Border and seconded by Trustee Barnes to designate the FOIA Officer and OMA Designee as stated. Motion carried unanimously by voice vote.

NEW BUSINESS: *Review – City of Rock Island 2024 Budget for the Rock Island Firefighters' Pension Fund:* Trustee Barnes reviewed the City of Rock Island 2024 Budget for the Rock Island Firefighters' Pension Fund as prepared by the Finance Department, noting the revised budget for calendar year 2023, the actual revenues and expenses of the Fund through August 31, 2023 and the projected revenues and expenses budget for calendar year 2024.

Discussion/Possible Action – Resolution for Account Representatives for FPIF: The Board will review the Resolution for Account Representatives for FPIF at the next regular meeting.

Discussion/Possible Action – Northern Trust Global Cash Movement Maintenance Form: The Board will review the Northern Trust Global Cash Movement Maintenance Form at the next regular meeting.

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

AYES: Trustees Barnes, Border, Fobert, Jacobs and Showalter

NAYS: None

ABSENT: None

Review/Approve – Fiduciary Liability Insurance Renewal: The Board will review the fiduciary liability insurance renewal at the next regular meeting.

Establish 2024 Board Meeting Dates: The Board discussed establishing the 2024 Board meeting dates as January 24, 2024; April 24, 2024; July 24, 2024; and October 23, 2024 at 2:30 p.m. in the Rock Island Police Department Community Room located at 1212 5th Avenue, Rock Island, Illinois 61201.

ATTORNEY'S REPORT – REIMER DOBROVOLNY & LABARDI PC: *Legal Updates:* Attorney Pencyla discussed the status of the consolidation lawsuit and reviewed the *Legal and Legislative Update* quarterly newsletter; highlighting recent court cases and decisions, as well as general pension matters with the Board.

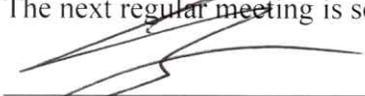
OLD BUSINESS (CONTINUED): *Review/Approve – Actuarial Valuation and Tax Levy Request:* The Board directed Attorney Pencyla to issue correspondence to the Mayor of Rock Island requesting a tax levy in the amount of \$5,039,929.

ATTORNEY'S REPORT – REIMER DOBROVOLNY & LABARDI PC (CONTINUED): *Disability Status Update – John Karns:* Attorney Pencyla noted that Mr. Karns has completed two of his independent medical examinations (IME) and that upon completion of the third IME the final report will be sent to the Board prior to the disability hearing. An update will be provided at the next regular meeting.

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

ADJOURNMENT: A motion was made by Trustee Fobert and seconded by Trustee Barnes to adjourn the meeting at 3:47 p.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for January 24, 2024 at 2:30 p.m.



Board President or Secretary

Minutes approved by the Board of Trustees on 01/24/2024