

**THE REGULAR MEETING MINUTES OF
THE ROCK ISLAND POLICE PENSION FUND BOARD OF TRUSTEES
JANUARY 23, 2019**

A regular meeting of the Rock Island Police Pension Fund Board of Trustees was held on Wednesday, January 23, 2019 at 4:30 pm at the Police Station Meeting Room located at 1212 5th Avenue, Rock Island, IL 61201 pursuant to notice.

CALL TO ORDER: President James Morris called the meeting to order at 5:00 pm.

ROLL CALL:

PRESENT: President James Morris (April 2020), Secretary Shawn Slavish (April 2019), Trustee Mark Poulos (April 2020), Trustee Stephanie Masson (April 2020)

ABSENT: None

ALSO PRESENT: Liz Failing, Lauterbach & Amen, LLP (L&A); Don Stanforth, Investment Consulting Group (ICG)

APPROVAL OF MEETING MINUTES: *April 2, 2018 Special Meeting Minutes, July 18, 2018 Regular Meeting Minutes and August 29, 2018 Special Meeting Minutes:* The Board reviewed the April 2, 2018 special meeting minutes, July 18, 2018 regular meeting minutes and August 29, 2018 special meeting minutes. A motion by Trustee Poulos and seconded by Trustee Masson to table the April 2, 2018 special meeting minutes, July 18, 2018 regular meeting minutes and the August 29, 2018 special meeting minutes for review and possible approval at the next scheduled meeting. Motion carried unanimously by voice vote.

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES (CONTINUED): *Semi-Annual Review of Closed Session Meeting Minutes:* The Board discussed the closed session meeting minutes from the 2018 special meetings and further review will take place at the next scheduled meeting.

October 24, 2018 Regular Meeting Minutes: The Board reviewed the October 24, 2018 regular meeting minutes. A motion was made by Trustee Poulos and seconded by Trustee Masson to approve the October 24, 2018 regular meeting minutes with amendments to the applications for membership to reflect correct dates of hire and “fiscal year end” to “education year end”. Motion carried unanimously by voice vote.

ACCOUNTANT’S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and the Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the eleven-month period ending November 30, 2018 as prepared by L&A. As of November 30, 2018, the net position held in trust for pension benefits is \$36,468,518.18 for a change in position of (\$534,011.02). The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal. The Board also reviewed the Vendor Check Report for the period September 1, 2018 through November 30, 2018 for total disbursements of \$122,847.69. A motion was made by Trustee Poulos and seconded by Trustee Morris to accept the Monthly Financial Report and to approve the disbursements shown on the Vendor Check Report as presented. Motion carried unanimously by voice vote.

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

- IPPFA invoice #2029 in the amount of \$795 for 2019 membership dues
- Reimer & Dobrovolny PC invoice #24526 in the total amount of \$2,959.27 with the Board approving \$1,302.59 for legal services
- L&A invoice #31745 in the amount of \$1,500 for professional services

A motion was made by Trustee Masson and seconded by Trustee Poulos to approve the additional bills as presented. Motion carried unanimously by voice vote.

TREASURER'S REPORT – CITY OF ROCK ISLAND: *Cash Pool Reimbursement:* The Board discussed the transfers from the Rock Island Police Pension Fund to the City of Rock Island Cash Pool for October, November and December 2018 payroll and expenses in the total amount of \$1,183,973.01. A motion was made by Trustee Poulos and seconded by Trustee Slavish to approve the transfers as discussed. Motion carried unanimously by voice vote.

The Board discussed authorizing ICG to make funds available on a monthly basis in accordance with the funding request submitted by L&A. A motion was made by Trustee Masson and seconded by Trustee Poulos to authorize ICG to remit funds as discussed. Motion carried unanimously by voice vote.

The Board discussed authorizing ICG to reallocate \$435,000 from CS McKee and distribute \$175,000 to International Funds and \$260,000 to Cash. A motion was made by Trustee Masson and seconded by Poulos to reallocate the funds as recommended by ICG. Motion carried unanimously by voice vote.

INVESTMENT REPORT – INVESTMENT CONSULTING GROUP: *Quarterly Investment Report:* Mr. Stanforth presented the Quarterly Investment Report for the period ending December 31, 2018. As of December 31, 2018, the quarter-to-date return is (\$2,337,977) for a total fund balance of \$35,081,685. The current asset allocation is 2.1% Real Estate, 2.9% Emerging Markets, 4.3% International, 12.9% Small Mid Value, 4.9% Blend, 19.5% Large Value, 50.4% Fixed Income, and 3% Money Market. A motion was made by Trustee Poulos and seconded by Trustee Masson to accept the Quarterly Investment Report as presented. Motion carried unanimously by voice vote.

Review/Update Investment Policy: There were no updates necessary to the Investment Policy at this time.

COMMUNICATIONS OR REPORTS: *Statements of Economic Interest:* The Board noted that the List of Filers was submitted to the County by the City Clerk prior to the February 1, 2019 deadline. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2019.

Review/Approve – Death Audit Service Authorization: The Board discussed the Death Audit Service offered through IPPFA and L&A. A motion was made by Trustee Morris and seconded by Trustee Slavish to authorize the Death Audit Service as discussed and to execute the Death Audit Service Authorization form provided by L&A. Motion carried unanimously by voice vote.

2019 IRS Mileage Rate: The Board noted that the IRS standard business mileage rate used for reimbursement increased to \$0.58 per mile effective January 1, 2019.

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.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Applications for Membership – Ethan Decap, Tyler Evans, Jena Lagrange and Austin Leach:* The Board noted that the applications for membership were approved at the July 18, 2018 meeting.

Deceased Surviving Spouse – Louis M. Quint: The Board noted that surviving spouse Louis M. Quint passed away December 9, 2018 and her pension benefit has ceased.

Withdrawals from Fund – Jeffrey C. Sloan and Daniel Melnick: The Board noted that Jeffrey C. Sloan and Daniel Melnick have separated service from the Rock Island Police Department. L&A will send contribution refund forms to the members on behalf of the Board.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: The Board discussed the application for Duty Disability Benefit submitted by Steven Marty. A motion was made by Trustee Poulos and seconded by Trustee Morris to send Steven Marty for a diagnostic appointment prior to the required Independent Medical Evaluations. Motion carried unanimously by voice vote.

OLD BUSINESS: *Discussion/ Possible Action – Reimer & Dobrovolny PC Retainer Agreement:* The Board discussed the Retainer Agreement received by Reimer & Dobrovolny PC. A motion was made by Trustee Poulos and seconded by Trustee Slavish to authorize the President to negotiate an agreement with Reimer & Dobrovolny PC for legal services. Motion carried unanimously by voice vote.

Discussion/Possible Action – Fiduciary Liability Insurance: The Board discussed the Fiduciary Liability Insurance for the Fund. A motion was made by Trustee Morris and seconded by Trustee Slavish to table this item until the next scheduled meeting. Motion carried unanimously by voice vote.

NEW BUSINESS: *Approve Annual Cost of Living Adjustments (COLAs) for pensioners:* L&A informed the Board the 2019 Cost of Living Adjustments for pensioners will be available for approval at the next scheduled meeting.

Review Trustee Term Expirations and Election Procedures: The Board noted that the active member term currently held by Trustee Slavish will be expiring in April 2019. Trustee Slavish expressed his wish to remain on the Board if nominated. L&A will conduct an election on behalf of the Fund for one of the active member Trustee positions. The Board also noted that the vacant appointee position will be filled at the next City Council meeting scheduled for February 1, 2019. Trustee Morris will contact the City Council with the Board's recommendation for the vacant Trustee position.

The Board discussed Trustee Poulos' request to excuse himself from the remainder of the meeting due to a personal obligation. A motion was made by Trustee Poulos and seconded by Trustee Masson to excuse Trustee Poulos from the meeting. Motion carried unanimously by voice vote.

Discussion/Possible Action – Investment Manager Contracts: The Board discussed the Investment Manager Contracts submitted by various investment firms and tabled this for further review at the next scheduled meeting.

ATTORNEY'S REPORT – REIMER & DOBROVOLNY PC: *Legal Updates:* The Board was provided with the *Legal and Legislative* newsletter prepared by Reimer & Dobrovoly PC.

Annual Independent Medical Evaluation – Shaun Trask: The Board discussed sending Shaun Trask for his annual independent medical evaluation. Further discussion will be held at the next scheduled meeting.

Trustee Poulos left the meeting at 6:25 p.m.

NEW BUSINESS (CONTINUED): *Illinois Department of Insurance Annual Statement:* The Board noted that completion of the IDOI Annual Statement is currently in process. Updates will be provided to the Board as they become available.

ATTORNEY'S REPORT – REIMER & DOBROVOLNY PC (CONTINUED): *Review/Adopt – Rules and Regulations:* The Board reviewed the Rules and Regulations prepared by Reimer and Dobrovoly PC. A motion was made by Trustee Slavish and seconded by Trustee Morris to adopt the Rules and Regulations as presented. Motion carried unanimously by voice vote.

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

ADJOURNMENT: A motion was made by Trustee Morris and seconded by Trustee Masson to adjourn the meeting at 6:30 pm. Motion carried unanimously by voice vote.

The next regular meeting of the Rock Island Police Pension Fund will be held on Wednesday, April 24, 2019 at 4:30 pm.

Respectfully submitted,



James Morris, President

Minutes approved by the Board of Trustees on 04-24-19.

Minutes prepared by Liz Failing, Pension Services Administrator, Lauterbach & Amen, LLP