MINUTES OF A REGULAR MEETING OF THE ROCK ISLAND POLICE PENSION FUND BOARD OF TRUSTEES JANUARY 22, 2025

A regular meeting of the Rock Island Police Pension Fund Board of Trustees was held on Wednesday, January 22, 2025 at 4:30 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 Morris called the meeting to order at 4:57 p.m.

ROLL CALL:

PRESENT:	Trustees Aaron Curry (May 2025), Tim Muehler (May 2025), Jessica Sager (April 2025), James Morris (May 2026) and Gene Karzin (May 2026)
ABSENT:	None
ALSO PRESENT:	Attorney Nemura Pencyla, Reimer Dobrovolny & LaBardi PC; Amanda Roth, Lauterbach & Amen, LLP (L&A); John Falduto, Sawyer Falduto Asset Management, LLC (SFAM)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *March 14, 2024 Special Meeting Transcript:* The Board reviewed the March 14, 2024 special meeting transcripts. A motion was made by Trustee Muehler and seconded by Trustee Karzin to approve the March 14, 2024 special meeting transcripts as written. Motion carried unanimously by voice vote.

March 14, 2024 Closed Session Meeting: The Board reviewed the March 14, 2024 closed session meeting transcripts. A motion was made by Trustee Karzin and seconded by Trustee Muehler to approve the March 14, 2024 closed session meeting transcripts as written. Motion carried unanimously by voice vote.

October 23, 2024 Regular Meeting: The Board reviewed the October 23, 2024 regular meeting minutes. A motion was made by Trustee Karzin and seconded by Trustee Muehler to approve the October 23, 2024 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.

Attorney Nemura arrived at the meeting at 5:00 p.m.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the ten-month period ending October 31, 2024 prepared by L&A. As of October 31, 2024, the net position held in trust for pension benefits is $47,327,381.72 for a change in position of $3,518,126.99. The Board reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal, Quarterly Deduction Report, Quarterly Transfer Report and Quarterly Disbursement Report for the period August 1, 2024 through October 31, 2024 for total payments of $49,724.59. A motion was made by Trustee Karzin and seconded by Trustee Sager to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Quarterly Disbursement Report in the amount of $49,724.59. Motion carried by roll call vote.

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

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

Discussion/Possible Action – Money Market Account for Rock Island Police Pension Fund: Mr. Falduto presented the post consolidation services proposed by Sawyer Falduto Asset Management, LLC. A motion was made by Trustee Sager and seconded by Trustee Karzin to retain Sawyer Falduto Asset Management, LLC and to open a Schwab Money Market Account for post-consolidation services at the monthly rate of $500 on a month-to-month basis. Motion carried by roll call vote.
AYES: Trustees Morris, Muehler, Sager, Curry and Karzin
NAYS: None
ABSENT: None

The Board discussed the BMO Bank Money Market Account offered by Lauterbach & Amen, LLP. The Board determined they will not be moving forward with this option at this time.

Discussion/Possible Action – Cash Management Policy: The Board reviewed the Cash Reserve Balance for the BMO Account. A motion was made by Trustee Sager and seconded by Trustee Muehler to maintain a target balance of $15,000 and a maximum balance of $25,000 in the BMO Bank Account to be effective once the Schwab Money Market Account is established and to designate Trustees Muehler and Morris as signers on the Schwab Money Market Account. Motion carried by roll call vote.
AYES: Trustees Morris, Muehler, Sager, Curry and Karzin
NAYS: None
ABSENT: None

The Board also discussed the Cash Reserve Balance for the Schwab Money Market Account. A motion was made by Trustee Muehler and seconded by Trustee Sager to maintain a target balance of $610,000 and a maximum balance of $650,000. Motion carried by roll call vote.
AYES: Trustees Morris, Muehler, Sager, Curry and Karzin
NAYS: None
ABSENT: None

A motion was made by Trustee Morris and seconded by Trustee Muehler to direct Trustee Sager (finance director) to direct all deposits to the Schwab Money Market Account. Motion carried by roll call vote.
AYES: Trustees Morris, Karzin, Muehler, Curry and Sager
NAYS: None
ABSENT: Non

INVESTMENT REPORT: *IPOPIF – Verus Advisory, Inc.:* Mr. Fadulto presented the IPOPIF Investment Performance Report prepared by Verus Advisory, Inc. for the period ending November 30, 2024. As of November 30, 2024, the one-month total return is 2.4% and the year-to-date return is 12.1% for an ending market value of $12,926,086,474.

State Street Statements: Mr. Falduto presented the State Street Statement for the month ending October 31, 2024. The beginning value is $47,257,405.93, the ending value was $46,946,606.71, the month-to-date net return was (2.05)% and the year-to-date net return is 9.40%, net of fees

COMMUNICATIONS AND REPORTS: *Affidavits of Continued Eligibility:* The Board noted that L&A mailed Affidavits of Continued Eligibility to all pensioners in December with a due date of January 16, 2025. To date, 13 affidavits remain outstanding. L&A will mail second request affidavits to the outstanding pensioners and status updates will be provided to the Board as they become available.

Statements of Economic Interest: The Board noted that the List of Filers must be submitted to the County by the City by February 1, 2025. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2025.

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 upcoming training opportunities. A motion was made by Trustee Morris and seconded by Trustee Sager to approve any future trustee training registration fees and reimbursable expenses for the 2025 calendar year. Motion carried by roll call vote.
AYES: Trustees Morris, Karzin, Muehler, Curry and Sager
NAYS: None
ABSENT: None

APPLICATIONS FOR MEMBERSHIP/WITHDRAWAL FROM FUND: *Separation of Service – Brandon Holmes:* The Board noted that Brandon Holmes separated service on October 25, 2024 and that no contribution refund has been requested to date. Updates will be provided as they become available.

Deceased Surviving Spouse – Shirley Hite: The Board discussed the Final Prorated Benefit Payment received in 2024. The Board has not received correspondence from the estate for payment to date. Further discussion will be held at the next regular meeting.

Contribution Refunds – Cierra Covington and Gage Hawk: The Board reviewed the contribution refund request submitted by Cierra Covington. A motion was made by Trustee Morris and seconded by Trustee Muehler to approve Cierra Covington's contribution refund in the amount of $24,051.27 in a direct rollover issued on December 20, 2024. Motion carried by roll call vote.
AYES: Trustees Morris, Muehler, Sager, Curry and Karzin
NAYS: None
ABSENT: None

The Board also discussed the contribution refund request for Gage Hawk. Updates will be provided to the Board as they become available.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Regular Retirement Benefits – Kirk Pattison:* The Board reviewed the regular retirement benefit calculation for Kirk Pattison prepared by L&A. Lieutenant Pattison had an entry date of January 13, 1995, retirement date of January 24,

2025, effective date of pension of January 25, 2025, 51 years of age at date of retirement, 30 years of creditable service, applicable salary of $121,297.79, applicable pensioner percentage of 75%, amount of originally granted monthly pension of $7,581.11 and amount of originally granted annual pension of $90,973.32. A motion was made by Trustee Morris and seconded by Trustee Muehler to approve Kirk Pattison's regular retirement benefit calculated by L&A. Motion carried by roll call vote.
AYES: Trustees Morris, Muehler, Sager, Curry and Karzin
NAYS: None
ABSENT: None

Approve Non-Duty Disability Benefit – Philip Ledbetter: The Board reviewed the non-duty disability benefit calculation for Phillip Ledbeter prepared by L&A. Officer Ledbetter had an entry date of July 27, 2009, disability date of November 22, 2022, effective date of pension of November 23, 2022. 42 years of age at date of disability, 13 years of creditable service, applicable salary of $75,680.80, applicable pension percentage of 50%, amount of originally granted monthly pension of $3,153.37 and amount of originally granted annual pension of $37,840.44. A motion was made by Trustee Morris and seconded by Trustee Sager to approve Philip Ledbetter's non-duty disability benefit calculated by L&A. Motion carried by roll call vote.
AYES: Trustees Morris, Muehler, Sager, Curry and Karzin
NAYS: None
ABSENT: None

The Board also noted that Philip Ledbetter is due a retroactive payment in the amount of $2,943.15 for the period November 3, 2024 through November 30, 2024 due to the recalculation of his non-duty disability benefit as a result of the contract settlement. A motion was made by Trustee Mueller and seconded by Trustee Sager to approve the retroactive payment to Philip Ledbetter in the amount of $2,943.15 calculated by L&A. Motion carried by roll call vote.
AYES: Trustees Morris, Muehler, Sager, Curry and Karzin
NAYS: None
ABSENT: None

OLD BUSINESS: There was no old business to discuss at this time.

NEW BUSINESS: *Review/Approve – Fiduciary Liability Insurance Renewal:* The Board reviewed the fiduciary liability insurance renewal provided by Hudson Insurance Company through Alliant-Mesirow Insurance Services. A motion was made by Trustee Muehler and seconded by Trustee Karzin to approve payment of the fiduciary liability insurance renewal effective January 31, 2025 through January 31, 2026 in the amount of $7,308.00. Motion carried by roll call vote.
AYES: Trustees Morris, Muehler, Sager, Curry and Karzin
NAYS: None
ABSENT: None

Approve Annual Cost of Living Adjustments for Pensioners: The Board reviewed the 2025 Cost of Living Adjustments calculated by L&A. A motion was made by Trustee Karzin and seconded by Trustee Morris to approve the 2025 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

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

Review Trustee Term Expirations and Election Procedures: The Board noted that the active member term currently held by Trustee Muehler and the retired member term currently held by Trustee Karzin are expiring in May 2025. Trustees Muehler and Karzin expressed their interests 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 and the retired member position. The Board also noted that the appointed member positions held by Trustees Curry and Sager are expiring April 2025. The Board will contact the City and seek reappointment of Trustees Curry and Sager to the Board.

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

The Board discussed the annual independent medical examination (IME) for Jonathan Carey. The Board will send the IME to the Board Attorney. No further discussion needed at this time.

Review, Adopt and Publish Decision and Order – Phillip Ledbetter: The Board reviewed the Decision and Order prepared by Attorney Pencyla. A motion was made by Trustee Karzin and seconded by Trustee Sager to approve, adopt and publish the Decision and Order for Phillip Ledbetter as being previously signed.

The Board also discussed sending Phillip Ledbetter for his annual independent medical examination (IME). A motion was made by Trustee Muehler and seconded by Trustee Sager to authorize the Board Attorney to send Phillip Ledbetter for his annual IME. Motion carried by roll call vote. Further discussion will be held at the next regular meeting.
AYES: Trustees Morris, Muehler, Sager, Curry and Karzin
NAYS: None
ABSENT: None

Annual Independent Medical Examinations – Steven Marty and Jacob Waddle: The Board noted that Steven Marty attended his annual independent medical examination and it was determined that he remains disabled at this time. A motion was made by Trustee Morris and seconded by Trustee Muehler to continue the disability benefit of Steven Marty based on a finding that he remains disabled and subject to further annual examinations until age 50. Motion carried by roll call vote.
AYES: Trustees Morris, Muehler, Sager, Curry and Karzin
NAYS: None
ABSENT: None

The Board also noted the Annual Independent Medical Examination for Jacob Waddle is still in process. Further discussion will be held at the next regular meeting.

Review/Adopt – Board Rules and Regulations: The Board discussed the Board Rules and Regulations. 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 Muehler and seconded by Trustee Sager to adjourn the meeting at 6:11 p.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for April 23, 2025 at 4:30 p.m.

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Board President or Secretary

Minutes approved by the Board of Trustees on 4/23/25

Minutes prepared by Amanda Roth, Professional Services Administrator, Lauterbach & Amen, LLP