



Agenda
Village of Arlington Heights
Board of Trustees of the Firefighters Pension Fund
Virtual Meeting

November 9, 2020
9:00 AM

I. CALL TO ORDER

- A. **In response to the COVID-19 pandemic, this meeting is closed to in-person, public attendance. The meeting is being held virtually, which permits the public to fully participate via their computers or using their phones. To participate in the virtual meetings, please follow these instructions at this [link](https://bit.ly/34CaJsV): <https://bit.ly/34CaJsV> Individuals who wish to comment or ask a question on an item on the Agenda may either participate virtually or send an email to the Village at maleckson@vah.com. Please limit emails to 200 words or less. To be shared at the meeting, the email must be received by 3:00 p.m. on November 8, 2020.**

II. ROLL CALL

III. APPROVAL OF MINUTES

- A. Approval of Minutes - August 10, 2020 Regular Meeting

IV. PUBLIC COMMENTS

V. CLOSED SESSION

VI. TREASURER'S REPORT

- A. September 2020 Financial Report

VII. PAYMENT OF BILLS

- A. September 2020 - Check Register

VIII. REPORTS

- A. Report from Fund Consultant - Marquette Associates

IX. OLD BUSINESS

- A. Annual Medical Evaluation Disabled Under Age 50 - FF Heidi Arndorfer and FF Gregory O'Rourke - Update
- B. Retired FF Bryan Smith - Medical Evaluation Update
- C. Application for Duty Disability Pension - B/C William Essling - Update

X. NEW BUSINESS

XI. OTHER BUSINESS

XII.ADJOURNMENT

Persons with disabilities requiring auxiliary aids or services, such as an American Sign Language interpreter or written materials in accessible formats, should contact David Robb, Disability Services Coordinator, at 33 S. Arlington Heights Road, Arlington Heights, Illinois 60005, (847)368-5793 (Voice), (847)368-5980 (Fax) or drobb@vah.com.



**Board of Trustees of the Firefighters Pension Fund
11/9/2020**

Item: Notice

Department: Village Clerk

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ATTACHMENTS:

Description

Type

No Attachments Available



**Board of Trustees of the Firefighters Pension Fund
11/9/2020**

Item: minutes

Department: fire

Approval of Minutes - August 10, 2020 Regular Meeting

ATTACHMENTS:

Description	Type
August 10, 2020 Regular Meeting Minutes	Minutes

**ARLINGTON HEIGHTS
FIREFIGHTERS' PENSION BOARD**

Minutes of the Regular Meeting held on August 10, 2020

Arlington Heights Fire Department Administrative Headquarters
1150 No. Arlington Heights Road – Arlington Heights IL 60004

Members in Attendance: Mark Aleckson
 Andrew Larson
 Tom Kuehne
 Kert Evans
 Carl Brandon

Others in Attendance: Cary Collins, Pension Board Attorney
 David Mejia, Collins & Radja
 Michael Spychalski, Marquette & Associates
 Robin Ward, Village Attorney
 Paul Denham, Clark Baird Smith Attorneys (consulting attorney)
 Melissa Cayer, Public Observer

NOTE – Due to the COVID-19 pandemic, the meeting was moved to the Buechner Room at Village Hall to allow greater spacing for social distancing.

CALL TO ORDER

Mark Aleckson called the meeting to order at 9:03 AM. Roll was called with board members Mark Aleckson, Andrew Larson, Tom Kuehne, Kert Evans and Carl Brandon present.

Also present were Cary Collins, Pension Board Attorney; David Mejia, Collins & Radja; Michael Spychalski representing Marquette Associates; Robin Ward, Village Attorney; Paul Denham (Village consulting attorney); and Melissa Cayer, Public Observer.

APPROVAL OF MINUTES

Minutes from the last regular Board meeting held on May 4, 2020 were reviewed. A motion was made and seconded (T. Kuehne/A. Larson) to approve the minutes from the May 4, 2020 Regular meeting. All voted in favor, motion carried.

PUBLIC COMMENTS

Melissa Cayer (public observer) asked if the Board receives either annual report or semi-annual reports for the individual funds within the portfolio. Tom replied that we receive quarterly reports from Marquette containing information on each fund. Mike Spychalski further added that monthly reporting does appear on each fund's individual website.

CLOSED SESSION

None.

TREASURER'S REPORT / DISBURSEMENTS

Tom Kuehne distributed the quarterly Financial Report as of June 30, 2020. We are about half way through for the financial calendar. Our Expense side is doing fine, but the Income side is not doing as well as we would like to see. It's been a bit of a roller coaster, but hopefully things will improve.

The Check Register was reviewed and Tom asked for approval of check #666 (journal voucher 169) through check #670 (journal voucher 247).

Motion was made and seconded (A. Larson/C. Brandon) to approve Treasurer's Report, including payments of check #666 (JV 169) through check #670 (JV 247).

Roll was called.

Ayes: A. Larson, T. Kuehne, K. Evans, M. Aleckson, C. Brandon

Nays: None

Ayes – 5; Nays -0.

Motion carried.

Actuarial Valuation – Year Ending December 30, 2020:

Tom indicated the Village Board approved an additional \$1.25 million into the pension fund from the general fund surplus. This is the second year the Village has placed additional revenue into the pension fund and this has really improved the funding revenue. Page 1 of the Actuarial Valuation report under Contributions shows the Statutory Minimum at \$3.9 million, but with the additional funding from the Village, the Actuarial Funding Contribution is now up to \$4.9 million, exceeding the minimum required. Tom asked for a motion to approve the Actuarial Valuation Report.

Motion was made and seconded (A. Larson/M. Aleckson) to approve the Actuarial Valuation Report for the year ending December 31, 2020.

Roll was called.

Ayes: A. Larson, T. Kuehne, K. Evans, M. Aleckson, C. Brandon

Nays: None

Ayes – 5; Nays -0.

Motion carried.

REPORTS

Marquette Associates

Mike Spychalski distributed the Executive Summary as of June 30, 2020 and provided an overview of the market situation under the current difficult circumstances.

Total Fund Composite (page 2 of the Executive Summary) shows the market value of the portfolio to be at \$119 (million) with a breakdown as follows: Fixed Income \$40.8; U.S. Equity \$35.1; International Equity \$24.4; Real Estate \$15.1 and Cash at \$3.6 (million).

Overall the portfolio was up between 2% and 2.5% in the month of July and we are in positive territory for the year. Areas of the economy that primarily drives the stock market are large corporations such as Microsoft, Google, etc. and these have been the least impacted, unlike the smaller companies. With the election coming up and the coronavirus continuing, he cautions against making any changes. At this time, Mike has no recommendations for rebalancing the portfolio.

Investment Policy Guidelines:

Mike next discussed the updated Investment Policy Guidelines, specifically the addition of page 23 in reference to Sustainability. No other changes have been made to the policy guidelines, but since this is an updated version the Board will indicate their approval on the signature page. Once ratified, a copy of the revised Investment Policy Guidelines will be forwarded to Attorney Collins who will then submit a copy to the Illinois Department of Insurance.

Motion was made and seconded (K. Evans/A. Larson) to approve the revised Investment Policy with the inclusion of the Sustainability page.

All in favor, motion carried.

After his presentation, Mike Spsychalski left the meeting at 9:45 AM.

OLD BUSINESS

- **Former FF Xavier Beltran – Ratify Refund of Pension Fund Contributions**

In our last meeting, it was approved to refund pension contributions made by former FF Xavier Beltran in the amount of \$9,681.62, less 20% for taxes, per his request. Since this topic was inadvertently left off the Agenda, it is at this meeting we will formally ratify the request.

Motion was made and seconded (K. Evans/C. Brandon) to ratify the refund of pension contributions of \$9,681.62 to former FF Xavier Beltran.

Roll was called.

Ayes: A. Larson, T. Kuehne, K. Evans, M. Aleckson, C. Brandon

Nays: None

Ayes – 5; Nays -0.

Motion carried.

- **Annual Medical Evaluation Retired Disabled FF Under Age 50 – Heidi Arndorfer and Gregory O'Rourke**

Attorney Collins advised that retired, disabled FF Gregory O'Rourke recently completed his annual medical physical and we are awaiting the doctor's written evaluation.

Mark indicated that retired disabled FF Heidi Arndorfer contacted him requesting to have her medical exam closer to home (she now lives in Tennessee) due to the ongoing COVID-19 pandemic and the travel restrictions. The board is concerned that if we make special concessions for her, this

could be viewed as unfair to others. The Board directs Heidi Arndorfer to travel to our preferred medical physician locally. Attorney Collins will contact her to set up an appointment.

- **Retired Disabled FF Bryan Smith – Medical Update**

Attorney David Mejia updated the Board, indicating there is a court date scheduled in September. We are trying to dismiss their complaint and continue requesting the medical exam. Bryan Smith and his attorney are indicating “irreparable harm” and also asking the Court to interpret the Statue of retirees over age 50 as not requiring the exam. When we have the opportunity to present our case to a Judge, we will ask for an administrative review and continue to insist on the medical exam.

- **Investment Policy Guidelines – Sustainable Investing Principles**

See discussion under “Marquette”

NEW BUSINESS

- **Application for Duty Disability Pension – B/C William Essling**

Attorney Denham indicated the Village has evidentiary concerns over the disability claim of B/C Essling along with his current condition, plus having a financial interest as to the decision of the Board and how it will impact future employee benefits. The applicant has several claims against the Village, including workers compensation. The Village is requesting to participate with the Pension Board in the disability proceedings and review the evidence together before the Pension Board makes a final decision. Although the Village does not have a right to intervene, it will be to the advantage to the Pension Board when making their final decision.

Attorney Ward added the Village does, however, have a right to some verification of the disability claim due to their financial interest. The Village only wishes to intervene in those cases where there seems to be a dispute about the seriousness of the injury and whether or not the firefighter is entitled to the disability he is requesting. It is the Village opinion that this case needs to be challenged.

After further discussion, Mark Aleckson briefly summarized the process of intervention. As IME doctors have information, they will share that information with the Board for medical evaluation. Once all the information is gathered together, we can try to condense it to determine the probability of a duty disability claim.

Board members agreed it would be beneficial to have intervention by the Village of this application. Motion was made and seconded (T. Kuehne/A. Larson) to accept Village Intervention regarding the duty disability application submitted by B/C William Essling.

Roll was called.

Ayes: A. Larson, T. Kuehne, K. Evans, M. Aleckson, C. Brandon

Nays: None

Ayes – 5; Nays -0.

Motion carried.

- **Application for Retirement Pension – FF/PM Joseph Skalski**

FF Joseph Skalski has applied for retirement pension benefits effective November 10, 2020. The pension calculation sheet indicates an annual pension benefit of \$79,998.68, or monthly benefit of \$6,666.56 (the first payment will be prorated accordingly).

Motion was made and seconded (M. Aleckson/T. Kuehne) to approve the request for retirement pension benefits for FF Joseph Skalski, effective November 10, 2020 (pending separation from the fire service) with the full monthly benefit amount of \$6,666.56.

Roll was called.

Ayes: A. Larson, T. Kuehne, K. Evans, M. Aleckson, C. Brandon

Nays: None

Ayes – 5; Nays -0.

Motion carried.

- **Death of Retired FF Edward Fitch on 6/12/20 – Survivor Benefits**

Retired FF Edward Fitch passed away on June 12, 2020. Mary Ellen sent a letter to his wife, Gail Fitch, advising her of the survivor benefit amount of \$3,393.48 monthly. Mrs. Fitch completed the Application for Survivor Benefits and forwarded a copy of his death certificate.

Motion was made and seconded (T. Kuehne/K. Evens) to terminate the pension benefit of retired FF Edward Fitch as of his death on June 12, 2020 and to grant survivor benefits to his spouse, Gail Fitch, in the amount of \$3,393.48 monthly.

Roll was called.

Ayes: A. Larson, T. Kuehne, K. Evans, M. Aleckson, C. Brandon

Nays: None

Ayes – 5; Nays -0.

Motion carried.

- **Firefighters Pension Investment Fund – Trustee Election Letter**

Mark Aleckson had received a letter outlining details of the process for the upcoming FPIF election of board members. After discussion it was agreed the letter should be sent to both the active and retired membership, keeping them informed of the election process and schedule.

- **Appointment – Open Meetings Act / FOIA Administrator**

Mark Aleckson accepted the appointment as Open Meetings Act / FOIA Administrator.

- **Appointment - Security Administrator**

Tom Kuehne accepted the appointment of Security Administrator.

- **Appointment – Cook County Clerk / Ethics Administrator**

Mark Aleckson accepted the appointment of Cook County Clerk / Ethics Administrator.

- **Closed Executive Sessions – Release of Minutes**

During disability hearings the Board reviews personal medical information. Due to HIPAA laws we will not be releasing minutes from past closed sessions.

- **IL Public Pension Advisory Committee – Membership Invoice**

We have received the annual invoice for membership to the Illinois Public Pension Advisory Committee. This organization provides pension board training and will soon release a training webinar. It was agreed to process the \$500 invoice for annual membership for the year 7/1/20 through 6/30/21.

Motion was made and seconded (C. Brandon/A. Larson) to process the IPPAC annual membership invoice for \$500 effective July 1, 2020 through June 30, 2021.

Roll was called.

Ayes: A. Larson, T. Kuehne, K. Evans, M. Aleckson, C. Brandon

Nays: None

Ayes – 5; Nays -0.

Motion carried.

- **Alliant/Mesirow Fiduciary Insurance – Policy Renewal**

The Board had earlier reviewed the fiduciary renewal policy, term of 10/01/20 to 10/01/2021 and found it to be acceptable. All agreed that possibly in August 2021, the Board will make a search of other fiduciary insurance companies to determine the market. Attorney Collins offered suggestions.

Motion was made and seconded (M. Aleckson/T. Kuehne) to approve the Alliant/Mesirow Fiduciary Invoice for payment in the amount of \$5,125.00, for the annual term starting 10/01/20.

Roll was called.

Ayes: A. Larson, T. Kuehne, K. Evans, M. Aleckson, C. Brandon

Nays: None

Ayes – 5; Nays -0.

Motion carried.

OTHER BUSINESS

None.

ADJOURNMENT

As there was no other business to present before the Board, a motion was made and seconded (A. Larson/M. Aleckson) to adjourn the meeting.

All voted in favor, motion carried.

Meeting adjourned at 10:35 AM.

NEXT MEETING – Scheduled for Monday, November 9, 2020 at 9:00 AM

Respectfully submitted,

Laura Potts
Recording Secretary

Kert Evans
Board Secretary



**Board of Trustees of the Firefighters Pension Fund
11/9/2020**

Item: Sept Financial

Department: fire

September 2020 Financial Report

ATTACHMENTS:

Description	Type
September 2020 - Financial Report	Report

CY 2020 BALANCE SHEET
September 30, 2020
FIREFIGHTERS' PENSION FUND

ASSETS	YTD ACTUAL
Cash and Investments	
Cash and Equivalents	6,611,897
Pension Investments	119,463,583
Illinois Funds	0
	<u>126,075,480</u>
Receivables	
Accrued Interest	231,576
Other	518
Due From Other Funds	0
	<u>231,576</u>
TOTAL ASSETS	126,307,574
LIABILITIES	
Accounts Payable	0
Deferred Portability Payment	0
Due To Other Funds	0
	<u>0</u>
TOTAL LIABILITIES	0
NET ASSETS	126,307,574

Arlington Heights
Firefighters' Pension Fund
September 2020 Financial Report

September 30, 2020

BUDGET COMPARISON REPORT CALENDAR YEAR 2020
FIREFIGHTERS' PENSION FUND

75 % of the Calendar Year

REVENUES	2020 BUDGET	MTD BUDGET	MTD ACTUAL	YTD BUDGET	YTD ACTUAL	UNREALIZED DOLLARS	PERCENT RECEIVED
Interest on Investments	900,000	75,000	95,630	675,000	807,119	92,881	90%
Market Value Adjustments	2,000,000	166,666	(2,265,938)	1,499,994	1,249,420	750,580	62%
Dividend Income	900,000	75,000	258,522	675,000	661,450	238,550	73%
Contributions - Participants	1,070,000	89,166	86,845	802,494	830,323	239,677	78%
Contributions - R/E Tax	5,130,000	0	114,493	5,130,000	4,773,616	356,384	93%
Portability Payments	0	0	0	0	0	0	N/A
Other Income	0	0	1,193	0	7,923	(7,923)	N/A
TOTAL	10,000,000	405,832	(1,709,255)	8,782,488	8,329,851	1,670,149	83%

EXPENDITURES	2020 BUDGET	MTD BUDGET	MTD ACTUAL	YTD BUDGET	YTD ACTUAL	AVAILABLE DOLLARS	PERCENT SPENT
Service Pensions	5,199,000	433,250	426,045	3,899,250	3,824,701	1,374,299	74%
Non-Duty Disability Pensions	31,000	2,583	2,610	23,247	23,494	7,506	76%
Duty Disability Pensions	1,358,000	113,166	104,506	1,018,494	960,917	397,083	71%
Surviving Spouse Pensions	796,000	66,333	79,866	596,997	712,192	83,808	89%
Occupational Disease Pensions	237,000	19,750	19,734	177,750	177,604	59,396	75%
Legal Services	17,000	1,416	0	12,744	5,977	11,023	35%
Investment Manager Services	250,000	20,833	66,991	187,497	168,318	81,682	67%
Investment Custodian	9,700	808	1,343	7,272	7,944	1,756	82%
Bank Services	300	25	0	225	0	300	0%
Examinations	15,000	1,250	(750)	11,250	(750)	15,750	-5%
Other Services	20,300	1,691	5,125	15,219	14,130	6,170	70%
Dues	800	66	795	594	1,295	(495)	162%
Training	2,600	216	0	1,944	150	2,450	6%
Postage	400	33	0	297	207	194	52%
Publications / Periodicals	600	50	0	450	35	565	6%
Office Supplies & Equip	300	25	0	225	78	222	26%
Pension Refunds	25,000	2,083	0	18,747	9,682	15,318	39%
Foreign Taxes Paid	1,000	83	0	747	0	1,000	0%
TOTAL	7,964,000	663,661	706,265	5,972,949	5,905,974	2,058,026	74%

**REVENUE OVER (UNDER)
EXPENDITURES**

2,036,000 (257,829) (2,415,520) 2,809,539 2,423,877 (387,877) 119%

**BEG. FUND BALANCE
ENDING FUND BALANCE**

123,883,697 123,883,697
125,919,697 126,307,574



**Board of Trustees of the Firefighters Pension Fund
11/9/2020**

Item: September 2020 - Check Register

Department: fire

September 2020 - Check Register

ATTACHMENTS:

Description	Type
September 2020 - Check Register	Report

FIREFIGHTERS' PENSION FUND
CALENDAR YEAR ENDING 12 / 31 / 2020
CHECK REGISTER AND JOURNAL VOUCHER PAYMENTS

<u>Check Number</u>	<u>JV or Group Number</u>	<u>Date</u>	<u>Payee</u>	<u>Description</u>	<u>Expense</u>	<u>MONTHLY TOTAL</u>
	JV 003	01/31/20	Marquette Associates	Management Fee	15,000.00	
658	JV 003	01/31/20	Collins & Radja	Legal Services	1,000.00	
659	JV 003	01/31/20	IPPAC	M. Aleckson Training	150.00	16,150.00
660	JV 037	02/29/20	Associated FF of IL	Pension Books	35.00	
	JV 037	02/29/20	U.S. Bank	Administrative Services	330.68	
661	JV 037	02/29/20	Laura Potts	Secretarial Services	240.50	
	JV 037	02/29/20	Segall Bryant & Hamill	Management Fee	37,433.87	
662	JV 037	02/29/20	1099 Pro	1099 Mailings/Filings	99.63	
663	JV 037	02/29/20	Summit Print Solutions	Supplies - Envelopes	78.00	
664	JV 037	02/29/20	1099 Pro	1099 Mailings/Filings	107.50	38,325.18
	JV 082	03/19/20	Village of Arlington Heights	Postage Reimbursement	61.50	
	JV 084	03/31/20	U.S. Bank	Administrative Services	334.26	
	JV 084	03/31/20	Marquette Associates	Management Fee	15,000.00	15,395.76
665	JV 124	04/30/20	Collins & Radja	Legal Services	1,000.00	
	JV 124	04/30/20	U.S. Bank	Administrative Services	351.41	1,351.41
666	JV 169	05/31/20	Collins & Radja	Legal Services	3,977.46	
667	JV 169	05/31/20	Laura Potts	Secretarial Services	374.50	
668	JV 169	05/31/20	Illinois Dept of Insurance	Annual Compliance Fee	8,000.00	12,351.96
	JV 206	06/15/20	VAH	Postage Reimbursement	96.50	
	JV 202	06/30/20	U.S. Bank	Administrative Services	697.10	793.60
669	JV 247	07/31/20	Collins & Radja	Legal Services	1,000.00	
	JV 247	07/31/20	Segall Bryant & Hamill	Management Fee	33,893.21	
	JV 247	07/31/20	U.S. Bank	Administrative Services	1,053.45	
670	JV 247	07/31/20	Xavier Beltran	Contributions Refund	7,745.30	
	JV 247	07/31/20	IRS	Beltran Fed W/H	1,936.32	45,628.28
671	JV 288	08/31/20	Laura Potts	Secretarial Services	182.88	
672	JV 288	08/31/20	IPPAC	Membership Dues	500.00	682.88
	JV 324	09/24/20	VAH	Postage Reimbursement	7.00	
673	JV 330	09/30/20	Theodore J. Suchy, D.O.	Patient Exam	1,250.00	
674	JV 330	09/30/20	IPPFA	Membership Dues	795.00	
	JV 330	09/30/20	U.S. Bank	Administrative Services	716.80	
	JV 330	09/30/20	Marquette Associates	Management Fee	15,000.00	
	JV 330	09/30/20	Segall Bryant & Hamill	Management Fee	36,990.62	
	JV 330	09/30/20	Mesirow Insurance	Fiduciary Insurance Renewal	5,125.00	59,884.42
	JV 358	10/14/20	VAH	Postage Reimbursement	0.50	
675	JV 362	10/30/20	Collins & Radja	Legal Services	1,000.00	
	JV 362	10/30/20	U.S. Bank	Administrative Services	357.86	1,358.36
					<u>\$ 191,921.85</u>	