



Agenda
Village of Arlington Heights
Board of Trustees of the Firefighters Pension Fund
Fire Station #2 Training Room
1150 N. Arlington Heights Road, Arlington Heights, IL 60004
November 7, 2016
9:00 AM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

- A. August 8, 2016 Meeting
- B. August 29, 2016 Meeting

IV. PUBLIC COMMENTS

V. CLOSED SESSION

VI. TREASURER'S REPORT

VII. PAYMENT OF BILLS

VIII. REPORTS

- A. Report from Fund Consultant - Marquette Associates

IX. OLD BUSINESS

- A. Continuation of Benefits - Retired FF Heidi Arndorfer (disabled under age 50)
- B. Administrative Hearing - FF Kevin McDonagh Determination of Disability

X. NEW BUSINESS

- A. New Hire - FF Samantha McLean on October 11, 2016
- B. New Hire - FF Kyle Kaczanowski on October 31, 2016
- C. Application for Disability Benefits - FF Andrew Kalinowski
- D. Application for Pension Benefits - B/C William Kidd retiring November 27, 2016
- E. Executive Sessions - Review for release of minutes

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.



Item: Minutes 8.8.16

Department: fire

August 8, 2016 Meeting

ATTACHMENTS:

Description	Type
August 8, 2016 Meeting	Minutes

**ARLINGTON HEIGHTS
FIREFIGHTERS' PENSION BOARD**

Minutes of the Regular Meeting held on August 8, 2016

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

Members in Attendance: Doug Ruhnke
Kenneth Koeppen
Thomas Kuehne
Mark Aleckson

Others in Attendance: Cary Collins, Pension Board Attorney
Jim Obog, Village Finance Department
Brett Christenson, Marquette Associates

CALL TO ORDER

Doug Ruhnke called the meeting to order at 9:00 AM. Roll was called with board members Doug Ruhnke, Kenneth Koeppen, Thomas Kuehne, and Mark Aleckson present. Board member, Kert Evans, was on vacation and thus unavailable.

Also present were Cary Collins, Pension Board Attorney; Jim Obog of the Village Finance Department; and Brett Christenson representing Marquette Associates.

APPROVAL OF MINUTES

The minutes from the last regular meeting held on May 9, 2016 were reviewed.
A motion was made and seconded (T. Kuehne/K. Koeppen) to approve the minutes as noted.
All voted in favor, motion carried.

PUBLIC COMMENTS

No public comments were made at this meeting.

CLOSED SESSION

There was no closed session at this meeting.

REPORTS – Marquette Associates

Brett Christenson distributed the performance summary as of 6/30/16.

He began his discussion by announcing that Marquette was recently awarded the 2015 Greenwich Quality Leader in Overall U.S. Investment Consulting for Mid-Sized Consultants. A nice honor for Marquette. He

reminded everyone of Marquette's 2016 Investment Symposium on September 30. The agenda is on the announcement page and attendance will give education credit hours.

EXHIBIT I: Performance as of June 30, 2016

Brett reviewed the overall Portfolio Fund. PIMCO is still on alert due to performance.

Page 3 identifies the Total Fund Composite at \$93.7 million with the asset mix (*in \$ millions*) as follows: Fixed Income \$30.6; U.S. Equity \$39.4; International Equity \$7.8; Global Tactical \$4.7, Real Estate \$6.8; and Cash at \$4.4.

EXHIBIT II: Asset Allocation Analysis

Page 3 identifies updated Portfolio Options with proposed portfolio options. Brett explained in detail his suggested changes to the portfolio.

His recommendation is to terminate the Dodge and Cox International Fund and replace it with the Vanguard Total International Index Fund.

Brett further recommends selecting Portfolio B from the Marquette Asset Allocation Study as the new Asset Allocation for the Pension Fund. Portfolio B reduces GTAA from 5% to 0%, increases Real Estate from 10.0% to 12.5%, increases Emerging Markets from 3.0% to 3.5%, and increases Large-Cap International from 7.0% to 9.0%.

A motion was made and seconded (T. Kuehne/M. Aleckson) to accept the proposed recommendations to reflect Portfolio Option "B" and Asset Allocation changes.

Roll was called.

Ayes: D. Ruhnke, K. Koeppen, T. Kuehne, and M. Aleckson

Nays: None

Ayes - 4; Nays - 0.

Motion carried.

EXHIBIT III: Investment Policy Guidelines updated

The Investment Policy Guidelines have not been updated since July 2012. Brett has updated the guidelines to reflect the current changes made as of today's meeting.

Page 12 now shows the Asset Allocation/Rebalancing of the portfolio as it stands today. The other change is on Page 19, an addendum showing the asset by class.

Brett asked the Board to approve the Investment Policy Guidelines to include the changes voted on today in the Asset Allocation. The updated guidelines would be revised to eliminate GTAA on page 19 and also update pages 10 and 12 to reflect the new changes.

Motion was made and seconded (T. Kuehne/K. Koeppen) to approve the Investment Policy Guidelines updated as of August 2016 to include changes approved at today's meeting.

Roll was called.

Ayes: D. Ruhnke, K. Koeppen, T. Kuehne, and M. Aleckson

Nays: None

Ayes - 4; Nays - 0.

Motion carried.

TREASURER'S REPORT / DISBURSEMENTS

Tom Kuehne distributed the Financial Report as of June 30, 2016. We are 50% into the fiscal year through June and total expenses are at 49%, so we're right on target. Next he referred to the Journal Voucher on page 2, specifically disbursements from check 524 (journal voucher 283) through check 536 (journal voucher 383). Tom asked for approval of disbursements.

Motion was made and seconded (K. Koeppen/M. Aleckson) to accept the Treasurer's Report and approve disbursement of checks 524 (JV 283) through check 536 (JV 383).

Roll was called.

Ayes: D. Ruhnke, K. Koeppen, T. Kuehne, and M. Aleckson

Nays: None

Ayes - 4; Nays - 0.

Motion carried.

ACTUARIAL VALUATION – Year Ending December 31, 2015

Tom distributed the Actuarial Valuation document prepared by our new actuary MWM Consulting. The former actuary had retired and after bidding, MWM Consulting was retained.

Page 1 shows two calculations. One is the State minimum contribution of \$4,086 million, but we use the GASB accounting method which is the higher calculation of \$4,734 million as of 1/1/16. This is what will be shown for the valuation of the property tax levy in December of this year. Also shown is the prior year valuation of \$3.2 million which was based on an 8-month term (2015 was a transition year before moving to a full calendar fiscal year). We actually did \$5.1 million (same as the prior year) and the additional funds helped us pay down unfunded liability.

Tom recommended the Board approve the \$4,734 million funding contribution.

A motion was made and seconded (T. Kuehne/K. Koeppen) to request a property tax levy of \$4,734 million.

Roll was called.

Ayes: D. Ruhnke, K. Koeppen, T. Kuehne, and M. Aleckson

Nays: None

Ayes - 4; Nays - 0.

Motion carried.

FIRE PENSION FUND 2017 PROPOSED BUDGET

Tom distributed the 2017 budget for the Fire Pension Fund. Page 2 identifies projected revenues and shows the contribution from real estate tax levy at \$4,734. Page 3 has the expense side. As we typically project, it includes one disability pension and three regular pensions, plus 3% increases. The pension board budget is part of the Village Board budget, and it is our Board's responsibility to approve the pension budget.

Motion was made and seconded (T. Kuehne/K. Koeppen) to approve the projected 2017 Fire Pension Budget.

Roll was called.

Ayes: D. Ruhnke, K. Koeppen, T. Kuehne, and M. Aleckson

Nays: None

Ayes - 4; Nays - 0.

Motion carried.

At 9:45 AM, Brett Christenson departed from the meeting room.

OLD BUSINESS

- Decision & Order – Disability Applicant FF Gregory O'Rourke
Attorney Collins distributed the document to Board members for their signatures. We will forward to Kert Evans to get his signature, after which Attorney Collins will send a copy to Attorney Tom Duda.
- Decision & Order – Disability Applicant Jason Dexter
Attorney Collins distributed a copy of the document, which includes recent changes.

After some discussion, it was decided that additional changes to the Decision & Order need to be made. Cary's office will revise the document to include the changes. The Board will meet again on in late August (date to be determined).

NEW BUSINESS

- New Hires – FF Scott Miller, FF Thomas Oates and FF Brett Proctor.
Application into the fund was received by each new hire. The appropriate documents were reviewed and signed.

Motion made and seconded (K. Koeppen/M. Aleckson) to accept FF Scott Miller, FF Matthew Oates and FF Brett Proctor into the Firefighters Pension Fund.

- Application for Disability Benefits – FF Kevin McDonagh
The Board has received his application for duty related disability. Attorney Collins office will begin the process of medical evaluations.
- Retired FF Heidi Arndorfer (disabled under age 50) – Attorney Collins has arranged for a medical evaluation.

OTHER BUSINESS

- FF Daniel Petro – Resigned from the Arlington Heights Fire Department (moved to Arizona) and had contributed \$17,787.41 into the Pension Fund. He would like that amount refunded into his ICMA account. A form for this refund was presented and signed.

Motion was made and seconded (T. Kuehne/K. Koeppen) to approve the refund of FF Daniel Petro's contribution of \$17,787.41 from the Pension Fund and transferred to his ICMA account.

Roll was called.

Ayes: D. Ruhnke, K. Koeppen, T. Kuehne, and M. Aleckson

Nays: None

Ayes - 4; Nays – 0.

Motion carried.

- Retired FF Jack Niemiec – He recently remarried and would like a letter explaining the pension benefit available to his wife in the event of his future death. Attorney Collins will write the necessary letter.

ADJOURNMENT

As there was no other business to present before the Board, the motion was made and seconded (K. Koeppen/M. Aleckson) to close the meeting.

All voted in favor. Motion carried.

Meeting adjourned at 11:40 AM.

Next Regular Meeting date: **Monday, November 7, at 9 AM.**

Respectfully submitted,

Laura Potts
Recording Secretary

Kert Evans
Board Secretary



Item: 8.29.16

Department: fire

August 29, 2016 Meeting

ATTACHMENTS:

Description

August 29, 2016 Meeting

Type

Minutes

**ARLINGTON HEIGHTS
FIREFIGHTERS' PENSION BOARD**

Minutes of the Special Meeting held on August 29, 2016

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

Members in Attendance: Doug Ruhnke
 Kenneth Koeppen
 Thomas Kuehne
 Kert Evans
 Mark Aleckson

CALL TO ORDER

Doug Ruhnke called the meeting to order at 9:45 AM. Roll was called with board members Doug Ruhnke, Kenneth Koeppen, Thomas Kuehne, Kert Evans and Mark Aleckson present. Also present was Cary Collins, Pension Board Attorney

OLD BUSINESS

- Decision & Order Document Review – Disability Applicant, Jason Dexter

This was a special meeting called to review the updated Decision & Order document related to Jason Dexter's disability pension application.

Board members carefully reviewed the document and proposed several minor changes, most of which involved punctuation, grammar, individual names along with their proper job titles, etc. Changes were agreed upon and the document was signed by Board members to include these revisions.

Motion was made and seconded (T. Kuehne/K. Evans) to accept the updated and signed Decision & Order document. The disability application of Jason Dexter has been denied.

Roll was called.

Ayes: D. Ruhnke, K. Koeppen, T. Kuehne, K. Evans and M. Aleckson

Nays: None

Ayes – 5; Nays – 0

Motion carried.

ADJOURNMENT

As there was no other business to present before the Board, the motion was made and seconded (K. Koeppen/M. Aleckson) to close the meeting.

All in favor. Motion carried.

The meeting adjourned at 10:15 AM.

ARLINGTON HEIGHTS FIREFIGHTERS PENSION BOARD

IN THE MATTER OF)

KEVIN McDONAGH)
Applicant.)

No. 16 AHFFPB 1601)

NOTICE OF HEARING

October 18, 2016

Kevin McDonagh
c/o Arlington Heights Firefighters Pension Fund
1150 N. Arlington Heights Road
Arlington Heights, IL 60004

Please be advised that the Arlington Heights Firefighters Pension Board will conduct an administrative hearing on **November 7, 2016 at 10:00 am** at the Arlington Heights Fire Department, Training Room, 2nd Floor, 1150 N. Arlington Heights Road, Arlington Heights, Illinois, regarding the Determination of Disability.

That the applicant may be represented by legal counsel and may provide testimony and evidence in support of his position on this matter to the Arlington Heights Firefighters Pension Board.

That the hearing is being conducted under the authority granted the Arlington Heights Firefighters Pension Fund under Chapter 40 Act 5 Article 4 of the Illinois Compiled Statutes.



Doug Ruhnke
Arlington Heights Firefighters Pension Board

Arlington Heights Firefighters Pension Board
1150 N. Arlington Heights Road
Arlington Heights, IL 60004