



Agenda
Village of Arlington Heights
Board of Trustees of the Firefighters Pension Fund
Fire Department Station #2 Conference Room
1150 N. Arlington Heights Road, Arlington Heights, IL 60005
November 6, 2017
9:00 AM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

- A. August 7, 2017 Regular Meeting

IV. PUBLIC COMMENTS

V. CLOSED SESSION

VI. TREASURER'S REPORT

- A. Proposed 2018 Fire Pension Budget

VII. PAYMENT OF BILLS

VIII. REPORTS

- A. Report from Fund Consultant - Marquette Associates

IX. OLD BUSINESS

X. NEW BUSINESS

- A. Application for Duty Disability Benefits - Division Chief Victor Tamosaitis
- B. Application for Pension Benefits - Battalion Chief Thomas Zerfass retiring 11/09/2017

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 8.7.17

Department: fire

August 7, 2017 Regular Meeting

ATTACHMENTS:

Description	Type
August 7, 2017 Regular Meeting	Minutes

**ARLINGTON HEIGHTS
FIREFIGHTERS' PENSION BOARD**

Minutes of the Regular Meeting held on August 7, 2017

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

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

Others in Attendance: Cary Collins, Pension Board Attorney
 Jim Obog, Village Finance Department
 Michael Spychalski , Marquette Associates
 Timothy Bowen, Mesirow Insurance Services
 Melissa Cayer, Public Observer

CALL TO ORDER

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

Also present were Cary Collins, Pension Board Attorney; Jim Obog of the Village Finance Department; Michael Spychalski representing Marquette Associates; Tim Bowden of Mesirow Insurance; and Melissa Cayer, public observer.

APPROVAL OF MINUTES

The minutes from the last regular meeting held on May 8, 2017 were reviewed.

A motion was made and seconded (T. Kuehne/K. Evans) to approve the minutes from the May regular meeting. All voted in favor, motion carried.

PUBLIC COMMENTS

There were no comments.

TREASURER'S REPORT / DISBURSEMENTS

Tom Kuehne distributed the Financial Report as of June 30, 2017. He indicated we are at half the year and expenses are right on target.

Next Tom reviewed the check register and disbursements made. He asked for approval of check 574 (journal voucher 208) through check 580 (journal voucher 299).

A motion made and seconded (K. Evans/M. Aleckson) to approve the Treasurer's Report and Disbursements of check 574 (JV 208) through check 580 (JV 299).

Roll was called.

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

Nays: None

Ayes - 4; Nays – 0.

Motion carried.

Tom next distributed the Actuarial Valuation and highlighted several pages.

Starting at Page 1 "Contributions" shows amount in tax levy for the fire pension fund. There are two methods of calculations. One is the State Statutory Minimum contribution of \$4.1 million. The other method is the GASB calculation of \$4,852,674 as shown. The Board is in agreement with the GASB calculation.

Page 2 "Financial Thumbnail Ratios" shows coverage ratio – last year at 64.52% and this year at 66.79%. A nice improvement.

Page 3 shows an approximate 7.60% market return on net assets exceeded the actuarial assumption of 6.75%. We outperformed our valuation.

Page 18 is a "Twenty Year Cash Flow Projection" showing actuarial assumptions in property taxes and pension funding going up over the years. Eventually we will be at 100% funding.

Motion was made and seconded (K. Evans/M. Aleckson) to accept the GASB funding contribution of \$4,852,674 and request that amount as levy from the Village. This will be presented to the Village Board in November.

Roll was called.

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

Nays: None

Ayes - 4; Nays – 0.

Motion carried.

REPORTS

• Marquette Associates

Michael Spsychalski distributed Marquette's Executive Summary as of June 30, 2017, confirming the fund's total market value at \$102.5 million.

The Total Fund Composite (page 2) shows the breakdown of the asset mix as follows (in \$ millions): Fixed Income \$33.7; U.S. Equity \$42.7; International Equity Composite \$13.3; Real Estate Composite \$12.8; and Total Cash of \$2,193.

Mike recommended a rebalancing of the fund by liquidating \$1 million from the Vanguard U.S. Stock Index and reinvesting the proceeds in Segall Bryant Fixed Income. After some discussion, the Board was in agreement.

Motion was made and seconded (T. Kuehne/M. Aleckson) to liquidate \$1 million from Vanguard U.S. Stock Index and reinvest this amount in Segall Bryant Fixed Income.

Roll was called.

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

Nays: None

Ayes - 4; Nays – 0.

Motion carried.

Mike reminded the board of Marquette's Investment Conference, September 29, at the Union Club in Chicago. The program runs 8 AM to 2 PM and will give attendees continuing education credit.

After his presentation, Mike left the meeting.

- **Mesirow Insurance Services**

Tim Bowden of Mesirow Insurance Services distributed their Fiduciary Liability Insurance Coverage Summary document describing the benefits of Mesirow, policy provisions and exclusions. Discussion followed regarding policy coverage. Tim recommended the Board continue coverage with ULLICO as the insurance carrier at the renewal rate of \$4,962 effective 10/01/2017.

Motion was made and seconded (M. Aleckson/K. Evans) to renew the ULLICO Fiduciary Liability Insurance policy at the annual premium cost of \$4,962 as of 10/01/2017.

Roll was called.

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

Nays: None

Ayes - 4; Nays – 0.

Motion carried.

After his presentation, Tim left the meeting.

OLD BUSINESS

HIPPA Regulations – Review updated Disability Application and Medical Release Forms

Attorney Collins reviewed the new Application for Disability Form, which includes a Medical History Form requesting the names and addresses of all physicians who have given treatment related to the accident, injury or illness in the last (5) five years. The disability application also includes the Authorization to Release Medical Records (HIPPA requirement). The request may also provide information as to whether there was a pre-existing condition. A discussion followed about older, previous injuries. It was acknowledged that prior to being hired applicants provide a list to the Fire and Commission of any past injuries. Attorney Collins recommended we adopt the new forms.

Motion was made and seconded (T. Kuehne/K. Evans) to adopt the updated Application for Disability Form and the Individual Patient Authorization to Release Medical Records Form.

All voted in favor. Motion carried.

NEW BUSINESS

- **Pension Refund – FF Aide Barraza resigned**

Mary Ellen Juarez provided the Board with a summary of the amount former FF Aide Barraza contributed to the pension fund from her hire date of April 3, 2017 to her resignation date of June 1, 2017. The contribution amount to be refunded totals \$1,031.44.

Motion was made and seconded (T. Kuehne/K. Evans) to refund the contributions Aide Barraza made to the Pension Fund in the amount of \$1,031.44.

Roll was called.

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

Nays: None

Ayes - 4; Nays – 0.

Motion carried.

- **IL Department of Insurance – Submission of Pension Board documents**

The IL Department of Insurance requested copies of signed agreements with our investment advisor and custodian. Jim Obog forwarded the requested documents and we are in compliance.

OTHER BUSINESS

- Updated Rules & Regulations dated August 2017 will now include the Village Travel Policy (page 31) as agreed upon at the last meeting. Cary Collins will now send the completed document to the IL Department of Insurance.
- Retired FF Greg O'Rourke was previously granted duty related disability and will now start his monthly pension. Mary Ellen Juarez prepared the pension calculation sheet indicating his annual pension amount of \$60,607.30, or a monthly pension of \$5,050.61.

Motion was made and seconded (K. Kuehne/K. Evans) to ratify the pension calculation amount of \$60,607.30 annually for retired FF Greg O'Rourke.

Roll was called.

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

Nays: None

Ayes - 4; Nays – 0.

Motion carried.

ADJOURNMENT

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

Meeting adjourned at 10:53 AM.

NEXT MEETING – Scheduled for Monday, November 6, at 9:00 AM

Respectfully submitted,

Laura Potts
Recording Secretary

Kert Evans
Board Secretary