Agenda
Village of Arlington Heights
Board of Trustees of the Firefighters Pension Fund
Fire Station 2, Conference Room
1150 N. Arlington Heights Road
November 5, 2018
9:00 AM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

A. August 6, 2018

IV. PUBLIC COMMENTS

V. CLOSED SESSION

VI. TREASURER'S REPORT

A. Proposed 2019 Firefighters' Pension Fund Budget

VII. PAYMENT OF BILLS

VIII. REPORTS

A. Report from Fund Consultant - Marquette Associates

IX. OLD BUSINESS

A. Investment Advisor Search 2019 - Update

X. NEW BUSINESS

A. Application for Membership - FF Walter Prestel hired August 13, 2018

B. Application for Membership - FF Matthew Sigler hired August 13, 2018

C. Application for Retirement Pension - Fire Chief Kenneth Koeppen retiring November 15, 2018

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

Department: Village Clerk

August 6, 2018

ATTACHMENTS:

Description	**Type**
minutes	Minutes

ARLINGTON HEIGHTS
FIREFIGHTERS' PENSION BOARD

Minutes of the Regular Meeting held on August 6, 2018

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

Members in Attendance:	Doug Ruhnke Kenneth Koeppen Tom Kuehne Kert Evans Mark Aleckson
Others in Attendance:	Cary Collins, Pension Board Attorney Michael Spychalski, Marquette Associates Jim Obog, Finance Department Melissa Cayer, Pubic Observer

CALL TO ORDER

Doug Ruhnke called the meeting to order at 9:05 AM. Roll was called with board members Doug Ruhnke, Ken Koeppen, Tom Kuehne, Kert Evans and Mark Aleckson present.

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

APPROVAL OF MINUTES

The minutes from the last regular meeting held on May 7, 2018 were reviewed.

A motion was made and seconded (K. Koeppen/K. Evans) to approve the minutes from the May 7 regular meeting. All voted in favor, motion carried.

PUBLIC COMMENTS

No comments.

TREASURER'S REPORT / DISBURSEMENTS

Tom Kuehne distributed the monthly financial report as of June 30, 2018. The Revenue side shows 40% and we're right on target with Expenses.

Tom next reviewed the Check Register, asking for approval of check #608 through check #615.
Motion was made and seconded (K. Koeppen/K. Evans) to approve check 608 (JV184) through check 615 (JV262).

Roll was called.
Ayes: D. Ruhnke, K. Koeppen, T. Kuehne, K. Evans and M. Aleckson
Nays: None
Ayes – 5; Nays -0.
Motion carried.

He then distributed the **Annual Report to the Village Board for the 2018 Levy (2019 Budget)** with a brief review.

The actuarial value of assets as of December 31, 2017 was $107.5 million and the total actuarial liability was $149.2 million. Funded ratio is 72%, which is very good. Village contribution as percent of Firefighter/Paramedic payroll was 45.5% and projected employee contributions at $1.028 million. The Actual Investment Return for 12 months was at 13.01%; a very good year. With a 3 year smoothing for actuarial purposes of gains/losses for each one of those years, we don't have as much up and down. We had a rough year 2015 but did really well in 2017.

This report is then combined with the Police Pension Fund report which then goes to the Village Board.

Tom next presented the **Actuarial Valuation Report of the Firefighters' Pension Fund as of January 1, 2018.** A few highlights:

Page 1 – Summary of Principal Valuation Results
Contributions of the Actuarial determined funding policy is $4.9 Million. The Statutory Minimum Contribution is $4.1 Million. The Village always levies the actuary amount which funds the system better than State calculation.

Page 2 – The Financial Thumbnail Ratios show slightly higher coverage funded ratio, at 73.6% asset valuation which is on a market value. Some parties want to see the information on an actuarial value and the market value.

Page 18 – Twenty Year Projection
This chart shows Accrued Liability for current members at $149 million for 2018. This assumes a rate of return of 6.75% for each year. This is an excellent chart used for planning purposes.

The final recommendations and numbers are discussed at November budget meetings and presented to the Village Board at the first meeting in December for their approval of the 2018 tax levy collected in 2019.

A motion was made and seconded (K. Evans/K. Koeppen) to recommend to the Village Board the amount of $4,952,007 for the 2018 levy.

Roll was called.
Ayes: D. Ruhnke, K. Koeppen, T. Kuehne, K. Evans and M. Aleckson
Nays: None
Ayes – 5; Nays -0
Motion carried.

REPORTS

Marquette Associates

Mike Spychalski distributed the Executive Summary as of June 30, 2018. The Pension Fund is within policy guidelines and he has no recommendations for any rebalancing at this time. Some highlights:

Page 2 - Total Fund Composite shows market value of the fund at $109.9 million with a breakdown as follows: Fixed Income $37.2; U.S. Equity $34.9; International Equity $23.9; Real Estate $13.9; and Cash at $19,349.

Page 5 – Annualized Performance (Net of Fees) over one year indicates the plan is up 7.1%.

Mike also gave a review of the current overall market followed by the Board discussing the world economic situation.

Investment Policy Guidelines, Updated May 2018 –
As indicated at the last pension meeting, Mike emailed the updated policy guidelines document to the Board members. This document was approved at the May meeting and today executed by the Board members.

After his presentation, Mike left the meeting.

OLD BUSINESS

- Retiree Confirmation Form - Kristie Kawalski-Marsili
  As discussed at the last meeting, Ms. Marsili (widow of FF Rudy Marsili) had failed to return the completed retiree pension form and Attorney Collins then sent her a certified letter, along with a blank copy of the form, advising her that the Pension Board has decided to suspend future pension benefits starting with the May payment. Shortly after her receiving the letter and form, she immediately returned the completed and notarized form. Based on that, it was agreed her benefits will continue.

NEW BSINESS

- Trustee Appointment by Village Board – Fire Chief Koeppen -
  On May 7, 2018 the Village Board reappointed Fire Chief Ken Koeppen as a member of the Board of Trustees of the Firefighters Pension Fund for another three year term through April 30, 2021.

- Application for Membership – FF Xavier Beltran hired May 14, 2018 -
  All required documents have been signed by newly hired Firefighter Xavier Beltran.

  A motion was made and seconded (K. Evans/K. Koeppen) to approve FF Xavier Beltran as a member of the Firefighters Pension Fund. All in favor, motion carried.

- Cessation of Pension Benefit – Retired Firefighter Ronold Mahon passed away 6/23/18 -
  He had no surviving beneficiary. Mary Ellen Juarez sent a letter to his son advising the final pension payment was made on June 25.

- Cessation of Survivor Benefit – Widow Phyllis Christenson passed away 5/3/18 -
  Wife of retired FF Art Christensen recently passed away with no surviving beneficiary. Mary Ellen sent a letter to the daughter advising the final pro-rated (3 days) pension payment was made on May 25.

- Duty Disability Pension Benefit – Retired FF Kevin McDonagh -
  Human Resources notified the Board that Kevin McDonagh's workers compensation benefit was settled and his TTD will end July 2, at which time his Disability Pension will begin as previously awarded.

- Duty Disability Pension Benefit – Retired FF Andrew Kalinowski
  Human Resources advised the Board that Andrew Kalinowski's workers compensation benefit was settled and his TTD will end August 6, at which time his Disability Pension will be retroactive as previously awarded.

- Investment Advisor Search 2019
  An Investment Advisor search needs to be completed every five years, or January 2019 for this Pension Fund. Attorney Collins indicated the Elgin pension board recently had a search but received only three responses.. He will request a copy and forward this to Board Members to review these responses. The response with the least expense was from Marquette. At the November meeting, we will determine if their search is suitable for our purposes.

- Closed Executive Sessions – Release of Minutes
  Releasing of minutes related to any Closed Executive Sessions is reviewed every six months. Due to the privacy of medical information, it is advisable not to release the minutes. If someone requests to see Closed Session minutes, we can determine as a Board whether to release.

OTHER BUSINESS

None

ADJOURNMENT

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

Meeting adjourned at 10:00 AM.

NEXT MEETING – Scheduled for Monday, November 5, 2018 at 9:00 AM

Respectfully submitted,

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Laura Potts – Recording Secretary

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Kert Evans - Board Secretary