Agenda
Village of Arlington Heights
Board of Trustees of the Firefighters Pension Fund
Fire Station #2, Conference Room

November 4, 2019
9:00 AM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

A. Approval of Minutes - August 5, 2019

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. Retired Disabled FF Bryan Smith - Medical Update
B. Previous Service Time Buy-Back - FF Xavier Beltran Resigned
C. Disability Application Update - FF Jerome Kennedy

X. NEW BUSINESS

A. Application for Retirement Pension - FF Richard Manske
B. Application for Retirement Pension - D/C Peter Ahlman
C. Death of Retired FF Dennis Ritter on 10/13/19 - Survivor Benefits

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
11/4/2019

Item: Minutes

Department: fire

Approval of Minutes - August 5, 2019

ATTACHMENTS:

Description	**Type**
August 5, 2019 Regular Meeting	Minutes

ARLINGTON HEIGHTS
FIREFIGHTERS' PENSION BOARD

Minutes of the Regular Meeting held on August 5, 2019

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

Members in Attendance:	Doug Ruhnke Andrew Larson Tom Kuehne Mark Aleckson Kert Evans
Others in Attendance:	Cary Collins, Pension Board Attorney Michael Spychalski, Marquette & Associates Robin Ward, Village Attorney Paul Denham, Attorney for Clark Baird Smith LLP (as Village counsel) Melissa Cayer, Pubic Observer

CALL TO ORDER
Doug Ruhnke called the meeting to order at 9:00 AM. Roll was called with board members Doug Ruhnke, Andrew Larson, Tom Kuehne, Kert Evans and Mark Aleckson present.

Also present were: Cary Collins, Pension Board Attorney; Michael Spychalski representing Marquette Associates; Robin Ward, Village Attorney; Paul Denham, Attorney for Clark Baird Smith LLP; and Melissa Cayer, public observer.

APPROVAL OF MINUTES
The minutes from the last regular meeting held on May 6, 2019 were reviewed.

A motion was made and seconded (T. Kuehne/K. Evans) to approve the minutes from the May 6, regular meeting. All voted in favor, motion carried.

PUBLIC COMMENTS
Melissa Cayer asked if the recording secretary should be listed as being in attendance. It was pointed out the role is to record what's discussed and not to participate, thus it is not required to be listed.

CLOSED SESSION
None.

TREASURER'S REPORT / DISBURSEMENTS

Tom Kuehne distributed the monthly Financial Report as of June 30, 2019. Expenses are on target at 49% and Revenue side is doing really well.

He also referred to recent communication from the Department of Insurance as our reporting has been late for the past few years, primarily due to an internal employment issue which has now been resolved. The late reporting was for both Police and Fire pension boards. We now have a consultant working to complete the necessary paperwork to bring our reporting up to date in a few weeks.

The Check Register was reviewed and Tom asked for approval of check #637 (journal voucher 131) through check #647 (journal voucher 240).

Motion was made and seconded (K. Evans/A. Larson) to approve payments of check 637 (JV 131) through check 647 (JV 240).

Roll was called.
Ayes: D. Ruhnke, A. Larson, T. Kuehne, k. Evans, M. Aleckson
Nays: None
Ayes – 5; Nays -0.
Motion carried.

The last page of the report is the Projected Cash Flow by Month. Since the beginning of the year funds for future pension payments has been of concern due to the growing number of retirees. To increase cash flow, we deposited additional funds early in the year, plus received an additional $1.5 million from the Village General Fund as shown on the cash flow report. A great help for pension payments this year.

Next, Tom distributed the Actuarial Valuation report for year ending 12/31/2019. This is the amount for the Fire Pension Fund. The report is required by the State of Illinois and prepared by the Village actuary. The State minimum required amount is $4.170 million, but the amount recommended by the actuary is $5.030 million. It is a conservative amount for decent funding. Tom recommends the FF Pension Board recommend to the Village Board the amount of $5.030 million as a levy for property taxes.

Motion was made and seconded (K. Evans/A. Larson) to recommend to the Village Board the amount of $5.030 million as a levy for property taxes.
All in favor, motion carried.

Tom will include this proposed amount in the Annual Report to the Village Board.

REPORTS

Marquette Associates

Mike Spychalski distributed the pension fund Executive Summary as of June 30, 2019.

He began his presentation drawing attention to the opening page related to the Marquette's annual Investment Symposium on October 4, encouraging all who could attend to do so as it provides 4 hours of education credit

Exhibit 1:
Several months previously, Oppenheimer was placed in alert status. After carefully reviewing the organization and business practices, there was nothing of concern. Mike is confident there are no real issues and the company is solid in performance. At this time he recommends the Board move Invesco Oppenheimer from alert status to compliance status.

Motion was made and seconded (T. Kuehne/A. Larson) to place Invesco Oppenheimer into compliance. All voted in favor, motion carried.

Some highlights discussed:

Page 2 - Total Fund Composite indicates the market value of the overall fund to be at $114.7 (million) with a breakdown as follows: Fixed Income $36.7; U.S. Equity $36.6; International Equity $24.2; Real Estate $14.8; and Cash at $2.4.

Page 13 – Annualized Performance (Net of Fees) for the funds YTD and 10 Years:
Total Fund Composite YTD 10.4% and 10 years 8.4%
Fixed Income YTD 4.7% and 10 years 3.0%
U.S. Equity YTD 18.7% and 10 years 14.3%
International Equity YTD 13.8% and 10 years 7.3%
Real Estate YTD 3.0% (n/a 10 years)

The Portfolio is doing well and Marquette does not recommend making any changes to the fund at this time.

After the Marquette portion of the meeting, Mike Spychalski left the meeting room.

OLD BUSINESS

- **Consulting Agreement with Marquette**
  Cary has reviewed details of the agreement with Marquette and he recommends the Board approve the agreement for renewal. He will email a copy to Doug Ruhnke for signature as Board President.

  Motion was made and seconded (A. Larson/T. Kuehne) to renew the Consulting Agreement with Marquette and allow the Board President authority to sign the agreement.
  All in favor, motion carried.

- **Annual Medical Evaluation Disabled FF Under Age 50 - Heidi Arndorfer**
  Retired FF Heidi Arndorfer had her medical evaluation reviewed by Dr. Suchy on July 11 and he determined her to be permanently disabled. We will place the evaluation in her pension file.

- **Legal Forms Book - Review**
  - Disability Application – Cary recommends we add the date of birth alongside names of dependent children. The form is changed accordingly.
  - FOIA Form – Currently FOIA requests are directed to the Village on their form and forwarded to the Pension Board. We will continue with this procedure using the Village FOIA form.
  - Election Form – We currently have our own election forms and process. Cary agreed since this works well, there is no need to make any change.

- Agenda & Minutes – The format we use is preferred by the Village and we will continue using the current format.

NEW BSINESS

- **Closed Executive Session – Release of Minutes**
  There have not been any closed sessions recently and no release of minutes.

- **Application for Membership – FF Trevor Komarynsky hired August 5, 2019**
  All required documents have been signed and submitted by FF Trevor Komarynsky, newly hired as of August 5,2019.

  Motion was made and seconded (K. Evans/T. Kuehne) to accept FF Trevor Komarynsky's application for membership to the Firefighters Pension Fund.
  All in favor, motion carried.

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

  At the Disability Hearing for disabled FF Bryan Smith, he indicated that there would probably be another surgery on his shoulder. Upon contacting Bryan, he stated he did have the surgery and his doctor indicated he's not able to return to firefighter duties.

  It is the responsibility of the Board to determine if his physical condition has improved enough to permit him to return to work. Bryan is now over age 50 and currently lives in Florida. Cary will send a letter to Bryan requesting a copy of the surgeon's report. Once the surgeon's report is received then a medical evaluation can be arranged.

  Motion was made and seconded (T. Kuehne/A. Larson) to contact Bryan Smith requesting a copy of his surgeon's report. Once received, the report will be forwarded to physicians the Board utilizes for their review and medical evaluation.
  All in favor, motion carried.

  The Rules & Regulations booklet should clearly note that any additional treatment or surgery which occurs after the Disability Hearing may require follow-up medical evaluations by Board physicians, depending on the type of disability. This will be noted in the Disability portion of the Rules & Regulations.

- **Previous Service time Buy-Back – FF Xavier Beltran**
  Mary Ellen Juarez has been in contact with FF Xavier Beltran regarding his buy-back time (5 years, 8 months). Cary pointed out that we need to check whether he's grandfathered within the buy-back timeframe, depending on his hire date. Mary Ellen will proceed with information from FF Beltran and Tom will also review the buy-back details before processing his request.

- **Retired FF Dennis Bergquist passed away – Survivor Benefit**
  Retired FF Dennis Bergquist passed away on June 29, 2019 and his wife, Shirley, has applied for survivor benefits ($3,927.69 each month). We have all the proper documentation to proceed.

  Motion was made and seconded (T. Kuehne/K. Evans) to approve survivor benefits for Shirley Bergquist, widow of retired FF Dennis Bergquist.
  All in favor, motion carried.

- **Duty Disability Application – FF Jerome Kennedy**

  Motion to Intervene – On behalf of the Village, Attorneys Robin Ward and Paul Denham presented to the Board the Motion to Intervene document outlining the reasoning and argument in the disability case of FF Jerome Kennedy. The Village has a significant interest in participating in the proceeding which would have a direct impact on any future PSEBA insurance benefits.

  The following Lawful and Legitimate Argument was indicated in the document:
  - Ensuring that Firefighter Pension Funds are Properly Expended
  - Protecting Its Rights that may be Affected by the Instant Pension Proceedings
  - Ensuring the Record is Fully and Accurately Developed

  In the document summary, the Village requests that the Pension Board would (1) grant it leave to intervene in these proceedings, (2) order all documents filed with the Board be served upon the Village prior to pension board hearing, (3) allow the Village to participate in the submission of questions and information to the IME physicians, and (4) treat the Village as a party for all purposes in the proceeding.

  After the Village presentation of their Motion to Intervene, a lengthy discussion followed regarding the various procedures and aspects of the intervention.

  Details of the discussion indicated by the Village attorneys:
  - The Motion to Intervene was sent to the applicant's attorney for his review.
  - The Village has requested additional documents and medical information from Workers Compensation (not yet received).
  - Based on the Workers Compensation information received thus far, the Village is concerned whether the disability is due to an on-the-job incident or possibly a pre-existing congenital condition
  - If the Motion is agreed to, the Village will arrange for three IMEs (independent medical examiners) to examine FF Kennedy.
  - A written summary of the three IME opinions will be given to the three physicians selected by the Board for medical examination of FF Kennedy, specifically requesting they carefully review the written summary in conjunction with their own evaluation.

  At this time and after discussion of the Motion, Attorneys Ward and Denham left the meeting.

  Afterwards, the Board and Attorney Collins agreed that:
  - No Board motions would be made at this time to either accept or deny the Motion to Intervene.
  - Attorney Collins will arrange for three independent medical examiners to meet with FF Kennedy to determine his physical condition.
  - The Board would not discuss FF Kennedy's medical condition during the Motion to Intervene portion of this meeting without his presence.
  - Our role as a Board is for fact-finding of the disability and its cause.
  - Attorney Collins will forward a copy of the Motion to Intervene to FF Kennedy, explaining his rights to either accept or deny/contest.

  For now we will wait for FF Kennedy and/or his attorney to get back to us regarding the Motion to Intervene. In the meantime, we will proceed with three physician appointments for medical examinations.

ADJOURNMENT

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

Meeting adjourned at 10:55 AM.

NEXT MEETING – Scheduled for Monday, November 4, 2019 at 9:00 AM

Respectfully submitted,

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Laura Potts
Recording Secretary

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Kert Evans
Board Secretary