



Village of Arlington Heights
Board of Trustees of the Firefighters Pension Fund
Fire Station #2 Conference Room
Arlington Heights Fire Department
Administrative Headquarters
1150 N. Arlington Heights Road
Arlington Heights, IL 60004
November 2, 2015
9:00 AM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

- A. August 10, 2015 Meeting

IV. PUBLIC COMMENTS

V. CLOSED SESSION

- A. FF Jason Dexter - Continuation of Hearing for Disability

VI. TREASURER'S REPORT

VII. PAYMENT OF BILLS

VIII. REPORTS

- A. Fund Consultant, Marquette Associates

IX. OLD BUSINESS

- A. IPPFA current membership expires December 30, 2015. Decision whether to continue membership.
- B. Fiduciary Liability Insurance - Invoice processed for payment. New policy term is 10/1/15 to 10/1/2016.
- C. Disabled Firefighters Under Age 50 - Retired FF Wade Gritt medical evaluation
- D. FF Timothy Liebetrau hired June 4, 2015 - Motion for acceptance into the Fund
- E. FF Adam Sielig - Status of 1% buyback with Roselle FD
- F. FF Gregory O'Rourke - Status of disability hearing date
- G. FF Bryan Smith - Decision & Order document to review and sign

X. NEW BUSINESS

- A. Death of Maria Wellhausen on May 29, 2015 (pension recipient) - Status of request of refund for overpayment
- B. Executive Minutes - Decision whether to release

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: approve minutes

Department: Fire

ATTACHMENTS:

Description

August 10, 2015 Minutes

Type

Minutes

**ARLINGTON HEIGHTS
FIREFIGHTERS' PENSION BOARD**

Minutes of the Regular Meeting held on August 10, 2015

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

Others in Attendance: Cary Collins, Pension Board Attorney
Jim Obog, Finance Department
Francis Wilson, public observer

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, Kert Evans and Doug Ruhnke present.

Also present were Cary Collins, Pension Board Attorney, Jim Obog from the Finance Department, and Francis Wilson as public observer.

APPROVAL OF MINUTES

The minutes from the last regular meeting on May 4, 2015 were reviewed.
A motion was made and seconded (T. Kuehne/K. Evans) to approve the minutes as noted.
All voted in favor, motion carried.

PUBLIC COMMENTS

No public comments were made at this meeting.

TREASURER'S REPORT / DISBURSEMENTS

- Actuarial Valuation Report - Tom Kuehne distributed the Actuarial Valuation Report as of May 1, 2015. This report is prepared annually to determine the financial position of the Firefighters Pension Fund and to project required annual contributions to the pension fund.

Page 1 contains the summary of the results and Tom reviewed some of the highlights:
Total liability at \$136.7 million with assets at \$91.8 million, so the unfunded amount now is \$44.9 million. The funded ratio is 67.2% which is higher than last year's 64.6% -- we're going in the right direction.

According to the State's actuarial requirements for this shorter (8 months) fiscal year we should have \$2.37 million contribution from the Village. The Village follows the GASB-25 requirement which is calculated more conservatively and thus a \$3.2 million contribution.

However, Tom recommends keeping the levy at \$5.1 million, rather than \$3.2 million. Because this fiscal year is only 8 months, then the numbers will go way up and then drop back down the following year. Describing that significant change to the Public is difficult. Also, this additional amount will help improve the actuarial liability. Therefore, Tom is requesting approval from the Pension Board to keep the higher \$5.1 million levy from the Village.

Motion was made and seconded (K. Evans/K. Koeppen) to approve the higher levy of \$5.1 million from the Village, consistent with prior levels.

Roll was called.

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

Nays: None

Ayes - 5; Nays – 0.

Motion carried.

- 2016 Fire Pension Fund Budget - Tom Kuehne next distributed the proposed 2016 Fire Pension Fund Budget. This is prepared each year for the Village Board, reviewing past year's expenses and updating it for projected retirees. He briefly reviewed the Expenditures page and specifically pointed out the increased amount under "Examinations" due to the higher amount of recent disability medical evaluations, spending more in this area than budgeted. Figures show a budgeted amount of \$5,400 but the actual was \$12,000. Thus Tom recommends we amend this year's 8 month budget, increasing the Examinations budget amount by \$7,000 to account for this higher expenditure and is asking for the Board's approval.

Motion was made and seconded (E. Evans/K. Koeppen) to increase the Examinations account by \$7,000 to a higher projected budget figure of \$12,000 for the 8 month period ending December 2015.

Roll was called.

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

Nays: None

Ayes - 5; Nays – 0.

Motion carried.

In addition, a motion was made and seconded (K. Koeppen/K. Evans) to approve the 12 month Fire Pension Fund Budget for 2016.

Roll was called.

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

Nays: None

Ayes - 5; Nays – 0.

Motion carried.

- Financial Report - Tom reviewed highlights of the Financial Report as of June, 2015 and then identified disbursements of check register 466 (journal voucher 552) through check 476 (journal voucher 119).

Motion was made and seconded (K. Koeppen/K. Evans) to approve disbursement of checks 466 (JV 552) through check 476 (JV 119).

Roll was called.

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

Nays: None

Ayes - 5; Nays – 0.

Motion carried.

REPORTS

Investment Review – Marquette Associates

Doug Ruhnke stated that Ray Caprio has left Marquette Associates and is now working with another investment firm. In transition, Brett Christenson will represent Marquette. Due to time constraints of today's meeting, Brett is not here to make a presentation but did provide copies of the July 2015 Investment Report.

Doug Ruhnke distributed the Executive Summary ending July 31, 2015 which shows the investment balance at \$93,897,321.

Exhibit II, Page 2 presents the Total Fund Composite as \$93.9 million with the asset mix (*in \$ millions*) as follows: Fixed Income \$29.3; U.S. Equity \$42.4; International Equity \$9.0; Global Tactical \$4.6, Real Estate \$6.2; and Cash at \$2.4.

Page 4 (Summary of Cash Flows) shows growth of the portfolio in the span of the past five years, respectively from \$59.4 million to the current amount of \$93.9 million.

OLD BUSINESS

- Firefighter Gregory O'Rourke Disability Application - Attorney Collins indicated that as of today we do not have the medical evaluations from all three physicians; thus the hearing for his disability will be conducted at a future date.
- Disabled Firefighters under Age 50
 - Heidi Arndorfer - Attorney Collins briefly reviewed the medical evaluation by Dr. Stamelos for disabled Firefighter Heidi Arndorfer. The doctor has determined she's still disabled but possibly could be helped by a work hardening and rehab program which could take up to another year. Due to the extra time involved, additional expense and she is unlikely to improve enough to re-enter the fire service, it was determined as impractical to require her pursuing a work hardening program.

- Wade Gritt – We received the doctor's invoice but not the examination results. Attorney Collins will check to see if medical evaluation has been completed and forward a copy to Board members.
- QUILDRO – At the last meeting the Board discussed QUILDRO documents we received. At this time, ratification of the acceptance of the documents is needed.

Motion made and seconded (K. Evans/T. Kuehne) to ratify and accept the QUILDRO documents received on behalf of Lt. Rick Manthy.

NEW BUSINESS

- IPPFA Membership - Our new board trustee, Mark Aleckson, was required to attend the Trustee certification course. Since the Board is no longer a member, the tuition cost was higher than the cost of a six month membership, thus it was decided to renew our membership for the six month period, thus lowering the tuition cost. When the membership expires, the Board can determine whether to continue as a member of IPPFA going forward.
- Authorized Signers - Doug identified Pension Fund authorized signers as Doug Ruhnke, Ken Koeppen and Tom Kuehne since they are most accessible on a day-to-day basis.
- Fiduciary Liability Insurance - Mesirow had submitted the application to renew the Fiduciary Liability Insurance for the Board. Doug Ruhnke is now processing the application. The new term will begin October 1, 2015 for one year and we will review the invoice amount at the next meeting.
- Application for Benefits
Timothy Liebetrau – new hire as of June 4, 2015.

Attorney Collins will send Timothy a note advising he is a Tier II member and to determine his prior fire service with Woodstock.

- Firefighter Adam Sielig – Doug reported that Adam Sielig has applied for the 1% buyback from his prior service with Roselle Fire Department. Mary Ellen Juarez has been working with the actuary to calculate the numbers. For now, the process continues.

OTHER BUSINESS

- Reappointment - Doug received a letter from Mayor Thomas Hayes advising that Fire Chief Koeppen has been reappointed to the Firefighters Pension Board for an additional three year term ending April 30, 2018.
- Administrative Services by Laura Potts – Doug indicated that it has been over four years since Laura had an increase in her hourly wage for secretarial duties performed on behalf of the Board. He recommends she receive a 10% increase from \$30/hour to \$33/hour.

Motion was made and seconded (K. Koeppen/K. Evans) to increase Laura Potts' wage to \$33 per hour for Administrative Services. All voted in favor, motion carried.

CLOSED SESSION

At 9:47 AM, the meeting moved into Closed Session to review the Disability Hearings for both Firefighters Bryan Smith and Jason Dexter. Court Reporter, Kathleen Bono, was present to transcribe the minutes from both hearings.

Each Hearing was conducted separately. Following is a brief summary:

- Bryan Smith, Disability Applicant
Attending the hearing was applicant, Firefighter Bryan Smith, his attorney Mr. Marconi and Mrs. Smith. After reviewing the medical records and testimony presented at the Hearing, it was determined that Bryan Smith should be granted duty related disability, subject to continued monitoring as required. A consensus vote was called.

Motion was made and seconded (K. Koeppen/K. Evans) to grant Firefighter Bryan Smith duty related disability effective as of tomorrow, August 11, 2015.

Afterwards Bryan Smith, Mr. Marconi and Mrs. Smith departed from the conference room.

- Jason Dexter, Disability Applicant
Attending the hearing was applicant, Firefighter Jason Dexter, his attorney Mr. Adam Scholl, Mrs. Dexter, and Sarah Gura of Gura Counseling. The Board reviewed the medical records and testimony from Jason Dexter and Attorney Scholl. Additional testimony on behalf of Jason Dexter was next given by Sarah Gura. Sarah summarized her past counseling appointments with Jason and gave her opinion as to his current psychological condition.

At 1:35 PM it was determined to end the session and establish a future date to continue the Hearing. At this time, Jason Dexter, Mr. Scholl, Mrs. Dexter and Sarah Gura departed from the conference room.

ADJOURNMENT

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

All voted in favor. Motion carried.
Meeting adjourned at 1:40 PM.

Next Regular Meeting is scheduled for Monday, November 2, 2015 at 9:00 AM.

Respectfully submitted,

Laura Potts
Recording Secretary

Kert Evans
Board Secretary