



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
August 10, 2015
9:00 AM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

- A. Minutes - May 4, 2015 Meeting

IV. PUBLIC COMMENTS

V. CLOSED SESSION

- A. FF Bryan Smith disability hearing
- B. FF Jason Dexter disability hearing

VI. TREASURER'S REPORT

- A. Actuary Results
- B. 2016 Proposed Budget

VII. PAYMENT OF BILLS

VIII. REPORTS

- A. Report from Fund Consultant, Marquette Associates

IX. OLD BUSINESS

- A. FF Gregory O'Rourke disability application - update
- B. Disabled Firefighters Under Age 50 - Heidi Arndorfer evaluation
- C. Ratification of acceptance of QLDRD document from May meeting

X. NEW BUSINESS

- A. IPPFA membership renewed
- B. Renew Fiduciary Liability Insurance 10/1/15 - Mesirow Financial
- C. 1% Buy-back request from Firefighter Adam Sielig
- D. Pension Fund authorized signers: D. Ruhnke, K. Koeppen, T. Kuehne
- E. Application for Benefits - Firefighter Timothy Liebetrau new hire as of June 4, 2015

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: Meeting Minutes

Department: fire

ATTACHMENTS:

Description

Minutes - May 4, 2015 Meeting

Type

Minutes

**ARLINGTON HEIGHTS
FIREFIGHTERS' PENSION BOARD**

Minutes of the Regular Meeting held on May 4, 2015

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

Members in Attendance: Carl Brandon
Kenneth Koeppen
Thomas Kuehne
Kert Evans
Doug Ruhnke

Others in Attendance: Cary Collins, Pension Board Attorney
Ray Caprio, Marquette Associates
Mark Aleckson, Firefighter
Jim Obog, Finance Department

CALL TO ORDER

Carl Brandon called the meeting to order at 9:06 AM. Roll was called with board members Kenneth Koeppen, Carl Brandon, Thomas Kuehne, Kert Evans and Doug Ruhnke present.

Also present were Cary Collins, Pension Board Attorney, Ray Caprio representing Marquette Associates, Jim Obog from the Finance Department, and Firefighter Mark Aleckson, newly elected board trustee.

APPROVAL OF MINUTES

The minutes from the last regular meeting on February 2, 2015 were reviewed. A motion was made and seconded (T. Kuehne/D. Ruhnke) to approve the minutes as noted. All voted in favor, motion carried.

CLOSED SESSION

There is no closed session at this meeting.

PUBLIC COMMENTS

No public comments were made at this meeting.

TREASURER'S REPORT / DISBURSEMENTS

Tom Kuehne distributed the Treasurer's report ending March 31 and briefly reviewed the highlights. Tom indicated that expenses were right on target at about 2% and better than budgeted on revenue side. He then reviewed some of the other highlights in the report.

Next Tom identified the check register/journal voucher payments. Tom asked for approval of checks 458 through check 465 (JV 426 through JV 561).

Motion was made and seconded (D. Ruhnke/K. Evans) to approve disbursement of checks 458 (JV 426) through check 465 (JV 561).

Roll was called.

Ayes: C. Brandon, K. Koeppen, T. Kuehne, K. Evans and D. Ruhnke

Nays: None

Ayes - 5; Nays – 0.

Motion carried.

REPORTS

Investment Review – Marquette Associates

Ray Caprio distributed the Executive Summary ending March 31, 2015. He introduced himself to Mark Aleckson and explained some basic information about Marquette as a company and referred everyone to Exhibit III , identifying the company updates, newsletters, webinars and other such information.

Page 3 presents the Total Fund Composite as \$94.3 million with the asset mix (*in \$ millions*) as follows: Fixed Income \$29.4; U.S. Equity \$43.9; International Equity \$9.0; Global Tactical \$2.7, Real Estate \$6.0; and Cash at \$3.3.

Page 5 (Summary of Cash Flows) shows growth of the portfolio in the span of the past five years, respectively from \$57.6 million five years ago to the current amount of \$94.3 million.

After reviewing other pages and highlights within the reports, he next considered Exhibit I Asset Allocation Analysis. The chart on page 3 outlined the Portfolio Options showing the current and proposed portfolio options, as well as a Risk Scorecard.

Ray's recommendation is to proceed with the proposed Portfolio A from the Asset Allocation Analysis. This would involve moving 5% from U.S. Equity stock to increase the Real Estate fund from 6% to 10%, plus an additional 1% into Global, increasing from 4% to 5%. Currently there's an incoming wait queue with PIMCO to purchase additional Global stock and our wait could be approximately six months to finalize the purchase. A discussion followed on the effect of making these changes. Ray suggests rebalancing the fund as noted in Portfolio A to reduce volatility and lessen our risk factor.

Motion was made and seconded (T. Kuehne/D. Ruhnke) to accept Portfolio A as noted in the allocation study, moving 4% into Real Estate from Wilshire and an additional 1% into the GTAA fund.

Roll was called.

5 Ayes: C. Brandon, K. Koeppen, T. Kuehne, K. Evans and D. Ruhnke

Nays: None

Ayes - 5; Nays – 0.

Motion carried.

OLD BUSINESS

- Franzen Disability Appeal

Attorney Collins summarized the result of his meeting before Judge Sophia Hall related to the Tim Franzen disability case. Ultimately, Judge Hall ruled this case was a Duty-Related Disability. Her determination was that Tim Franzen's heart condition was accumulative due to any number of factors, including his duties as a firefighter.

After some discussion it was determined there is nothing to gain by continuing to pursue this case; there is no monetary benefit and it has been a costly case. We have run out of time to further appeal this case, and it is now a Village legal case. Cary indicated he would be happy to share with the Village lawyers the information his office has related to this disability case. In the meantime, he will send an email with the Decision & Order to the Board members.

- Disabled Firefighters under Age 50

Carl Brandon pointed out to fulfill Department of Insurance requirements, we have three firefighters under age 50 who are currently disabled and we need to determine if they are now required to have a medical examination to determine any changes as to disability. These three are Heidi Arndorfer, Wade Gritt and Phil Toporek. Laura Potts will check the files as to the dates of their last physical evaluation and send an email to the Board members and Cary Collins.

NEW BUSINESS

- Retired Firefighter Donald Schnell passed away on April 21, 2015. He suffered from MS and was in a nursing home for many years. He was divorced long ago and never remarried, thus there is no payment to any spouse. The adult children are older and there is no dependent. No more benefits are payable.
- QUILDROP – The request and related document was properly completed and the firefighter's pension for 145 months at 50%. Attorney Collins discussed several possible issues related to current salary vs. future increases or promotions. The QUILDROP paperwork was reviewed and deemed acceptable by the Board.
- FOIA – Three FOIA requests had been received since our last meeting (Financial Investment News, S&P Capital, and Compensation & Benefits Solutions). The requests were for copies of recent Board meeting minutes, copies of investment reports and information about fee schedules. All three were granted and processed.
- Executive Sessions – It was decided not to release any minutes from previous Executive Sessions, as these are personal health-related matters.

- Line of Duty Disability Claim Applications
 - FF Jason Dexter
 - FF Gregory O'Rourke
 - FF Bryan Smith

Attorney Collins is in the process of scheduling appointments with various medical professionals. When the evaluations are received from the doctors, copies of the reports will be forwarded to the Board members. Each applicant needs to be evaluated by three physicians before review by the Board.

The Board has acknowledged receipt of these three disability applications and will await further information as it becomes available.

- Election Results

Village Clerk Becky Hume received a total of 62 ballots, 23 in favor of Steve Schwartz and 39 in favor of Mark Aleckson. Unofficial results are that Mark Aleckson has been elected as an official to serve on the Firefighters Pension Board. Mark will need 32 hours of pension training to meet requirements.

Motion was made and seconded (T. Kuehne/K. Koeppen) to certify the election results. All voted in favor. Motion carried.

- Board Nominations

Kert Evans nominated Doug Ruhnke as President. Motion made and seconded (K. Evans/T. Kuehne) to accept Doug Ruhnke as Board President. All voted in favor. Motion carried.

Doug Ruhnke nominated Kert Evans as Secretary. Motion was made and seconded (D. Ruhnke/T. Kuehne) to accept Kert Evans as Board Secretary. All voted in favor. Motion carried.

OTHER BUSINESS

Attorney Collins pointed out that as Open Meetings Act / FOIA Administrator, Doug Ruhnke needs to take the Open Meetings test each year. Also, the Board needs to identify the Security Administrator who has access to the annual report information. He does not need to be a Board member. Jim Obog was appointed as Security Administrator for the board.

ADJOURNMENT

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

All voted in favor. Motion carried.
Meeting adjourned 10:57 AM.

NEXT MEETING date is scheduled for Monday, August 10, at 9:00 AM.

Respectfully submitted,

Laura Potts
Recording Secretary

Kert Evans
Board Secretary