



Agenda
Village of Arlington Heights
Board of Trustees of the Firefighters Pension Fund
Fire Station #2 Conference Room
1150 N. Arlington Heights Road, Arlington Heights, IL 60004
August 8, 2016
9:00 AM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

- A. May 9, 2016 Meeting

IV. PUBLIC COMMENTS

V. CLOSED SESSION

VI. TREASURER'S REPORT

- A. Firefighters' Pension Fund Actuary Results as of December 31, 2015
- B. Proposed 2017 Firefighters' Pension Fund Budget

VII. PAYMENT OF BILLS

VIII. REPORTS

- A. Report from Fund Consultant - Marquette Associates

IX. OLD BUSINESS

- A. Decision & Order - Disability Applicant FF Gregory O'Rourke
- B. Decision & Order - Disability Applicant Jason Dexter
- C. Continuation of Disability Benefits (under age 50) - Retired FF Heidi Arndorfer annual medical evaluation update
- D. Investment Policy Guidelines - Review proposed modifications to the pension fund's investment policy. Discussion of Investment Objectives (on page 10).

X. NEW BUSINESS

- A. New Hire - FF Scott Miller on June 8, 2016
- B. New Hire - FF Mathew Oates on August 3, 2016

- C. New Hire - FF Brett Proctor on August 3, 2016
- D. Application for Disability Benefits - FF Kevin McDonagh

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: fire

May 9, 2016 Meeting

ATTACHMENTS:

Description

May 9, 2016 Meeting

Type

Minutes

**ARLINGTON HEIGHTS
FIREFIGHTERS' PENSION BOARD**

Minutes of the Regular Meeting held on May 9, 2016

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, Village Finance Department
Brett Christenson, Marquette Associates
Thomas Duda, Attorney
Janice Heinemann, Court Reporter
Melissa Kayer, Public Observer

CALL TO ORDER

Doug Ruhnke called the meeting to order at 9:05 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 of the Village Finance Department, Brett Christenson representing Marquette Associates; Thomas Duda, Attorney; Court Reporter Janice Heinemann; and Melissa Kayer as a public observer.

APPROVAL OF MINUTES

The minutes from the last regular meeting held on January 11, 2016 were reviewed.
A motion was made and seconded (T. Kuehne/M. Aleckson) 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

Tom Kuehne distributed the Financial Report as of March 31, 2016. We are 25% into the current fiscal year and nothing exceptional to report. Next he referred to the Journal Voucher on page 2, specifically disbursements from check 505 (journal voucher 366) through check 523 (journal voucher 201). Tom asked for approval of disbursements.

Motion was made and seconded (K. Koeppen/K. Evans) to accept the Treasurer's Report and approve disbursement of checks 505 (JV 366) through check 523 (JV 201).

Roll was called.

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

Nays: None

Ayes - 5; Nays – 0.

Motion carried.

Tom advised that we did get the Actuary Study results and he will bring more information to the Board at our next meeting. For now, he wanted to mention it came in lower than we levied the prior year. Once we put together the property tax for all of our funds, we will determine whether we keep it at the higher level or go with what the retired contribution is. As always, it does meet requirements.

REPORTS – Marquette Associates

Brett Christenson distributed the performance summary as of March 31, 2016.

He started the presentation bringing attention to the inside cover with the annual letter from their CEO. Marquette has just marked their 30th anniversary and will soon have their 2016 Investment Symposium on September 30 at the Union League Club. There will be some very good speakers, along with investment team researchers. Attendance will give education credit.

EXHIBIT I: Performance as of March 31, 2016.

Brett reviewed the overall portfolio funds. PIMCO is still on alert due to performance.

Page 3 identifies the Total Fund Composite as \$92.0 million with the asset mix (*in \$ millions*) as follows: Fixed Income \$30.1; U.S. Equity \$41.4; International Equity \$7.9; Global Tactical \$4.5, Real Estate \$6.7; and Cash at \$1.4.

EXHIBIT II: Asset Allocation Analysis

Based on the analysis, the chart on page 3 has the portfolio chart with current allocation and also the proposed portfolio allocation. Brett believes Portfolio-C is the best direction to take and at the next meeting will discuss his recommendations in greater detail. Before doing so, he will also update the study. PIMCO currently is the weak spot and will remain "on alert" for performance. For now, he does not recommend any changes.

EXHIBIT III: Small Cap Value Search

This section highlights provide a summary of general impressions of the various investment managers and recommendations to think about should be implemented to govern all future management of the Fund's Small Cap Value assets. All managers met the required criteria.

After making his presentation, Brett departed from the meeting.

CLOSED SESSION

At 9:45 AM, the Pension Board began the Disability Hearing for FF Gregory O'Rourke. Medical information and other evidence was presented in great details. At 12:38, the Board then went into Executive Session.

At 1:15 PM the motion was made and seconded (T. Kuehne/K. Koeppen) to come out of Executive Session and return to the Regular Meeting.

The Board determined that the FF Gregory O'Rourke should be granted duty related disability pension. Motion made and seconded (T. Kuehne/Kert Evans) to award Line of Duty Disability Pension to FF Gregory O'Rourke.

Roll was called.

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

Nays: None

Ayes - 5; Nays – 0.

Motion carried.

Attorney Collins will speak with Gregory O'Rourke's attorney and the Village Human Resources Department to determine the date of disability. He will then prepare the Decision & Order document for Board members to sign.

Minutes for the Disability Hearing and Executive Session were taken by the Court Reporter who will transcribe and distribute to the Board.

OLD BUSINESS

- Disability Application for Jason Dexter -
Attorney Collins advised that a tentative date is Monday, June 6, for the Continuation of Disability Hearing. Cary will confirm the date with Jason Dexter and his attorney.

NEW BUSINESS

- Investment Policy Guidelines (July 2012) – Tom recommends the investment managers review this policy guidelines. Page 10 contains the Investment Objectives to be discussed at our next meeting.
- FOIA Request made by Zack Cziryak of Financial Investment News was granted. Board Meeting minutes (7/1/15 through 3/31/16) and Quarterly Investment Reports (9/30/15 and 12/31/15) were sent to him.
- Executive Session Minutes – A decision was made not to release any Executive Session minutes due to personal and medical information contained.
- Application for Benefits - FF George Lindemulder will retire on May 15. Based on his salary and longevity, his annual pension is \$46,621.09 with a monthly retirement benefit of \$3,885.09.

Motion was made and seconded (T. Kuehne/K. Koeppen) to approve the monthly retirement benefit of \$3,885.09 as of his retirement on May 15, 2016.

Roll was called.

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

Nays: None

Ayes - 5; Nays – 0.

Motion carried.

- Application for Benefits - FF Richard Stecki will retire on May 18. Based on his salary and longevity, his annual pension is \$75,086.87 with a monthly retirement benefit of \$6,257.24.

Motion was made and seconded (T. Kuehne/K. Koeppen) to approve the monthly retirement benefit of \$6,257.24 as of his retirement on May 18, 2016.

Roll was called.

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

Nays: None

Ayes - 5; Nays - 0.

Motion carried.

- Continuation of Death Benefit for Spouse: Retired FF John Fields passed away on April 4, 2016. His spouse, Sandy Fields, will continue to receive the monthly benefit of \$5,326.23. There will be no future increase.
- Continuation of Death Benefit for Spouse: Retired FF John Benson passed away on April 20, 2016. His spouse, Gloria Benson, will continue to receive the monthly benefit of \$5,136.60. There will be no future increase.
- Continuation of Disability Benefits – Retired FF Heidi Arndorfer is disabled and under the age of 50. As such, she is required to have an annual review of her disability status. Attorney Collins will make arrangements for the medical evaluation.
- Trustee Election
Village Clerk Becky Hume received a total of 38 ballots, 35 in favor of Kert Evans. Unofficial results are that Kert Evans has been elected as Trustee to serve on the Firefighters Pension Board. His 3-year term will begin May 1, 2016.

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

- Board Nominations

Doug Ruhnke was nominated for the position of President.

Motion was made and seconded (K. Evans/K. Koeppen) to nominate Doug Ruhnke as President. All voted in favor, motion carried.

Kert Evans was nominated for the position of Secretary.

Motion was made and seconded (K. Koeppen/M. Aleckson) to nominate Kert Evans as Secretary. All voted in favor, motion carried.

- Decision & Order – Retired FF Timothy Franzen -
Attorney Collins distributed an Amended Decision & Order for Line of Duty Related Disability Benefits for retired FF Timothy Franzen. This is based on the Judge Sophia Hall's reversal of the Board's decision. On March 18, 2015 Judge Hall granted Timothy Franzen occupational disease disability and awarded him Line of Duty Disability Pension. The document was circulated to the Board members for their signature as of today. We will keep this document in his file.

OTHER BUSINESS

No other business was presented.

ADJOURNMENT

As there was no other business to present before the Board, the motion was made and seconded (M. Aleckson/K. Koeppen) to close the meeting.
All voted in favor. Motion carried.

Meeting adjourned at 1:45 PM.

Next Regular Meeting date: **Monday, August 8, at 9 AM.**

Respectfully submitted,

Laura Potts
Recording Secretary

Kert Evans
Board Secretary