



Agenda
Village of Arlington Heights
Board of Trustees of the Firefighters Pension Fund
Fire Department Station #2 Conference Room
1150 N. Arlington Heights Road, Arlington Heights, IL 60005
August 7, 2017
9:00 AM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

- A. May 8, 2017 Regular Meeting

IV. PUBLIC COMMENTS

V. CLOSED SESSION

VI. TREASURER'S REPORT

VII. PAYMENT OF BILLS

VIII. REPORTS

- A. Report from Fund Consultant - Marquette Associates
- B. Report from Tim Bowen of Mesirow Insurance

IX. OLD BUSINESS

- A. HIPPA Regulations - Review Medical Release form

X. NEW BUSINESS

- A. Pension Refund - FF Aide Barraza resigned 6/1/17
- B. IL Dept. of Insurance - Submission of Pension Board Documents

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 8, 2017 Regular Meeting

ATTACHMENTS:

Description

May 8, 2017 Regular Meeting

Type

Minutes

**ARLINGTON HEIGHTS
FIREFIGHTERS' PENSION BOARD**

Minutes of the Regular Meeting held on May 8, 2017

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
 Melissa Cayer, 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, Mark Aleckson and Kert Evans present.

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

APPROVAL OF MINUTES

Minutes from the last regular meeting held on January 9, 2017 and Summary of the disability hearing on March 6, 2017, were both reviewed.

A motion was made and seconded (K. Koeppen/T. Kuehne) to approve both the January 9 meeting minutes and the March 6 disability hearing Summary. All voted in favor, motion carried.

PUBLIC COMMENTS

Melissa Cayer asked that Board Trustees complete time sheets indicating how much time is spent attending the meetings, time spent reviewing Board documents/correspondence, plus any other Board related time. Attorney Collins pointed out Board members are not paid. They are volunteers and as such are not required to keep track of their time. The Board discussed her request. No one was felt it was necessary to take additional time to complete time sheets. Doug Ruhnke said if he chooses to do so, he will provide a time sheet at next meeting. Melissa explained she is asking all other Boards to do the same as she's seeking to address property tax dollars impact.

TREASURER'S REPORT / DISBURSEMENTS

Tom Kuehne distributed the Financial Report as of March 31, 2017. He referred to the Budget Report, specifically the Expenditures portion. In the YTD Actual column there's a \$59,177 amount on the Pension Refunds line. This is the amount refunded to Jason Dexter who withdrew his funds. The 2017 budget for Pension Refund is \$25,000. Tom recommends the Board consider amending this budget by \$60,000 to account for the refund given to Jason Dexter. Doing so would still allot \$25,000 for the rest of this year.

A motion was made and seconded (T. Kuehne/M. Aleckson) to amend the 2017 Pension Refund Budget by an additional \$60,000 for the year.

Roll was called.

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

Nays: None

Ayes - 5; Nays – 0.

Motion carried.

Next Tom reviewed the check register and disbursements made. He asked for approval of check 557 (journal voucher 615) through check 573 (journal voucher 183).

A motion made and seconded (K. Koeppen/K. Evans) to approve the Treasurer's Report and Disbursements of check 557 (JV 615) through check 573 (JV 183).

Roll was called.

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

Nays: None

Ayes - 5; Nays – 0.

Motion carried.

Lastly, Tom advised the Actuarial results will be presented by next meeting.

REPORTS – Marquette Associates

Brett Christensen distributed Marquette's Executive Summary as of March 31, 2017, confirming the fund's total market value at \$99.9 million.

The Total Fund Composite (page 2) shows the breakdown of the asset mix as follows (in \$ millions): Fixed Income \$31.9; U.S. Equity \$43.1; International Equity Composite \$12.3; Real Estate Composite \$12.6; and Total Cash \$25k.

Although we are still in compliance, Brett is concerned the total fund is becoming tilted. His recommendation is to move \$2.9 million from Vanguard U.S. Equity over to bonds. In the process also take \$200,000 from Segall Bryant Smid Cap and transfer to Vanguard International.

Tom suggested we wait until next meeting. After some discussion with Brett and the Board, it was agreed to do a step approach in moving the funds, lowering the amount of transfer dollars from \$2.9 million to \$1.5 million. Brett will closely monitor and review the results at the next meeting to determine if any additional adjustments should be made. All were in agreement.

Motion was made and seconded (T. Kuehne/K. Evans) to transfer \$1.5 million from Vanguard U.S. Equity to Segall Bryant Fixed Income. In addition, transfer \$200,000 from Segall Bryant Smid Cap to Vanguard International.

Roll was called.

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

Nays: None

Ayes - 5; Nays – 0.

Motion carried.

After his presentation, Brett departed from the meeting.

OLD BUSINESS

- **Execute Decision & Order Document – FF Andrew Kalinowski**

On March 6, 2017 the Board conducted a Disability Hearing and after deliberation it was agreed to award duty-disability pension benefits to FF Kalinowski. At this time, Attorney Collins presented the Decision & Order document for execution by the Board members confirming he is entitled to duty disability pension effective March 6, 2017 at 65% of his salary as of the last date of service plus one child benefit.

Motion was made and seconded (K. Evans/K. Koeppen) to execute the Decision & Order document awarding FF Kalinowski duty-related disability pension.

All voted in favor. Motion carried.

- **Deceased FF Joseph Luprich – Update on Overpayment Refund**

The overpayment of \$1,167.43 was received and refunded back into the pension fund.

- **Decision & Order for FF Kevin McDonagh – Approval motion and review of calculation**

The pension calculation sheet for FF Kevin McDonagh was reviewed showing 28.58 years of service. He is currently paid through Workman's Compensation. Upon settlement with the Village, he will receive a monthly payment of \$5,825.28 plus child payment of \$40.00, for a total monthly pension of \$5,865.28.

Motion was made and seconded (K. Evans/T. Kuehne) to approve the Decision & Order document executed at the Board Meeting on January 9, 2017 and the monthly pension benefit of \$5,865.28 to FF Kevin McDonagh.

Roll was called.

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

Nays: None

Ayes - 5; Nays – 0.

Motion carried.

NEW BUSINESS

- **Retired FF Totzke passed away 2/21/17 – Update on Pension Benefit and Overpayment**

Mary Ellen Juarez sent a letter to FF Totzke's daughter advising overpayment of \$1,293.40 was made due to the timing of her father's death and the wiring of the monthly pension benefit. This amount was refunded on March 17 and deposited into the pension fund.

- **Applications for Membership (5 New Hires)**

FF Alexander Gabrielsen, FF Aide Barraza and FF Shane Wagner were hired as of April 3, 2017 and FF Lloyd Wollert and FF Joshua Gabl were hired as of April 12, 2017. Application into the fund was received by each new hire. The appropriate documents were reviewed and executed.

Motion made and seconded (K. Koeppen/K. Evans) to accept Firefighters Gabrielsen, Barraza, Wagner, Wollert and Gabl into the Firefighters Pension Fund.
All voted in favor. Motion carried.

- **Review updated Rules & Regulations Document, Record Retention Guidelines and Travel Policy**

Attorney Collins distributed updated **Rules & Regulations (May 2017)** incorporating Record Retention responsibilities; State's Archives Office document destruction guidelines (pages 11-12); and Travel Policy guidelines (page 31).

Discussion followed whether to accept the travel policy guidelines presented by Attorney Collin's office or replace with the Village Travel Policy. Afterwards it was agreed to incorporate and use the Village Travel Policy. Tom Kuehne will forward a copy of the Village Travel Policy to Attorney Collins.

Motion was made and seconded (K. Koeppen/T. Kuehne) to adopt the Village Travel Policy and amend the Rules & Regulations document accordingly.
All voted in favor. Motion carried.

Further, motion was made and seconded (K. Evans/K. Koeppen) to accept the revised Rules & Regulations document (as amended). The Rules and Regulations document was executed by Doug Ruhnke, Board President, and Kert Evans, Board Secretary.
All voted in favor. Motion carried.

- **Annual Evaluation Retired Firefighters Disabled Under Age 50**

Retired FF Arndorfer and FF O'Rourke will soon require updated medical evaluations. This timing is somewhat early. Going forward, we will review annually at the January meeting. No action is taken at this time.

- **Closed Executive Sessions – Release of Minutes**

Attorney Collins advised not to release any closed session minutes due to the confidential medical information discussed. The Board members agreed. As required, we will review again in six months.

- **Trustee Election (Retired) – Certify election results**

Village Clerk Becky Hume received a total of 55 votes, all in favor of Douglas Ruhnke. Unofficial results are that Doug Ruhnke has been elected as Trustee to serve on the Firefighters Pension Board. His 3-year term will begin as of May 1, 2017.

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

- **Pension Board Nominations**

Doug Ruhnke was nominated for the position of Board President.
Motion was made and seconded (T. Kuehne/K. Koeppen) to accept Doug Ruhnke as Board President. All voted in favor. Motion carried.

Kert Evans was nominated for the position of Board Secretary.
Motion was made and seconded (T. Kuehne/K. Koeppen) to accept Doug Ruhnke as Board President. All voted in favor. Motion carried.

At the Village Board Meeting on May 1, 2017, Tom Kuehne was reappointed to the Firefighters Pension Board.

Motion was made and seconded (D. Ruhnke/K. Koeppen) to accept the reappointment of Tom Kuehne to the Pension Board. All voted in favor. Motion carried.

OTHER BUSINESS

- **HIPPA Regulation regarding release of medical information to the Board**

There was a discussion concerning HIPPA laws when requesting Firefighters to release personal medical information to the Board when applying for disability. It was agreed the Application for Disability form should be adjusted to contain wording about release of medical information and also ask the applicant to sign a blank HIPPA form to release information to the employer and its agents. Attorney Collins will develop a revised form to be distributed prior to the next board meeting.

- **Audio Recording Device**

There have been some recent problems with the audio device used at Pension Board meetings. Seems to be breaking down and batteries won't hold in the compartment. Doug will see if we can adjust the machine, but recommends appropriating funds in the event we need to purchase another recorder unit.

Motion was made and seconded (T. Kuehne/K. Koeppen) to authorize the expense up to \$300 to purchase another recorder if needed.

Roll was called.

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

Nays: None

Ayes - 5; Nays - 0.

Motion carried.

ADJOURNMENT

As there was no other business to present before the Board, the motion was made and seconded (D. Ruhnke/K. Koeppen) to close the meeting.
Meeting adjourned at 10:15 AM.

NEXT MEETING - Scheduled for Monday, August 7, at 9:00 AM

Respectfully submitted,

Laura Potts
Recording Secretary

Kert Evans
Board Secretary