



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  
May 9, 2016  
9:00 AM

**I. CALL TO ORDER**

**II. ROLL CALL**

**III. APPROVAL OF MINUTES**

- A. Approval of Minutes - January 11, 2016 Meeting

**IV. PUBLIC COMMENTS**

**V. CLOSED SESSION**

- A. Disability Hearing - FF Gregory O'Rourke

**VI. TREASURER'S REPORT**

**VII. PAYMENT OF BILLS**

**VIII. REPORTS**

- A. Report from Fund Consultant - Marquette Associates

**IX. OLD BUSINESS**

- A. FF Jason Dexter Disability Application - Update discussion for next Continuation of Hearing

**X. NEW BUSINESS**

- A. Investment Policy Guidelines - Update Review  
B. FOIA Request Granted - Zack Cziryak, Financial Investment News  
C. Executive Sessions - Review for release of minutes  
D. Application for Benefits - FF George Lindemulder retiring May 15  
E. Application for Benefits - FF Richard Stecki retiring May 16  
F. Application for Benefits - Retired FF John Fields passed away April 4. Continuation of benefits for spouse, Sandy Fields.

- G. Application for Benefits - Retired FF John Benson passed away on April 20. Continuation of benefits for spouse, Gloria Benson.
- H. Continuation of Disability Benefits (under age 50) - Retired FF Heidi Arndorfer annual medical evaluation required (previous July 2015)
- I. Trustee Election - Certify election results
- J. Pension Board Nominations

## **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 1.11.16

**Department:** Fire

Approval of Minutes - January 11, 2016 Meeting

**ATTACHMENTS:**

| <b>Description</b>               | <b>Type</b> |
|----------------------------------|-------------|
| January 11, 2016 Meeting Minutes | Minutes     |

**ARLINGTON HEIGHTS  
FIREFIGHTERS' PENSION BOARD**

**Minutes of the Regular Meeting held on January 11, 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  
Brett Christenson, Marquette Associates  
Janice Heinemann, Court Reporter  
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, Kert Evans and Mark Aleckson present.

Also present were Cary Collins, Pension Board Attorney, Brett Christenson representing Marquette Associates, Court Reporter Janice Heinemann, and Melissa Cayer as a public observer.

**APPROVAL OF MINUTES**

The minutes from the last regular meeting on November 2, 2015 were reviewed.  
A motion was made and seconded (T. Kuehne/K. Koeppen) 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 November 30, 2015. The first page identifies the expense side as being right on target at 87% through the year. We have spent 85% of our budget. The second page identifies pension payments from May through November. Page 3 lists disbursements from check 498 (journal voucher 237) through check 504 (journal voucher 309). Tom asked for approval of the disbursements.

Motion was made and seconded (K. Evans/K. Koeppen) to accept the Treasurer's Report and approve disbursement of checks 498 (JV 237) through check 504 (JV 309).

Roll was called.

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

Nays: None

Ayes - 5; Nays – 0.

Motion carried.

Tom next distributed the Annual Police & Firefighter Pension Report (Actuarial Valuation as of May 1, 2015) as required by Illinois Statue and provided to the Village Board. This is a review of the financial condition of the respective funds. Tom explained that the current actuary (Goldstein & Associates) who has been handling this report for many years is retiring in December and the Village is now searching for a new actuarial firm. Once the new actuary is selected, it may be that they will have different methods or possibly want to use different assumptions which would be up for discussion. They may also want to meet with the Firefighters Pension Board. Tom will keep us posted on this development.

## **REPORTS**

### **Investment Review – Marquette Associates**

Brett Christenson distributed the performance summary as of 12/31/15. He first reviewed the market in general. The portfolio has outperformed the U.S. market. The International market is getting more and more undervalued. Emerging markets is down almost 15%. Much of this is due to oil prices dropping and the strong U.S. dollar. Not a lot of room for performance outside of real estate.

Brett advised Marquette has placed PIMCO on Professional Turnover alert due to Bill Gross' departure. The reality is that this GTAA Fund is run by an outside person, Rob Arnott of Research Affiliates. Rob is an excellent manager but the fund has signs of struggling. PIMCO will remain on alert but Brett will adjust the reason to Performance, rather than Professional Turnover.

The Fund has had a good run and there have been a few years where markets were strong. Currently the market value of the fund is now a little under \$91,000,000, down in December by 1-1/2%. December was especially difficult. As of early this year, the overall stock market had the worst start ever.

Real estate has been doing much better, averaging 5-6% increase. The question was raised as to whether to purchase more of the real estate fund. Because of market is so volatile at this time, Brett prefer to wait for the market to settle and does not recommend any rebalancing at this time. The portfolio is in compliance.

Brett expressed concern of the International Fund managers, as their cost is so high compared to the performance. At this time, he prefers to make no changes but will review this again for a future meeting discussion. Although the portfolio is well diversified, there may be a little tweaking to be done. He may recommend an overall study in the first half of this year to see what changes should be made.

Page 2 presents the Total Fund Composite as \$90.9 million with the asset mix (*in \$ millions*) as follows: Fixed Income \$29.4; U.S. Equity \$40.9; International Equity \$8.0; Global Tactical \$4.3, Real Estate \$6.5; and Cash at \$1.8.

Brett departed from the meeting at 9:37 AM.

## **OLD BUSINESS**

- Disability Application for FF Gregory O'Rourke (Update)  
Attorney Collins indicated that he has asked for more dates and Attorney Duda responded with two dates but these did not work for the board. For the record, we are trying to find common dates that work – possibly early to mid February. Greg currently receives 66-2/3% workers compensation as income.

## **NEW BUSINESS**

- Investment Policy Guidelines (July 2012) – The guidelines have not been updated since July 2012. We will forward a copy to Brett Christenson at Marquette to review. A discussion followed about downstate Springfield's pushing for consolidation into one state system. More legislatures are becoming favorable. The Investment Policy Guidelines will be an agenda topic for our next regular pension board meeting.
- Trustee Election will begin first week of March. Trustee Kert Evans' term ends April 30, 2016. Active firefighters will be notified to submit their name on the ballot if they wish to do so.
- Application for Benefits

- Lt. Carl Brandon retired as of November 30, 2015.  
Motion was made and seconded (T. Kuehne/K. Evans) to approve a monthly pension of \$6,886.81 for retired firefighter Lt. Carl Brandon.

Roll was called.

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

Nays: None

Ayes - 5; Nays – 0.

Motion carried.

- Retired firefighter Lt. John Jarosz, Jr. passed away on January 2, 2016.  
He was not married and had no children. Therefore, there is no continuation of benefits and the monthly pension benefit will terminate.

## **OTHER BUSINESS**

There was no other business presented at this meeting.

## **CLOSED SESSION**

Continuation of the Disability Hearing on behalf of Firefighters Jason Dexter.

At 9:55 AM the Board took a short break prior to entering into the Executive Session for deliberation related to the Disability Hearing for Firefighter Jason Dexter. The Court Reporter will take the minutes at this session.

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Upon returning from Executive Session it was determined there was no decision made on the disability request. The Board requires additional time to review the past notes and minutes from the 11/30/15 Executive Session. A future disability hearing date will be determined.

## **ADJOURNMENT**

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

All voted in favor. Motion carried.

Meeting adjourned at 12:15 PM.

The next Regular Meeting is scheduled for Monday, May 9, 2016 at 9:00 AM.

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Respectfully submitted,

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Laura Potts  
Recording Secretary

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Kert Evans  
Board Secretary