



Agenda
Village of Arlington Heights
Board of Trustees of the Firefighters Pension Fund
Virtual Meeting

May 4, 2020
9:00 AM

I. CALL TO ORDER

- A. Pursuant to orders issued in response to the COVID-19 pandemic, the Firefighters Pension Board meeting is closed to in-person, public attendance. The May 4, 2020 meeting will be held via Zoom Meeting, which permits the public to fully participate in this virtual Board meeting via Zoom on their electronic devices.

To participate via Zoom: this link will take you to instructions on joining the meeting:

<https://us02web.zoom.us/j/81931285480>

Meeting ID: 819 3128 5480

One tap mobile: +13126266799,,81931285480# US (Chicago)
Meeting ID: 819 3128 5480

Individuals who wish to comment or ask a question on an item on the Agenda may either participate via Zoom, or send an email to the Firefighters Pension Board at LPotts@vah.com. To be shared at the meeting, the email must be received by Friday, May 1, before 3:00 PM.

II. ROLL CALL

- A. Trustee Election - Certify Results
B. Trustee Election - Nominations

III. APPROVAL OF MINUTES

- A. Approval of Minutes - Executive Session on January 27, 2020
B. Approval of Minutes - January 27, 2020 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

IX. OLD BUSINESS

- A. Annual Medical Evaluation Retired Disabled FF Under Age 50 - Heidi Arndorfer and Gregory O'Rourke - Update
- B. Retired Disabled FF Bryan Smith - Medical Evaluation Update

X. NEW BUSINESS

- A. Application for Membership - FF Christian Merkau hired 2/17/2020
- B. Application for Membership - FF Carson Zastrow hired 2/17/2020
- C. Application for (Deferred) Retirement Pension - FF Robert Cipriani
- D. Death of Retired FF Ronald Kranz on 01/03/2020 - Cessation of Benefits and Refund of Overpayment
- E. Increase of Survivor Benefit - Jane Treu (widow of FF Kevin Treu)
- F. Additional signer for payment processing

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.



**Board of Trustees of the Firefighters Pension Fund
5/4/2020**

Item: minutes

Department: fire

Approval of Minutes - January 27, 2020 Regular Meeting

ATTACHMENTS:

Description	Type
January 27, 2020 Regular Meeting	Minutes

**ARLINGTON HEIGHTS
FIREFIGHTERS' PENSION BOARD**

Minutes of the Regular Meeting held on January 27, 2020

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

Members in Attendance: Doug Ruhnke
 Andrew Larson
 Tom Kuehne
 Mark Aleckson
 Kert Evans

Others in Attendance: Cary Collins, Pension Board Attorney
 Michael Spychalski, Marquette & Associates

CALL TO ORDER

Doug Ruhnke called the meeting to order at 9:00 AM. Roll was called with board members Doug Ruhnke, Andrew Larson, Tom Kuehne, Kert Evans and Mark Aleckson present.

Also present were Cary Collins, Pension Board Attorney and Michael Spychalski representing Marquette Associates.

APPROVAL OF MINUTES

The minutes from the last regular meeting held on November 4, 2019 were reviewed.

A motion was made and seconded (T. Kuehne/A. Larson) to approve the minutes from the November 4, 2019 regular meeting. All voted in favor, motion carried.

PUBLIC COMMENTS

None

CLOSED SESSION

At 9:45 AM a motion was made and seconded (D. Ruhnke/T. Kuehne) to proceed into closed Executive Session to discuss the request of a current medical evaluation for retired, disabled FF Bryan Smith. All in favor, motion carried.

At 10:35 AM a motion was made and seconded (T.Kuehne/A.Larson) to come out of Executive Session and return to the Regular Board Meeting.
All in favor, motion carried.

Motion was made and seconded (T. Kuehne/K. Evans) to require disabled retired FF Bryan Smith to be evaluated by our chosen doctor in Florida for a medical physical, along with functional capacity exam of his shoulder.

Roll was called.

Ayes: A. Larson, T. Kuehne, k. Evans, M. Aleckson

Nays: D. Ruhnke

Ayes – 4; Nays -1.

Motion carried.

Cary will request the examining physician submit his medical evaluation as soon as reasonably possible to determine whether Bryan Smyth is entitled to continued permanent disability pension.

TREASURER'S REPORT / DISBURSEMENTS

Tom Kuehne distributed the quarterly Financial Report as of December 31, 2019. It was a great year in terms of income and we ended at 98% of our total budget.

Next two pages of the report are Projected Cash Flow produced by Mary Ellen Juarez – 2019 shows where we were, but Tom wants to draw attention to Projected Cash Flow by Month for 2020. He highlighted the projection of February which drops down to \$302,669. We might want to think of keeping more cash available. In March we have property taxes coming in, good for another few months. We will continue to regularly look at months of June through November. Tom is hoping for some recommendations from Marquette regarding pension payments.

The Check Register was reviewed and Tom asked for approval of check #655 (journal voucher 409) through check #659 (journal voucher 003).

Motion was made and seconded (A. Larson/K. Evans) to approve payments of check 655 (JV 409) through check 659 (JV 003, new year).

Roll was called.

Ayes: D. Ruhnke, A. Larson, T. Kuehne, k. Evans, M. Aleckson

Nays: None

Ayes – 5; Nays -0.

Motion carried.

REPORTS

Marquette Associates

Mike Spychalski began his presentation by first distributing a brochure entitled "Pension Consolidation Act – Illinois Legislative Update" consisting of several pages of Public Act 101-0610. This new law requires 649 Illinois police and firefighter pension funds to consolidate their assets as prescribed by Articles 3 and 4 of the Illinois Pension Code. The assets consolidated into two new statewide funds – one for all police pension and one for all firefighter pension.

The brochure is very comprehensive providing information related to:

- Timeline of Consolidation Process

- Ongoing Responsibilities and Requirements of Local Boards
- Transition Boards and Permanent Boards of Consolidated Funds
- Transition of Assets
- Next Steps

A discussion followed as to consolidation procedures and what this will entail for our Pension Board. Mike assured us that Marquette will continue to monitor new announcements closely and will provide regular updates as details emerge. Once transfer dates have been communicated, Marquette will work closely with all service providers to ensure a transition as seamless as possible for their clients.

Mike also distributed and reviewed some highlights of the pension fund Executive Summary as of December 31, 2019. All investment managers are in compliance.

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Total Fund Composite shows the market value of the fund to be at \$121.2 (million) with a breakdown as follows: Fixed Income \$37.4; U.S. Equity \$40.2; International Equity \$25.9; Real Estate \$15.2; and Cash at \$2.4 (million).

Mike indicated returns are close, expenses are in line, and there are no major issues. The Portfolio is doing well and Marquette does not recommend making any changes to the fund at this time.

Regarding pension payments, Mike indicated our current \$2.4 million dollars in Cash could be applied to pension payments. Tom agrees but is looking for a possible upcoming transfer.

Mike recommends a rebalancing as follow:

- \$2,800,000 from Vanguard Total US Stock
- \$1,000,000 from Segall Bryant US Equity
- \$1,400,000 to Segall Bryant Fixed Income
- \$1,200,000 to Vanguard Total International
- \$1,200,000 to Money Market

Motion was made and seconded (T. Kuehne/M. Aleckson) to approve the fund rebalancing recommended by Marquette: \$2.8 million from Vanguard Total US Stock and \$1.0 million from Segall Bryant US Equity. Transfer \$1.4 million to Segal Bryant Fixed Income, \$1.2 million to Vanguard Total International and \$1.2 million to Money Market.

Roll was called.

Ayes: D. Ruhnke, A. Larson, T. Kuehne, k. Evans, M. Aleckson

Nays: None

Ayes – 5; Nays -0.

Motion carried.

In the next day or so, Mike will forward appropriate transfer letters to Mark Aleckson for signature and processing.

After the Marquette portion of the meeting, Mike Spsychalski left the meeting room.

OLD BUSINESS

- **Retired Disabled FF Bryan Smith – Medical Update**

See "Closed Session" agenda topic.

NEW BUSINESS

- **Executive Session – Release of Minutes**

There have not been any closed sessions recently and thus no release of minutes.

- **Annual Medical Evaluation Retired Disabled FF Under Age 50 – Heidi Arndorfer and Gregory O'Rourke**

Attorney Collins will set up medical appointments to have both retirees Heidi Arndorfer and Greg O'Rourke evaluated for continued disability.

- **Death of Retired FF William Sherman on 12/19/2019 – Survivor Benefits**

We have received an application for Survivor Benefits from Susan Sherman, along with a copy of the death certificate for her husband, retired FF William Sherman.

Motion is made and seconded (T. Kuehne/A. Larson) to terminate the pension benefit of retired FF William Sherman as of his death on December 19, 2019 and also grant Survivor Benefits to his wife, Susan Sherman, effective December 19, 2019 in the amount of \$8,489.60 monthly.

Roll was called.

Ayes: D. Ruhnke, A. Larson, T. Kuehne, k. Evans, M. Aleckson

Nays: None

Ayes – 5; Nays -0.

Motion carried.

- **Application for Membership – FF Colin Ellison hired January 21, 2020**

All required documents have been signed and submitted by FF Colin Ellison (Tier II), newly hired as of January 21, 2020.

Motion was made and seconded (K. Evans/M. Aleckson) to accept FF Colin Ellison's application for membership to the Firefighters Pension Fund.

All in favor, motion carried.

OTHER BUSINESS

Recording Secretary, Laura Potts, has not had an hourly rate increase since November 2018. Doug recommends \$1.50/hour increase from her current hourly rate.

Motion was made and seconded (A. Larson/M. Aleckson) to increase Laura Potts hourly rate by \$1.50 an hour.

Roll was called.

Ayes: D. Ruhnke, A. Larson, T. Kuehne, k. Evans, M. Aleckson

Nays: None

Ayes – 5; Nays -0.

Motion carried.

ADJOURNMENT

As there was no other business to present before the Board, a motion was made and seconded (A. Larson/K. Evans) to adjourn the meeting.
All voted in favor, motion carried.

Meeting adjourned at 11:00 AM.

NEXT MEETING – Scheduled for Monday, May 4, 2020 at 9:00 AM

Respectfully submitted,

Laura Potts
Recording Secretary

Kert Evans
Board Secretary