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
Arlington Heights Fire Department
Administrative Headquarters
1150 N. Arlington Heights Road
Arlington Heights, IL 60004
February 2, 2015
9:00 AM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

A. Minutes - December 1, 2014 Meeting

IV. PUBLIC COMMENTS

V. CLOSED SESSION

VI. TREASURER'S REPORT

VII. PAYMENT OF BILLS

VIII. REPORTS

A. Fund Consultant, Marquette Associates

IX. OLD BUSINESS

A. Tim Franzen Disability Appeal - update January 22 hearing

X. NEW BUSINESS

A. Trustee Election Notice to post March 2 or earlier (Carl Brandon's term expires April 30)

B. Application for Benefits - Adam Sielig - new hire effective January 5

C. Application for Benefits - Retired Firefighter William Andres, passed away January 22

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: Approval of Minutes - December 1, 2014

Department: Fire

ATTACHMENTS:

Description	**Type**
December 1, 2014 Minutes	Minutes

ARLINGTON HEIGHTS
FIREFIGHTERS' PENSION BOARD

Minutes of the Regular Meeting held on December 1, 2014

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

Members in Attendance:	Kenneth Koeppen Carl Brandon Thomas Kuehne Kert Evans Doug Ruhnke
Others in Attendance:	Cary Collins, Pension Board Attorney Ray Caprio, Marquette Associates Jim Obog, Finance Department Melissa Cayer, Public Guest

CALL TO ORDER

Carl Brandon called the meeting to order at 9:08 AM. Roll was called with board members Ken Koeppen, Carl Brandon, Thomas Kuehne, Kert Evans and Doug Ruhnke present.

Also present were Cary Collins, Pension Board Attorney; Ray Caprio, representing Marquette Associates; and Jim Obog, Finance Department. Also present was Melissa Cayer, as a public observer.

APPROVAL OF MINUTES

The minutes from the last regular meeting on August 18, 2014 were reviewed.
A motion was made and seconded (T. Kuehne/K. Evans) to approve the minutes.
All voted in favor, motion carried.

TREASURER'S REPORT / DISBURSEMENTS

Tom Kuehne distributed the Treasurer's report through October 31, 2014 and briefly reviewed the highlights. We have a positive balance of revenue over expenditures and continue to do well.

Carl commented that he recently spoke with Dave LeMaire (disabled firefighter) who indicated that he was not yet receiving his full pension. Mary Ellen Juarez checked into this and we do owe him the difference for several months. He agreed to wait until January, 2015 to receive the outstanding balance.

Tom next reviewed the check register/journal voucher payments. He asked for approval of checks 440 through check 446 (JV 215 through JV 317).

Motion was made and seconded (K. Evans/D. Ruhnke) to approve disbursement of checks 440 (JV 215) through check 446 (JV 317).

Roll was called.
Ayes: K. Koeppen, C. Brandon, T. Kuehne, K. Evans and D. Ruhnke
Nays: None
Ayes - 5; Nays – 0.
Motion carried.

REPORTS

Investment Review – Marquette Associates

Ray Caprio distributed and reviewed the Executive Summary ending October 31, 2014.

He first reviewed the Research Update for November/December 2014. The market was unusually volatile during October and the information presented Marquette's review of economic indicators and their expectations through early 2015, both domestic and international. Ray commented the economy is healthy with no signs of a recession coming. There is no reason to make any change to the portfolio at this time.

Exhibit I, Page 2 outlines the Total Fund Composite of $91.2 million with the breakdown *(in $ millions)* as follows: Fixed Income $28.9; U.S. Equity $41.9; International Equity $9.1; Global Tactical $2.8, Real Estate $5.6; and Cash $2.9.

Tom asked Ray's opinion on Pimco and their recent organization changes. Ray explained that the head of Pimco, Bill Gross, left to go elsewhere. The fund we're in with Pimco is run by a completely separate team. Marquette has put Pimco on alert for six to nine months, only because of the organization change. This won't impact our pension fund whatsoever.

Page 4 Summary of Cash Flows indicates the excellent growth in Market Value over the past five years from $53.9 to the current total of $91.2.

Page 13 Fee Schedule shows we're paying about 35 basis points per year in total fees, which is extremely low. Investment Managers have all been doing very well.

Ray has no recommendation at this time. Possibly next year he may consider an asset allocation study, but he's comfortable with the output of the model being close to 6.75%.

Tom brought up the topic of Cash Flow being currently at $2.9 million. With property taxes coming in next March, it might be something to look at more closely for next quarter.

OLD BUSINESS

- **Tim Franzen Disability Appeal Update**

  Attorney Collins updated everyone on this situation. There was a status call before Judge Hall in November. Tim Franzen's attorney, Mr. Marconi, has since filed his brief and Attorney Collins is preparing a response. Cary is still waiting to see how the Village will respond to the brief. In all likelihood the Village will adopt the same position as ours – Tim Franzen applied for duty related disability, but all factors indicate he qualified for occupational disease disability. Cary explained to

Judge Hall this appeal is not due to a question of money, but instead is about the benefit. If Tim Franzen can prove a specific act resulted in a duty related disability, he would be eligible.

There is now a hearing scheduled for January 22, 2015.

The Executive Session tape was discussed with Judge Hall indicating the tape contained no significant information other than deliberation on the award of an occupational disease disability pension. The audio tape of the Executive Session was given to Attorney Marconi due to Franzen's belief that a negative statement was made during that meeting. This proved not to be the case. Cary offered the Judge to listen to the tape but she chose not to do so.

A discussion followed on the subject of releasing the Executive Session minutes to Robin Ward of the Village Legal Department. Because of the pending lawsuit, Robin requested Laura Potts to make copies of all documents in the file related to the Tim Franzen disability case and Laura included the Executive Session minutes. Cary pointed out that the Village Legal Department had no right to receive the Executive Session minutes. However, only the typed minutes done by Laura were given out to the Village office – not the actual transcript of the session.

A discussion arose of HIPPA law and the release of medical records. Cary explained when Tim Franzen agreed to release documents related to his lawsuit (which included medical records) this is equivalent to consenting release of Executive Session minutes. The audio tape was made available to Tim Franzen's attorney at his request, thus the Executive Session minutes are no longer considered privileged.

Executive Session minutes will not be released without the Board's approval or Attorney Cary's involvement. In the future, if there is such a request Attorney Collins will review the matter.

Attorney Collins has submitted his invoice for expenses related to the ongoing Franzen disability case and asked the Board for approval to make payment. In addition, the Board should approve the invoice for the transcriber of the Executive Session audio tape.

Motion was made and seconded (K. Koeppen/D. Ruhnke) to process for payment both the transcription fee to Cheryl Brabec in the amount of $300.00 and Cary Collins invoice in the amount of $3,690.53.

Roll was called.
Ayes: K. Koeppen, C. Brandon, T. Kuehne, K. Evans and D. Ruhnke
Nays: None
Ayes - 5; Nays – 0.
Motion carried.

NEW BUSINESS

- **Release of Executive Session Minutes**

Due to the release of documents related to the Tim Franzen lawsuit against the Village, the Executive Session minutes for the disability hearing have been released and are now available to anyone who requests them. There were no other Executive Sessions during this year.

Motion was made and seconded (T. Kuehne/D. Ruhnke) to release the Executive Session minutes of the disability hearing of Tim Franzen on May 6, 2013. All voted in favor, motion carried.

- **Annual Retiree Confirmation Letters**

  The majority of retirees have responded and returned the confirmation form. Laura will follow up with a second mailing to those few individuals who haven't returned their form.

- **Application for Benefits**

  Two new firefighters were hired as of September 15, 2014. Both Matthew Walters and Brian Buchek have submitted their application for membership into the pension fund.

  Motion was made and seconded (T. Kuehne/K. Evans) to accept application for membership into the pension fund made by Matthew Walters and Brian Buchek.
  All voted in favor and motion carried.

  Firefighter Greg Wikierak retired as of November 19, 2014. Based on his salary and longevity, his annual pension is $71,526.75 with a monthly retirement benefit is $5,960.56.

  Motion was made and seconded (K. Evans/K. Koeppen) to approve the monthly retirement benefit of $5,960.56 to Greg Wikierak based on his retirement as of November 19, 2014.

  Roll was called.
  Ayes: K. Koeppen, C. Brandon, T. Kuehne, K. Evans and D. Ruhnke
  Nays: None
  Ayes - 5; Nays – 0.
  Motion carried.

CLOSED SESSION
There is no closed session at this meeting.

PUBLIC COMMENTS
No public comments were made at this meeting.

OTHER BUSINESS

Carl reminded Board members that if anyone attends training classes for certification, please be sure to forward a copy to Laura so that she can include it in the pension board files.

Attorney Collins informed everyone of a eight hour training session this Friday, December 5, at Poplar Creek Country Club. Very knowledgeable speakers are participating outlining pending and possible legislation. He encouraged anyone available to attend.

Cary also is planning a retirement seminar at the new Mount Prospect Fire Station. Once this is confirmed, he will let everyone know of the date and details.

Carl Brandon recommended the following Pension Board meeting dates for 2015:
February 2, May 4, August 10 and November 2.

ADJOURNMENT

As there was no other business to present before the Board, the motion was made and seconded (K. Evans/D. Ruhnke) to close the meeting.
All were in favor. Meeting adjourned 10:25 AM.

Respectfully submitted,

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Laura Potts
Recording Secretary

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Doug Ruhnke
Secretary