



Agenda
Village of Arlington Heights
Board of Trustees of the Firefighters Pension Fund
Fire Station #2, Conference Room
1150 N. Arlington Heights Rd., AH 60004
January 27, 2020
9:00 AM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

- A. Approval of Minutes - November 4, 2019

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. Retired Disabled FF Bryan Smith - Medical Update (possible Executive Session)

X. NEW BUSINESS

- A. Executive Session - Release of Minutes
- B. Annual Medical Evaluation Retired Disabled FF Under Age 50 - Heidi Arndorfer and Gregory O'Rourke
- C. Death of Retired FF William Sherman on 12/19/19 - Survivor Benefits
- D. Application for Membership - FF Colin Ellison hired January 21, 2020

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.

**ARLINGTON HEIGHTS
FIREFIGHTERS' PENSION BOARD**

Minutes of the Regular Meeting held on November 4, 2019

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
 Melissa Cayer, Pubic Observer

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; Michael Spychalski representing Marquette Associates; and Melissa Cayer, public observer.

APPROVAL OF MINUTES

The minutes from the last regular meeting held on August 5, 2019 were reviewed.

A motion was made and seconded (T. Kuehne/A. Larson) to approve the minutes from the August 5, regular meeting. All voted in favor, motion carried.

PUBLIC COMMENTS

Melissa Cayer asked if the online agenda included supporting documentation. Response is yes, the minutes from the previous meeting are posted along with the agenda for the upcoming meeting.

She next asked if the board would provide an explanation of the property value assessment algorithm. Tom pointed out there really is no algorithm and that property assessments are not determined by the Village. Wheeling Township establishes property values and reports to Cook County Assessor's Office. Each taxing district then has their own taxing levy, which is applied against what the County determines. It was suggested she contact the County Assessor's office for additional information.

CLOSED SESSION

None.

TREASURER'S REPORT / DISBURSEMENTS

Tom Kuehne distributed the quarterly Financial Report as of September 30, 2019. Expenses are on schedule at 73% and Revenue side is still doing well.

The Check Register was reviewed and Tom asked for approval of check #648 (journal voucher 279) through check #654 (journal voucher 357).

Motion was made and seconded (K. Evans/A. Larson) to approve payments of check 648 (JV 279) through check 654 (JV 357).

Roll was called.

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

Nays: None

Ayes – 5; Nays -0.

Motion carried.

Fire Pension Fund Proposed Budget was reviewed next.

The budget's Funded Ratio is at 73.8% of 2018, primarily due to the surplus received from the Village General Fund of \$1.5 million for fire and police pensions. Next page shows Revenues in 2019 better than budgeted. Pension Expenses have gone up by 5% total, primarily due to adding three more pensioners from what we currently have. Investment Manager Services increased from \$230,000 to \$250,000 per year, a good estimate and a reflection of our assets doing better. Pension Refunds is something we haven't had for the past few years but we always try to enter a budget number here, in the event it's needed. Once approved, this budget gets incorporated into the Village Budget.

Motion was made and seconded (A. Larson/K. Evans) to approve the Fire Pension Fund Proposed Budget for year 2020.

Roll was called.

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

Nays: None

Ayes – 5; Nays -0.

Motion carried.

State of Illinois Proposed Consolidation of Investments for Pensions -

Tom had recently emailed the Board members some information regarding the State of Illinois consideration of consolidating investments for police and firefighter pensions within the state. The current structure for police and firefighter pensions is inherently insufficient, placing mounting pressure on municipal funds. Most pensions in Illinois are funded below average. Payment increases have surpassed property taxes and citizens don't want to increase taxes to cover future pensions.

Illinois Governor Pritzker has proposed a partial solution to consolidate the investment operation of funds with the intent of savings money and improving financial returns on investments. State lawmakers are expected to consider the measure during the fall session starting on Monday.

A lengthy discussion followed identifying many concerns and possible legal issues of a pension fund consolidation for Illinois and the impact it may have on our firefighter pension fund.

For now, we wait to see what direction is taken by State lawmakers, local municipalities, and pension boards as to the final outcome of a state-wide pension consolidation.

REPORTS

Marquette Associates

Mike Spychalski distributed the pension fund Executive Summary as of September 30, 2019. He reviewed some highlights of the report, and discussed the overall global stock market.

Exhibit 1, Page 2 -

Total Fund Composite shows the market value of the fund to be at \$115.4 (million) with a breakdown as follows: Fixed Income \$37.3; U.S. Equity \$37.0; International Equity \$23.6; Real Estate \$15.0; 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.

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

OLD BUSINESS

• Retired Disabled FF Bryan Smith – Medical Update

Retired FF Bryan Smith contacted both Attorney Collins and Kert Evans recently. He was upset as the minutes from the last meeting indicate he had another surgery following the Disability Hearing which was not the case. Bryan had seen a doctor who confirmed he is still disabled, but never had another surgery.

The Disability Hearing minutes indicate that the Board can request Bryan to be re-evaluated after treatment to determine any improvements. Attorney Collins will check the records to ascertain who was the treating physician and also ask Dr. Suchy to review the file.

Andrew expressed concern about repeatedly using the same doctors for disability pension applicants. Although the physicians represent the Board, they may be too quick to lean towards disability. Attorney Collins agreed we can go to other doctors, however not all doctors know what firefighters do nor understand what options the law provides. The doctors we use have been given job descriptions of firefighters and have a working knowledge of the physical requirements. These doctors are thorough in carefully examining a patient.

Tom asked if we can we bring a doctor into a meeting to question his evaluation. Yes, Attorney Collins can arrange for Dr. Suchy to personally speak with the Board.

If there is a conflict related to a decision, the applicant may choose to take the case to Court. Oftentimes the Courts are favorable toward the firefighter. This becomes time consuming and expensive. However, if a disabled retiree is deemed able to return to work as a firefighter, we then establish a sort of "reverse" hearing.

In summary, Bryan Smith had a surgery about six weeks prior to his Disability Hearing. At that time, it was too early after the surgery to determine the long term outcome of his disability. The Board has the right to re-evaluate his current medical condition. Bryan Smith now lives in Florida. Attorney Collins will contact him and arrange for a doctor in his area to do a physical examination. If it is determined that Bryan is now able to return to firefighter duties, he has the option to revert to Regular pension.

Motion made and seconded (M. Aleckson/T. Kuehne) to have Bryan Smith re-examined in Florida by a physician of our choice to determine his current medical condition related to disability.

All in favor. Motion carried.

- **Previous Service Time Buy-Back – FF Xavier Beltran Resigned**

Firefighter Beltran resigned from Arlington Heights, so there is no longer any issue of buyback.

We had two firefighters who recently resigned, namely Trevor Komarynski and Xaviar Beltran. Both had contributed to the Pension Fund. Doug left a voice message on each of their phones, but has not received a return call. Attorney Collins will send a letter, advising each about the status of his pension account.

- **Disability Application Update – FF Jerome Kennedy**

FF Jerry Kennedy changed his pension application from disability to regular pension, retiring effective October 13, 2019. We have the calculation sheet indicating the monthly pension of \$6,188.49 will begin October 25, 2019.

Motion made and seconded (T. Kuehne/A. Larson) to approve FF Jerome Kennedy's application for regular pension in the amount of \$6,188.49 monthly.

Roll was called.

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

Nays: None

Ayes – 5; Nays -0.

Motion carried.

NEW BUSINESS

- **Application for Retirement Pension – FF Richard Manske**

We received an application for Regular Pension from FF Richard Manske, retirement effective November 2, 2019. We received the calculation sheet indicating he will receive a monthly payment of \$6,576.44 to begin November 25, 2019.

Motion made and seconded (A. Larson/K. Evans) to approve FF Richard Manske's application for regular pension in the amount of \$6,676.44 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 Retirement Pension – Deputy Chief Peter Ahlman**

We received an application for Regular Pension from Deputy Chief Peter Ahlman, retirement effective November 18, 2019. We received the calculation sheet indicating he will receive a monthly payment of \$8,960.57 to begin November 25, 2019.

Motion made and seconded (T. Kuehne/K. Evans) to approve D/C Peter Ahlman's application for regular pension (subject to his retirement on November 18, 2019) in the amount of \$8,960.57 monthly.

Roll was called.

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

Nays: None

Ayes – 5; Nays -0.

Motion carried.

- **Death of Retired FF Dennis Ritter on 10/13/19 – Survivor Benefits**

We have received an application for Survivor Benefits from Colette Ritter, along with a copy of the death certificate for her husband, retired FF Dennis Ritter.

Motion is made and seconded (K. Evans/T. Kuehne) to terminate the pension benefit of retired FF Dennis Ritter as of his death on October 13, 2019.

Roll was called.

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

Nays: None

Ayes – 5; Nays -0.

Motion carried.

Motion made and seconded (T. Kuehne/K. Evans) to grant survivor benefits to his spouse, Colette Ritter, effective October 14, 2019 in the amount of \$5,037.14.

Roll was called.

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

Nays: None

Ayes – 5; Nays -0.

Motion carried.

OTHER BUSINESS

None.

ADJOURNMENT

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

Meeting adjourned at 10:50 AM.

NEXT MEETING – Scheduled for Monday, January 27, 2020 at 9:00 AM

Respectfully submitted,

Laura Potts
Recording Secretary

Kert Evans
Board Secretary