Agenda
Village of Arlington Heights
Board of Trustees of the Firefighters Pension Fund
Fire Station 2, Conference Room
1150 N. Arlington Heights Road
January 22, 2018
9:00 AM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

A. November 6, 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

IX. OLD BUSINESS

A. Application for Duty Disability from Victor Tamosaitis - Update

X. NEW BUSINESS

A. Application for Pension Benefits - Deputy Chief Bernie Lyons retired November 24, 2017

B. Closed Executive Sessions - Release of minutes

C. Annual Evaluation Retired Firefighters Disabled Under Age 50 - Heidi Arndorfer and Gregory O'Rourke

XI. OTHER BUSINESS

A. HB688 Transfer to Article 4 Fund

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 11.06.17

Department: fire

November 6, 2017 Regular Meeting

ATTACHMENTS:

Description	**Type**
November 6, 2017 Regular Meeting	Minutes

ARLINGTON HEIGHTS
FIREFIGHTERS' PENSION BOARD

Minutes of the Regular Meeting held on November 6, 2017

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

Members in Attendance:	Doug Ruhnke Kenneth Koeppen Kert Evans Mark Aleckson
Others in Attendance:	Cary Collins, Pension Board Attorney Jim Obog, Village Finance Department Michael Spychalski , Marquette Associates Melissa Cayer, Public Observer

CALL TO ORDER

Doug Ruhnke called the meeting to order at 9:05 AM. Roll was called with Board members Doug Ruhnke, Ken Koeppen, Mark Aleckson and Kert Evans present. Absent was Board member Tom Kuehne.

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

APPROVAL OF MINUTES

The minutes from the last regular meeting held on August 7, 2017 were reviewed.

A motion was made and seconded (K. Koeppen/K. Evans) to approve the minutes from the August regular meeting. All voted in favor, motion carried.

PUBLIC COMMENTS

Melissa Cayer questioned whether Cook County imposed a fee related to the collection of property taxes. Jim Obog responded that the State of Illinois does impose a 2% fee, but there is no fee imposed by Cook County.

TREASURER'S REPORT / DISBURSEMENTS

Jim Obog distributed the Financial Report as of September 30, 2017. He pointed out the total assets are now over $106 million and expenditures are tracking on budget.

Jim reviewed the check register and disbursements made. He asked for approval of check 581 (journal voucher 327) through check 588 (journal voucher 441).

A motion made and seconded (K. Koeppen/K. Evans) to approve the Treasurer's Report and Disbursements of check 581 (JV 327) through check 588 (JV 441).

Roll was called.
Ayes: D. Ruhnke, K. Koeppen, K. Evans and M. Aleckson
Nays: None
Ayes - 4; Nays – 0.
Motion carried.

Jim next distributed the Fire Pension Fund budget for 2018. He pointed out that during 2017 we added three new retiree pension payments. In 2017 the budget for the pension fund was $7,017,400 and there's s slight increase in 2018 to $1,255,400 primarily due to the three additional retirees and trust/manager fees. The budget was reviewed and there were no additional questions from Board members.

Motion was made and seconded (K. Evans/K. Koeppen) to approve the Firefighters Pension Fund budget for 2018.

Roll was called.
Ayes: D. Ruhnke, K. Koeppen, K. Evans and M. Aleckson
Nays: None
Ayes - 4; Nays – 0.
Motion carried.

REPORTS

Marquette Associates

Michael Spychalski distributed Marquette's Executive Summary as of September 30, 2017, confirming the fund's total market value at $105.5 million.

The Total Fund Composite (page 2) shows the breakdown of the asset mix as follows (in $ millions): Fixed Income $34.9; U.S. Equity $43.4; International Equity Composite $14.1; Real Estate Composite $13.1; and Total Cash $23,026 thousand.

EXHIBIT 1 of the report included the Asset Allocation Study as of November 1, 2017.
Mike explained the various Portfolio Options (A, B, C. and D) presented on page 1 of the allocation study and how each these compare to the current portfolio.

After a lengthy discussion, the Board approved to adopt Portfolio C :

- Portfolio C from the Asset Allocation Study has the following asset allocation targets: 35% to Intermediate Fixed Income, 25% to Broad (All-Cap Core) U.S. Equity, 5% to Small-Cap Core U.S. Equity, 17.5% to Broad (All-Cap Core) Non-U.S. Equity, 5% to Emerging Markets Equity, and 12.5% to Core Real Estate.

- Portfolio C from the Asset Allocation Study results in the following changes:

- Reduces the target allocation to the Vanguard Total U.S. Stock Index (All Cap Core U.S. Equities) from 30% to 25%
- Changes the Segall Bryant & Hamill U.S. Equity portfolio from a SMID-Cap Core mandate to Small-Cap Core mandate and reduces the allocation from 10% to 5%
- Increases the target allocation to the Vanguard Total International Stock Index from 10% to 17.5%
- Increases the target allocation to the Oppenheimer emergency markets fund from 3.5% to 5%

Motion was made and seconded (M. Aleckson/K. Evans) to adopt the recommendations as given in Portfolio C of the Asset Allocation Study.

Roll was called.
Ayes: D. Ruhnke, K. Koeppen, K. Evans and M. Aleckson
Nays: None
Ayes - 4; Nays – 0.
Motion carried.

Jim Obog will review these changes with Tom Kuehne and Mike will put together the necessary letters to put these changes in motion.

After his presentation, Mike left the meeting.

OLD BUSINESS

None.

NEW BUSINESS

- Application for Duty Disability Benefits – Division Chief Victor Tamosaitis.
  Vic Tamosaitis sustained an injury while on duty and has since undergone surgery and physical therapy. Although currently he has a desk job, he would be required to act in the fire service in the event of an emergency. To determine his disability, Attorney Collins has arranged for three medical evaluations. The Board will review the status at the January meeting.

  As of October 3, Vic is on TTD (temporary total disability). He has used 57 days of the 365 PEDA days and has 300 days left at 100% of his salary.

- Application for Pension Benefits – Battalion Chief Thomas Zerfass retires November 9, 2017.
  The Board reviewed his application and pension calculation showing his annual pension of $96,897 or a monthly pension of $8,074.75 starting with the November 25, 2017 payment.

  Motion was made and seconded (K. Koeppen/K. Evans) to approve and grant retiring B/C Tom Zerfass a monthly pension of $8,074.75.

  Roll was called.
  Ayes: D. Ruhnke, K. Koeppen, K. Evans and M. Aleckson
  Nays: None
  Ayes - 4; Nays – 0.
  Motion carried.

OTHER BUSINESS

- Deputy Chief Bernie Lyons announced his retirement as of the end of November. Tentatively he plans to retire November 30 at age 55. We will review his pension calculation at our January meeting.

- IPPFA invoice for $795 to renew membership as of January 1, 2018 has been received. It was agreed that this membership is worthwhile to the Board for training discounts and official notices.

  Motion was made and seconded (K. Koeppen/M. Aleckson) to retain membership in IPPFA and pay the annual renewal dues of $795 for 2018.

  Roll was called.
  Ayes: D. Ruhnke, K. Koeppen, K. Evans and M. Aleckson
  Nays: None
  Ayes - 4; Nays – 0.
  Motion carried.

- Following meeting dates for 2018 were agreed upon and will be entered into calendars:
  Monday, January 22
  Monday, May 7
  Monday, August 6
  Monday, November 5

ADJOURNMENT

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

Meeting adjourned at 10:10 AM.

NEXT MEETING – Scheduled for Monday, January 22, 2018 at 9:00 AM

Respectfully submitted,

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Laura Potts
Recording Secretary

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Kert Evans
Board Secretary