



Agenda
Village of Arlington Heights
Board of Trustees of the Firefighters Pension Fund
Fire Department Station #2 Conference Room
1150 N. Arlington Heights Road, Arlington Heights, IL 60005
January 9, 2017
9:00 AM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES

- A. November 7, 2016 Regular Meeting
- B. November 7, 2016 Disability Hearing

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. Execute Decision & Order Document - FF Kevin McDonagh
- B. Application for Disability Benefits for FF Andrew Kalinowski - Update
- C. Pension Benefits (Deferred) for FF Robert Cipriani - Update

X. NEW BUSINESS

- A. Retired FF Joseph Luprich passed away on 11/10/16 - Refund of pension overpayment
- B. IPPFA Membership for 2017 - Renewal invoice received
- C. Application for refund of pension contribution - Jason Dexter

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

Department: fire

November 7, 2016 Regular Meeting

ATTACHMENTS:

Description

11/7/2016 minutes

Type

Minutes

**ARLINGTON HEIGHTS
FIREFIGHTERS' PENSION BOARD**

Minutes of the Regular Meeting held on November 7, 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
 Jim Obog, Village Finance Department
 Brett Christenson, Marquette Associates

CALL TO ORDER

Doug Ruhnke called the meeting to order at 9:05 AM. Roll was called with board members Doug Ruhnke, Kenneth Koeppen, Thomas Kuehne, Mark Aleckson and Kert Evans present.

Also present were Cary Collins, Pension Board Attorney; Jim Obog of the Village Finance Department; and Brett Christenson representing Marquette Associates.

APPROVAL OF MINUTES

The minutes from the last regular meeting held on August 8, 2016 were reviewed, along with the minutes from the special meeting held on August 29, 2016.

A motion was made and seconded (K. Koeppen/K. Evans) to approve both meeting minutes as noted. All voted in favor, motion carried.

PUBLIC COMMENTS

No public comments were made at this meeting.

CLOSED SESSION

At approximately 12:35 PM the Board went into a separate Executive Session for purposes of deliberation to determine whether or not the applicant, FF Kevin McDonagh, is entitled to duty related disability. In addition to Board Members, those in attendance at the closed session were the Board's attorney, Cary Collins, and Court Reporter, Janice Heinemann, who recorded the minutes.

At 1:30 PM, the Board came out of closed session to reconvene into the regular open meeting.

TREASURER'S REPORT / DISBURSEMENTS

Tom Kuehne distributed the Financial Report as of September 30, 2016. We are on target for the year. He then referred to the Check Register/Journal Voucher, specifically disbursements from check 537 (journal voucher 409) through check 547 (journal voucher 507). Tom asked for approval of disbursements.

Motion was made and seconded (K. Evans/K. Koeppen) to accept the Treasurer's Report and approve disbursement of checks 537 (JV 409) through check 547 (JV 507).

Roll was called.

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

Nays: None

Ayes - 5; Nays – 0.

Motion carried.

REPORTS – Marquette Associates

Brett Christenson distributed the performance summary as of September 30, 2016. He pointed out that October was a rough month for the stock market, with a nine day losing streak. Hopefully the market will begin to improve.

He next had a quick review under Exhibit 1:

Page 2 Total Fund Composite:

Breakdown of fund is at \$95.7 million with the asset mix (*in \$ millions*) as follows: Fixed Income \$32.3; U.S. Equity \$39.3; International Equity \$11.7; Real Estate \$10.0; and Cash at \$2.4.

Page 7 Annualized Performance by Investment Manager:

Brett reviewed the investment managers one by one. He expressed concern in the International Equity performance, specifically with the Harbor and Oppenheimer funds. Harbor fees are at 75 basis points. Over the last few years, Harbor has really struggled. The majority of international large cap funds are under-performing and much of this is due to governments around the world keeping interest rates down as much as possible. Active management may continue to struggle several years. Rather than wait longer and have a loss in this fund, Brett recommends indexing Harbor into Vanguard – and keeping a close eye on Oppenheimer for now. Doing this would save the pension fund about \$18 thousand per year in fees.

After some discussion, the motion was made and seconded (K. Evans/T. Kuehne) to terminate Harbor and transfer the funds into Vanguard Total International.

Roll was called.

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

Nays: None

Ayes - 5; Nays – 0.

Motion carried.

Oppenheimer Emerging Markets will continue to be reviewed for the next several months. Brett will keep the board apprised of their performance and whether or not a similar move would be needed in the near future.

At 9:20 AM, Brett Christenson departed from the meeting room.

OLD BUSINESS

- Continuation of Benefits retired FF Heidi Arndorfer (under age 50)

Attorney Collins discussed the medical evaluation submitted by Dr. Stamelos.

After complete examination, the doctor's opinion is that her condition has not improved and she continues to be disabled.

- Administrative Disability Hearing of FF Kevin McDonagh

At 10:10 AM, the Board was joined with FF Kevin McDonagh and his attorney, Mr. Jerome Marconi, to review the determination of duty disability pension. Court Reporter Janice Heinemann was present to take minutes of this hearing. There was a lengthy and extensive review of the evidence presented.

After much discussion, at 12:35 PM the motion was made (T. Kuehne/M. Aleckson) to enter into Closed Session for deliberation of the evidence. At 1:30 PM, the Board returned to open session, at which time FF McDonagh and Attorney Marconi were also present.

The motion was made and seconded (K. Evans/K. Koeppen) to award Firefighter Kevin McDonagh with duty disability pension.

Roll was called.

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

Nays: T. Kuehne

Ayes - 4; Nays - 1.

Motion carried.

Attorney Collins will prepare the Decision & Order document for the Board's approval.

NEW BUSINESS

- New Hires – FF Samantha McLean was hired as of October 11, 2016 and FF Kyle Kaczanowski was hired as of October 31, 2016. Application into the fund was received by each new hire. The appropriate documents were reviewed and signed.

Motion made and seconded (K. Evans/T. Kuehne) to accept FF Samantha McLean and FF Kyle Kaczanowski into the Firefighters Pension Fund. All in favor.

- Application for Disability Benefits – FF Andrew Kalinowski
The Board has received his application for duty related disability. Attorney Collins' office has begun the process of arranging doctor appointments for his medical evaluation.
- Application of Pension Benefits – Battalion Chief William Kidd is retiring as of November 27, 2016. Based on his salary and longevity, his annual pension is \$94,563 with a monthly retirement benefit of \$7,880.25.

Motion was made and seconded (T. Kuehne/K. Koeppen) to approve the monthly retirement benefit of \$7,880.25 to B/C William Kidd based on his retirement as of November 27, 2016.

Roll was called.

Ayes: K. Koeppen, C. Brandon, T. Kuehne, K. Evans and D. Ruhnke

Nays: None

Ayes - 5; Nays – 0.

Motion carried.

- Executive Sessions Review for release of minutes.
Due to the personal nature of the medical information presented at Executive Sessions, Board Members agreed that there would be no release of these minutes at this time.

OTHER BUSINESS

- Investment Policy Guidelines - At the last Regular Board meeting on August 8, 2016, the updated Investment Policy Guidelines document was reviewed, changes were agreed upon and the document was approved. The document was now presented to the Board Members for signatures. Jim Obog will forward a copy to the Illinois department of Insurance.
- FF Robert Cipriani retirement letter – FF Cipriani recently submitted a letter indicating his retirement as of November 18, 2016. In his letter, he indicates that he prefers to defer receiving any pension until May 14, 2020. Mary Ellen Juarez will prepare the pension calculation sheet.
- Application Form for Membership into the Firefighters Pension Fund – Doug Ruhnke advised we have recently contacted all firefighters hired on or after January 1, 2011 to determine who had employment with a previous Fire Department and whether or not they were contributing to a pension fund before joining Arlington Heights Fire Department. Responses are being gathered.

In the future, this information can be included in the Application for Membership form. Attorney Collins suggested we include the following statement on the application: Do you have pension fund contributions with a prior Article 4 Pension Fund before January 1, 2011 (Yes or No choice). If yes, include Fire Department name and dates. This will be added to the Application Membership form.

ADJOURNMENT

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

All voted in favor. Motion carried.

Meeting adjourned at 1:40 PM.

Next Regular Meeting date: **Monday, January 9, at 9 AM.**

Respectfully submitted,

Laura Potts
Recording Secretary

Kert Evans
Board Secretary



Item: minutes

Department: fire

November 7, 2016 Disability Hearing

ATTACHMENTS:

Description

Disability Hearing

Type

Minutes

**ARLINGTON HEIGHTS
FIREFIGHTERS' PENSION BOARD**

Disability Hearing held on November 7, 2016

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

Disability Hearing conducted to determine the application for a line of duty-related disability of the applicant, Firefighter Kevin McDonagh.

CALL TO ORDER / ATTENDANCE

Board Members in Attendance: Doug Ruhnke, Kenneth Koeppen, Thomas Kuehne, Kert Evans and Mark Aleckson. Others in Attendance: Cary Collins, Pension Board Attorney; Jerome Marconi, Applicant's Attorney, and Firefighter Kevin McDonagh, Disability Applicant

MEETING

A hearing was conducted in which the evidence was reviewed and Kevin McDonagh testified.

The motion was made and seconded (K. Evans/K. Koeppen) to award Firefighter Kevin McDonagh with duty disability pension benefits.

Roll was called.

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

Nays: T. Kuehne

Ayes – 4; Nays – 1.

Motion carried.

Attorney Collins will prepare the Decision & Order document for the Board's approval and execution.

ADJOURNMENT

At 1:30 PM, a motion was made and seconded (K. Koeppen/K. Evans) to close the Disability Hearing. All voted in favor. Motion carried.

*Proceedings were recorded and transcribed by
Court Reporter, Janice Heinemann.*