

Fire GUARD



A Publication of the Northern Illinois Association of Fire Protection Districts

Spring 2014

Letter from the President



Another well attended conference is in the rear view mirror! The various programs were well attended especially the Pension Track which was very popular. Once again Mike Bazzel from the Alton Police Department amazed and scared the audience teaching everyone about computer crime. It was great having United States Senator Dick Durbin as our speaker at our Friday lunch.

I would like to thank the entire conference committee led by Jim Quinn for the outstanding job well done. A special thanks to Karl Ottosen and his firm for their support and well informed speakers. Carolyn Clifford for putting together the Pension Track portion of our program which topped last year's program. Finally I would to thank our generous sponsors. Without our sponsors we could not keep our conference affordable to our membership.

Congratulations to this year's award winners: Legislative Service Award - US Senator Dick Durbin, Earl J. Field Award - Air One Equipment, Inc., Legislative Service Awards - IL Representative Jim Durkin and IL Representative Linda Chapa LaVia, Presidential Service Award - Bonnie Baysar.

*Bill Hoffmeister, President
NIAFPD*

Letter from the Executive Director



The two most common questions I am asked:

When will the next Advanced Trustee Training be offered? The IAFPD Conference in June, 2014 in Springfield will offer all three parts of the training. For more information contact the IAFPD directly at 800-524-6620 or info@iafpd.org.

Do you have a salary survey of fire protection districts? I will be sending out a salary survey. In order for this survey to be an effective tool we need every district to complete the survey and promptly return the survey.

Once again I ask that your accounts payable program be updated with our correct address - NIAFPD, P. O. Box 5819, Buffalo Grove, IL 60089.

*Kathy Haage, Executive Director
NIAFPD*

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Mandatory or permissive? Use care when changing the status quo

by Brian J. O'Connor, Ottosen Britz Kelly Cooper Gilbert & DiNolfo, Ltd.

A brief but insightful decision from the Illinois Labor Relations Board (ILRB) clarifies how a topic that might otherwise be a permissive subject of collective bargaining may instead become a mandatory subject of collective bargaining.

Administrative Law Judge (ALJ) Kimberly Faith Stevens' Recommended Decision and Order ("Order") in the matter of the International Association of Firefighters, Local 26, Charging Party (Local) and the City of Rock Island, Respondent (City), originally issued on July 15, 2013 (Case S-CA-12-017), was made final and binding by the ILRB on September 10, 2013.

The dispute revolved around the City's change to an existing policy regarding the personal use by the fire department's fire marshal of his assigned city vehicle. Alteration of the policy occurred at the same time the Local and City were involved in successor contract negotiations. Those negotiations began in March 2010 for a contract that expired in March 2011. The City and Local jointly requested Federal Mediation and Conciliation Services (FMCS) assistance in April 2011. It is interesting to note that the fire marshal's personal use of his city vehicle was never addressed in negotiations by either the City or Local.

Prior to May 2011, the fire marshal was permitted to use the City-owned vehicle off duty, including to and from his residence. That enabled a quicker response by him to cause and origin investigations and code enforcement inspection sites, as well as to public information meetings for which he was responsible. The fire marshal's vehicle was equipped for these duties, including having a camera, mobile radio, forms, tools, and collection canisters. During this time, the fire marshal reported the personal and business use mileage of the vehicle on a weekly basis. The fire marshal's pay records reported the value of the personal use mileage to the IRS. Previous city fire marshals had been permitted to use the city's fire marshal vehicle for the same reasons and under similar terms.

In May 2011, the City issued a memorandum providing that City vehicles would no longer be allowed to be taken home by employees. The Local did not consent to this change. The fire marshal complied with the change although it impacted his ability to respond to duties and lessened the time he could spend performing those duties due to added travel time from his residence to his vehicle.

The Local filed an unfair labor practice charge against the City claiming the off-duty use of the fire marshal's vehicle was a mandatory subject of bargaining, and further, that the City failed to maintain the status quo during the successor contract negotiations. The ALJ's Order ruled for

the Local, finding the City had failed to bargain in good faith and failed to maintain the status quo during the conduct of negotiations relating to a mandatory subject of bargaining.

The ALJ, citing to the Illinois Supreme Court's three-part test in *Central City Education Ass'n v. Ill. Educ. Labor Rel. Board*, 149 Ill.2d 496 (1992) (rehearing denied) (*Central City*) determined in this case that off-duty use of the fire marshal's vehicle was a matter involving "wages, hours, and terms and conditions of employment" (the first part of the test), was not an issue of inherent managerial authority (the second part of the test), and thus was a mandatory subject of bargaining. The ALJ also noted that even if the off-duty use of the fire marshal's vehicle fell within the realm of the City's inherent managerial authority, the third part of the *Central City* test involving a balancing of the benefits that favored the Local. Therefore, the burden on the City was low and the balance of the benefits resulted in a finding that the issue was a mandatory subject of bargaining.

The ALJ noted that the City and Local had jointly requested FMCS assistance with their contract negotiations in April 2011, but that the City unilaterally amended its policy of off-duty use of the fire marshal's vehicle in May 2011 without the Local's consent, thereby changing the terms and conditions of employment.

Parties in collective bargaining need to be mindful of timing and actions. While changes in wages and hours are more readily apparent, employers need to be cautious when considering making changes to other less obvious "terms and conditions of employment" during the process of contract negotiations. Status quo must be maintained during the process of contract negotiations. However, if changes are required, perhaps because of a change in state law, the parties must bargain the effect of any changes to be made.



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Legislative Update

Ronald P. Kubicki, Legislative Liaison NIAFPD

Hello everyone, by the time you read this report we will have already held our annual Legislative Day in Springfield (April 8 & 9) with the IL Fire Districts and the IL Fire Chiefs and we will have also attended the Congressional Fire Service Caucus in Washington DC. (April 29, 30 & May 1). We have been very busy this spring working on a number of issues that will have an impact on the fire service and how you do your job. I hope everyone has been getting the updates from Bob Buhs and Chuck Vaughn. I also hope you have been filling out witness slips when needed. I would list some of the bills here for you now but by the time you get this many of them will be gone or passed, so please try to keep up with the weekly updates that Kathy has been sending out. If you have not been receiving them please let Kathy know so she can add you to our e-mail list. I will have a report on our Legislative Day and the Fire Caucus in our next issue.

If you were unable to attend our Conference in February you missed out on a great conference that was attended by some of the movers and shakers from Washington and Springfield. On Friday afternoon at our lunch we had United State Senator Dick Durbin address the delegates. I would like to thank Senator Durbin for taking time out of his busy schedule to come and address the conference. Senator Durbin has been a big support of the IL fire service for a number of years. Each year when we attend the Congressional Fire Caucus in Washington DC Senator Durbin and his staff always makes time for the IL delegation. The Senator does not just listen but he always has questions for us and he always wants to know how he can help make our jobs a little easier. So last September I called him to see if there was any way he could come and address the conference, he said yes without any reservation as long as he could get out of Washington. I could go on about all the

good things he does for the fire service but don't know if I have that much time. So I would like to say thank you Senator Durbin for your time.

I would also like to thank some of our local legislators who attended our conference this year and helped out with a session on the new pension bill that just passed. State Representative Carol Sente from the 59th, Representative Elaine Nekritz from the 57th and Representative Darlene Senger from the 41st. These three ladies, put on a great program on Pension reform, and along with Carolyn Clifford from Ottosen Britz kept the attendees glued to their seats. Thank you ladies for great and informative session and for all the support you give the fire service.

I would like to send out one last thank you to Representative Jim Durkin the House Minority Leader for taking time away from his family to come out and speak at our Saturday Awards Luncheon. Jim and I have been friends for many years and he has always been a huge supporter of what we do and of the fire service in general.

The NIAFPD has made many friends in Springfield over the past 20 years, so it is very special to have them come out to our conference so they get a better idea and understanding on what we do. Each year these legislators get hundreds of bills tossed at them that deal with the fire service, and by attending our conference they have a better idea on just how to handle them, or at least where to go to get more information about them.





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MEET THE NEWEST NIAFPD BOARD MEMBERS...

Board Director - Philip DeRuntz



Phillip DeRuntz has been a Trustee with the Warren-Waukegan F.P.D. since 2004. He is an Army veteran, serving with both the 101st Airborne and 3rd Infantry Divisions overseas. Phillip graduated Summa cum Laude from the University of Illinois with a B.S. in Finance and an M.Ed. He has post-graduate education/certification in business management from Northern Illinois University, psychology from The Chicago School of Professional Psychology -where he was awarded First Place in a writing competition

on the plights of Chicago's homeless, and (CBT) Cognitive Behavior Therapy from Alexian Brothers Behavioral Health Center. In addition to his professional career as an analyst and school psychologist, he is the Executive Director of Student Advocacy Specialists, LLC and elected Trustee with the Lake County Regional Office of Education. He and his wife of 20+ years enjoy international travel, cooking, and gardening.

Board Director - Jamie Lowe



Vice President Lowe was appointed to the Lisle Woodridge Fire District Board of Trustees on August 28, 2012. Jamie Lowe has been a DuPage resident homeowner since 1996 and very active in the Community. He is a long-time member of the Island Goats Sailing

UPCOMING EVENTS...

- Congressional Fire Service Institute, Washington, DC April 29 - May 1, 2014
- IAFPD Conference, Springfield, IL June 19-22, 2014
- IFCA Symposium, East Peoria, IL May 14-16, 2014
- IFCA Education & Research Foundation Golf Outing July 10, 2014
- IFCA Conference, Peoria, IL October 12-15, 2014

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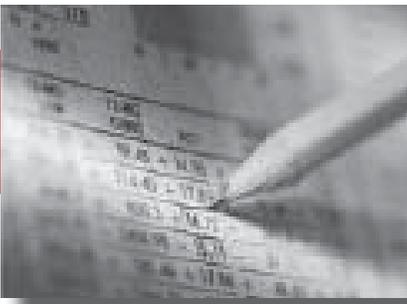


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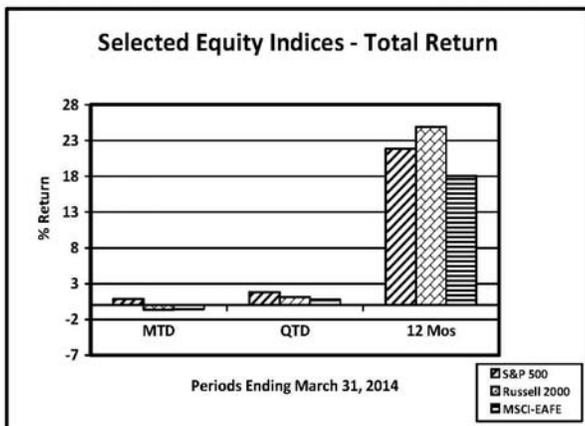
Common Stocks Start 2014 with a Positive Tone

Thomas S. Sawyer, Sawyer Falduto Asset Management, LLC

With an almost complacent resilience, common stocks moved higher during the first quarter of 2014 shrugging off a collection of newsworthy events that easily could have rattled investors. Consider the following:

- Slowing economic conditions in China continue to enhance investors concerns over the pace of global growth which was in large part reflected in the performance of emerging markets.
- Incoming Federal Reserve Chairman Janet Yellen briefly spooked markets with comments that implied increases in short-term rates may commence sooner rather than later. Chairman Yellen subsequently calmed markets by reiterating that the Fed remains committed to supporting the economy for an extended period of time.
- Political unrest in Ukraine quickly followed by the Russian invasion of Crimea. More so than in the United States, the economic recovery in Europe remains young and fragile. Additional political tension in the region doesn't help matters.

Looking beyond the "headline" type influences, we were admittedly curious how U.S. equities would respond early this year after the stellar 32.4% total return turned in by the Standard & Poor's 500 Index during 2013. While we certainly don't expect results as lofty as during 2013, market valuations lend support to the early positive tone to the equity market observed during the early going this year.



Looking forward, we maintain an optimistic view of the stock market so long as investors have the proper investment time horizon and tolerance for risk. In other words, investors should continue to be respectful of an equity market that has had such a strong run over the last few years. Near-term price volatility and corrections are inevitable. Once again the key is to maintain a disciplined approach to asset allocation recognizing that such periods occur naturally over market cycles.

At first blush, price-to-earnings multiples (P/E ratios) suggest that stocks are modestly expensive. The Standard & Poor's 500 Index closed the

quarter 1,872.34. Earnings for the previous twelve months as reported by companies in the S&P 500 totaled \$104.88. Thus, 1,872.34 divided by \$104.88 produces a 17.85 price-to-earnings ratio. The long-term P/E ratio for the S&P 500 is approximately 14, although the number is a little higher over more contemporary windows of time.

On a forward looking basis, estimates for companies in the S&P 500 point to a somewhat accelerated rate of growth for corporate earnings over the next couple of years. Assuming earnings grow at a low double digit pace, we calculate a forward looking multiple for the S&P 500 ranging from 14 to 15, very much in line with traditional fairly valued measures.

In addition to earnings based valuation measures, the positive backdrop for equities includes the following:

- An economic environment of slow growth and low inflation lends itself to a prolonged period of economic expansion.
- That said the growth rate of the economy seems to be accelerating somewhat as the chilling effects of one of the toughest winters in history fade.
- Fixed income returns provide little competition for stocks so long as short-term rates remain near zero and bond yields remain near historically low levels.
- The Federal Reserve continues to reinforce its commitment to providing support until the data suggests the economy is on a firm footing.

Based on current valuations, we would view any meaningful decline in stock prices as a buying opportunity.

"The allocation to equities, fixed income and all available asset classes should be determined with careful consideration given to factors such as investment time horizon, liquidity requirements, diversification and the risk tolerance. The resulting asset allocation guidelines should be well documented in your investment policy statement and guidelines. Information contained in this commentary is solely the opinion of the author and obtained from sources believed to be reliable. Accuracy can not be guaranteed. Past performance is not predictive of future returns."



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NIAFPD by Conference Chairman, Retired Chief James Quinn

To all our members as well as the non-members that attended the Northern Illinois Alliance of Fire Protection Districts 21st Annual Conference we say thank you. Thanks to you we had a record turnout of trustees, chief officers, commissioners, administrative staff and pension board trustees for the conference. We also thank and appreciate this year's conference sponsors who without their support we would not have been able to provide the various networking opportunities that were available this year. In reviewing your evaluations it appears that we were able to provide you with some outstanding programs that will assist you in managing your district more efficiently which is important in these tight economic times. These programs and the conference in general could not have come together

without the hard work of the conference committee. The committee will be meeting in the very near future to begin work on next year's programs. If you have a suggestion for a program or speaker please let us know by sending an e-mail to our Executive Director Kathleen Haage at khaage@comcast.net.

The tentative dates for the 22nd annual conference are February 5 – 8, 2015. Because the vast majority felt that the location should remain the same we will again be hosting it at the Westin Lombard.



Legislative Liaison Ronald Kubicki, Representative, Elaine Nekritz, US Senator Dick Durbin, and Representative Carol Sente



President Bill Hoffmeister, Earl J. Field Award Recipient, and Maureen Field



President Bill Hoffmeister and Legislative Award Recipient Representative Jim Durkin



President Bill Hoffmeister and Presidential Award Recipient Bonnie Bayser

Legislative Day 2014



2014 Legislative Day in Springfield



NIAFPD Members and IL Fire Caucus Chairman Representative Don Moffitt

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