

Fire GUARD



A Publication of the Northern Illinois Alliance of Fire Protection Districts

Fall 2014

Letter from the President



Hope everyone is enjoying the fall season!

The conference committee is very close to completing the program and arranging the speakers list. Once again we will provide an extensive pension program for pension trustees. By attending all three days of the NIAFPD Conference trustees can earn 16 CEU hours.

This past October 4th the NIAFPD presented our fall seminar covering Mobile Integrated Healthcare (MIH). Our speakers were Chiefs Hank Clemmensen and Mike Hansen both well versed on the subject. They provided a very interesting program that stimulated many questions and much discussion. MIH will not be implemented in the near future but, when it is could be a revenue source for fire protection districts.

Reminder - there is very little time to submit your legislative issues for the upcoming year. If you have anything to suggest please contact Ron Kubicki and Kathy Haage as the Legislative Summit will be held in Champaign on October 30th.

*Bill Hoffmeister, President
NIAFPD*

Letter from the Executive Director



Fall is here and I will be sending out dues and lobbyist assessment notices. Lobbyist assessments are based on your assessed valuation reported to the Illinois Controller's office. Note that your assessment may have been adjusted based on current information. Please update your accounting system to reflect our address: P. O. Box 5819, Buffalo Grove, IL 60089.

It is our hope that our members will take advantage of the tools on our website. One way to provide current information to our members is by completing any surveys under the member only tab of our website. If you do not know your log-in information please contact me through email at Khaage@comcast.net.

*Kathy Haage, Executive Director
NIAFPD*

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The Law Changes Yet Again: Public Act 98-760 and Firefighter Hiring Minimum Passing Scores

by Laura Weizeorick, Ottosen Britz Kelly Cooper Gilbert & DiNolfo, Ltd.

Since its adoption into law in August 2011, the revamped firefighter new hire legislation (P.A. 97-0251) has resulted in a number of rules changes, court decisions and legislative changes. The target of the most legislative scrutiny has been how to establish and measure a minimum passing score on a written examination. As initially drafted, the legislation required municipal fire departments and fire protection districts to use mean scoring as the cutoff for firefighter hiring written examinations and preliminary eligibility lists. Due to the unintended statistical consequences of applying a "mean score plus 10%" factor to test scores, which generally resulted in small hiring lists, the Illinois General Assembly changed the minimum cutoff score standard from mean scoring to median scoring in August 2012 by adopting P.A. 97-088.

On July 16, 2014, Governor Pat Quinn signed P.A. 98-760 into law, changing the minimum passing score for a third time. The result is that municipal fire departments and fire protection districts will once again have to change the manner in which they apply a minimum passing score for the hiring of full-time commission firefighters.

The impetus for this most recent legislation followed an investigation by the United States Department of Justice. The USDOJ concluded that the median score standard reflected only the relative performance of that group of test takers and failed to actually measure whether an applicant possesses the requirements needed to perform the job as a firefighter. Thus, the median score required by the statute had a potential discriminatory impact on the hiring of minorities as firefighters in violation of federal and state civil rights laws.

In response to threatened litigation from the USDOJ, the Illinois General Assembly added language suitable to the USDOJ in the adoption of Public Act 98-760. Now, the municipality or fire protection district is again charged with the responsibility of establishing any cutoff score it wishes to apply. However, selecting a minimum cutoff score cannot simply be selecting an arbitrary number. In determining the minimum cutoff scores, the employer must now evaluate whether a candidate has the skills to be a successful firefighter based on the minimum requirements of the job, and the examination and testing procedures must be supported by appropriate validation evidence, and comply with state and federal laws.

The minimum cutoff score that is applied by a fire department or district will require some review and analysis from your testing providers and consultants. Do not be afraid to ask your testing professionals whether they have experience in performing the necessary validation studies to ensure that your hiring test is a full and fair measure of the ability

of candidates to perform pursuant to your job description at your fire department or district. No uniform score will be appropriately applied for all commercially available written exams. Rather, the examination and any cutoff score must properly evaluate whether a candidate has the skills to be a successful firefighter based on the minimum requirements of the job, and requires an in-depth understanding of the test instrument, which can best be provided by your test provider.

The test provider must be able to explain why that cut-off score is linked to minimally qualified job performance and should be able to provide a technical report detailing the manner in which the test was developed and validated. Finally, the validation of the test must apply to the particular fire department or district using the test. A test that is valid in one location can only be considered similarly valid in a second location, or have "transportability," if the attributes of the firefighter position in the second location are substantially similar to the attributes of the firefighter position in the locale for which the test was previously validated. A transportability study can be performed to establish local validity and defensibility of a specific testing process.

In summary, the recent amendment requires that for each new hiring and examination process, municipal fire departments and fire protection districts must ask the following of their testing provider or consultant:

- (1) Does the recommended cut-off score evaluate whether a candidate has the skills to be successful firefighter based on the minimum requirements of the job?
- (2) Has the testing expert developed a technical report or study detailing the manner in which the test was developed and validated?
- (3) Can the testing expert give assurance that the test is both validated and is transportable to the local fire department?

In light of these new requirements, municipalities and fire protection districts should review their current firefighter hiring rules and revise them accordingly. Any references to use of a median (or mean) cutoff score should be removed and no longer used. Finally, the statewide hiring process currently overseen by the Joint Labor Management Committee (JLMC) is also required to establish its own cutoff score based on proper statewide validation studies.





Legislative News

Ronald P. Kubicki, Legislative Liaison NIAFPD

Hello everyone, I hope all is well with you. I wanted to give you an update on what we have been working on legislatively. On October 30 Bill Hoffmeister and myself, along with the other members of the Illinois Fire Service Association will be meeting in Champaign, IL to start the process of putting together the Fire Services Legislative Initiatives platform. These are initiatives that will be turned into bills that will be introduced in the new 2015 legislative General Assembly starting in January in Springfield. For any legislative initiatives to move on from this meeting it would have to get 100% approval from all the members of the fire service associations. If approved the initiative would then become part of what we call the caucus bills. Then each initiative would be assign a member who would then turn it over to their lobbyist where he or she would be charged with finding a sponsor in either the House or the Senate to carry the bill. As of this time I have received three initiatives from our membership for consideration.

The first one deals with the Promotion/Appointment of the Deputy Chief. It is seeking clarification on just who has the authority to promote. Is it the Board of Trustees or the Board of Commissioners?

The second one deals with EMS Personal. It is asking that all fire and EMS personnel must be able to pass the State of Illinois' blood-alcohol standards for driving a motorized vehicle when reporting to duty. It is seeking to change the law to require fire and EMS personnel to be prepared to report for duty with blood-alcohol levels that are currently mandated for all Illinois citizens while driving a motorized vehicle.

The third deals with changing the law to allow pension board members to be paid for time off to attend the 32 initial or their annual 16 hours of Pension Training. That the members of the pension board that

are not paid fire fighters would be reimbursed by the pension board for their time off from their everyday job. As of right now fire fighters get paid time off when serving on the pension board for classes they must attend for their 32 hours or their annual 16 hours of pension training, but non fire fighters serving on the board must take time off or vacation time to fulfill their requirements to serve on the pension board.

In closing if you have any Legislative Initiatives you might want to see changed in next year's legislative General Assembly please send them to me or to Kathy before January 10, 2015. Any initiatives we receive after the October 30 meeting will still be looked at and passed along to our lobbyist for consideration. If we feel it has a chance we will introduce it ourselves on behalf of the NIAFPD. In Chucks report you will see the fruits of our labor from last year's General Assembly in the form of bills passed and signed by the Governor or bills that we are still watching as they may come back up next year. Here are a couple of bills that passed and the Governor has signed.

SB1682 Now Public Act 98-1095 this was Senator Link's consolidation bill. After a lot of work we were able to get the bill watered down to where it is have that much of an impact on ire districts.

HB5893 Public Act 98-0957 this bill requires notice to fire districts within Cook County as in all other counties, of tax challenges over \$100,000.

HB5856 Public Act 98-1003 this bill outlines how two (2) districts may voluntarily dissolve one (1) into the other.





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Put the conference on your Agenda!

NIAFPD by Conference Chairman, Retired Chief James Quinn

February is just four months away and the Northern Illinois Alliance of Fire Protection Districts will host its 22nd annual conference at the Westin Hotel in Lombard, February 5 – 8, 2015. We ask that you place the NIAFPD Conference on your meeting agendas now so it may be discussed and board members can make arrangements to attend this valuable training opportunity for trustees, commissioners, chief officers, pension board trustees and administrative staff members. If you would like to have one of our executive board members attend one of your meetings to explain the benefits of this conference, we'd be pleased to do so.

The conference committee has completed the program and the entire program can be found in this newsletter as well as, on the website www.niafpd.org. In reviewing the program you'll note that the Thursday afternoon sessions and all day Friday sessions are mainly geared to provide educational opportunities for fire district administrative personnel and pension trustees. However, district trustees and commissioners can also benefit from these informative sessions. In addition to the knowledge you'll gain trustee continuing education credit will be available. On Saturday we'll have a combination of joint general track sessions as well as individual trustee tracks, commissioner tracks, general tracks and administrative/pension tracks that qualify for continuing education credit.

Your registration also includes the Thursday special pension reception, the Friday sponsor reception and the Saturday closing reception. All receptions will have Hors D'oeuvres and cocktails with an extensive selection of Hors D'oeuvres at the Saturday reception. Each of these receptions will provide an excellent opportunity to network with your peers from other districts and various conference speakers. You approve sending your firefighting personnel to conferences and various training sessions, it's only right that you train yourselves in order to provide the best for your district and the citizens your district protects. Just as the training you provide to your firefighting personnel is a very justifiable expense of your district's tax dollars, so is the educational and networking opportunities available to you at the NIAFPD 2015 Conference.

The preferred method of registration is through the website www.niafpd.org. If you have questions regarding the registration process please call our Executive Director, Kathleen Haage at 224-355-9778 or contact her via e-mail at khaage@comcast.net.





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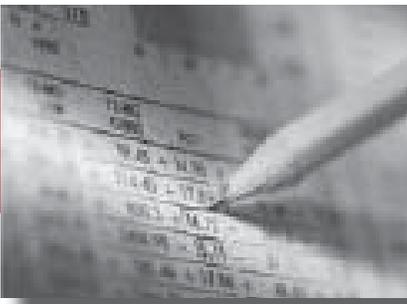
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Common Stocks Start 2014 with a Positive Tone

Thomas S. Sawyer, Sawyer Falduto Asset Management, LLC

Readers of the FireGuard may recall that in our last writing we reserved most of our commentary for the bond market and changes in the structure of interest rates. More specifically, we found it interesting that the yield curve for U.S. Treasuries had flattened, with yields in the 2 to 3 year maturity range moving higher and yields for longer maturities moving lower. Due in large part to the political unrest abroad, there has been a fair amount of interest rate volatility since the end of June. The yield on the 10-year U.S. Treasury note has ranged from a recent peak of 2.65% on July 3, 2014 to a low of 2.33% as recently as August 28, 2014. At this writing the yield on the 10-year Treasury is 2.52%, almost spot on the level of the June 30, 2014 close. Thus, at this point the "flattened" yield curve remains intact. In fact, we have observed yields in the 2 to 3 year maturity range move another 10 basis points or so higher. 2.33% as recently as August 28, 2014. At this writing the yield on the 10-year Treasury is 2.52%, almost spot on the level of the June 30, 2014 close. Thus, at this point the "flattened" yield curve remains intact. In fact, we have observed yields in the 2 to 3 year maturity range move another 10 basis points or so higher. The

note that in its September announcement, the Federal Reserve affirmed that the "taper" remains on schedule to end with October meeting. Any changes to short-term interest rates will likely be very gradual, maintaining the incremental approach we have observed for some time now.

In terms of what to do with portfolio structure, we offer alternative views depending on the investment objective of the portfolio. For our pension fund clients with a longer investment time horizon, we are inclined to be a little more defensive and allow portfolio durations to move a modestly lower. On the other hand for our more conservative, limited maturity portfolios (many of which have a maximum maturity of 5 years) we have found opportunities to invest excess cash reserves and the cash proceeds from maturities at more attractive yields using securities with maturities in the range of 2 to 3 years.

"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."

U.S. Treasury Maturity	% Yield 12/31/2013	% Yield 09/26/2014	Yield Change
1 Year	0.13	0.11	- 0.02
2 Years	0.39	0.59	+ 0.20
3 Years	0.76	1.08	+ 0.32
10 Years	3.00	2.52	- 0.48

continued climb in yields for securities with shorter maturities is likely a reflection of an economy that continues to improve. Stubbornly lower long-term bond yields are reflect the uncertainty surrounding political unrest and conflict in both the Middle East and eastern Europe.

As we, and a consensus of market observers suspected, the modest decline in the growth rate of the U.S. economy during the first quarter appears to have been a modest speed bump due in large part to the difficult winter weather. Second quarter GDP was reported in the September 26, 2014 release at a positive 4.6%, revised higher from the previous 4.2% estimate. Looking at trend for GDP, the story remains very much the same; relatively slow growth in the neighborhood of 2%.

While economic growth snapped back at levels exceeding expectations during the second quarter, inflation remains fairly tame. Both the Consumer Price Index and GDP Price Index currently peg inflation at about 1.7%. With inflation below 2% and economic growth in the same range, there is little motivation for the Federal Reserve to move away from its current accommodative policy. In other words, it is difficult to envision short-term interest rates moving higher in the near future. We should



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Legislative Update

by Chuck Vaughn, Vaughn Consulting Services

The Governor has finished his signings of bills sent to him, and you can find the list of new public acts on LIS home page under Public Acts. Both chambers will now consider any vetoes, or partial vetoes, for possible over-rides. The Veto Session will be Nov. 19-21 and Dec. 2-4. It is difficult to predict actions, since it will be right after the election, and now we do not know who all the players are. "Lame Ducks" (those not returning) have a history of casting votes the never would have cast if future elections faced them. Dare I say that serious incentives often change minds?

My job thru this time is to watch as carefully as is possible for trouble. But, remember the reason for a lot of the questionable actions is purposely hidden. This is the most dangerous time for bad things to happen. At the same time, the next few weeks are the best time to go to you own legislators and "ask for the order." We need to strongly request that they support the initiatives of the Districts, and not support things that hurt your ability to do your job. The day after the election the power you have over them goes down dramatically.

Recently, I called you attention to a bill that is the system for dissolving local governments. I know we are not in that bill, but the two sponsors have a history, and a direction , of expanding their reach as to what local governments they wish to eliminate. Mr. Yingling in particular has targeted appointed board districts. Like having a sprinkler system, I hope never goes off, but I am still glad my watchful approach on this is there. If this goes in a way I fear it may I do not want to hear "Chuck, why haven't we heard about this earlier?" No service better understands the need to be watchful, than does the fire service. The bill i refer to is HB .

Let me again close by thanking you for your trust in me. I always give you my best.





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Fall Seminar



October 4, 2014

The Alliance recently held a seminar on Mobile Integrated Healthcare (MIH) -

The Future of EMS Through Innovation and the Triple Aim Model

Presenters: Chief Hank Clemmensen
Palatine Rural Fire Protection District

Chief Mike Hansen
Lincolnwood Fire Department

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