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A Publication of the Northern Illinois Alliance of Fire Protection Districts

Summer 2018

#### **Letter from the President**



Ah, the days of summer, when most everyone's time is being spent enjoying outside activities – you know vacations, picnics, weekends at the lake and, oh yeah, lots of yard work and home maintenance projects.

Even with a little time off here and there, the NIAFPD continues to stay hard at work. Kathy Haage is busy updating our website as she will discuss in her letter from the Executive Director below. Director Bonnie Bayser and our Education Committee are working on our October Educational Seminar which will be hosted again by the Lisle-Woodridge Fire District - more to follow as those details are finalized. And Ron Kubicki, along with our Lobbyist Liz Brown, are working hard on legislative issues in Springfield making our Representatives and Senators aware of important information as well as clearly conveying our reasons

for either supporting or opposing various fire service bills.

A final note, Kathy and Ron have updated the Illinois Fire Caucus member list on the website. Currently, there are 40 members but this is a temporary list as many will be leaving office after the November elections. We need everyone to reach out to their new legislators after the first of the year, introduce yourself and your district and encourage them to join the caucus. The more members we have in the caucus the better our chances of getting support for bills that benefit the fire service and public safety while also stopping legislation that is not in the best interest of fire departments or our taxpaying residents. These members are the champions of the fire service in Springfield and they need to be recognized, informed and supported by us.

Enjoy the rest of your summer and be safe. Nick Kosiara

## **Letter from the Executive Director**



It is summer and I'm enjoying time with my family! My work for the NIAFPD is done out of my home where I care for my elderly Mom and two grandchildren. I love being able to work flexible hours. Be assured that I have the NIAFPD phone with me 24/7 and I don't mind phone calls in the evening or on the weekends.

The NIAFPD will have a new website by the end of summer! So many of us use our phones and tablets when we need information away from our computers. Our website will be "mobile friendly"! We are always

looking for your input to enhance our website and welcome your ideas.

In my last message I asked for districts to update salary and benefit surveys. Unfortunately, only 3 districts updated the survey. Is there a current salary survey for your district? I'd love to share the results with our membership as I receive several phone calls a year asking for salary information.

If you need help or have any questions regarding the NIAFPD, remember I'm only a phone call away. 224-355-9778 Kathleen Haage, Executive Director

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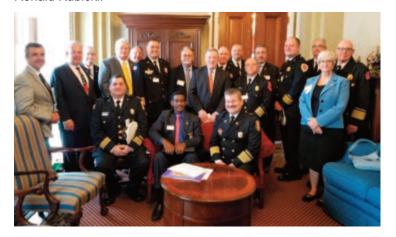


# **CFSC: Continuing Efforts on Behalf of the Fire Service in Washington, D.C.**

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

In April 2017 I was fortunate to be a member of a delegation of fire chiefs, trustees and representatives from Illinois visiting Washington, D.C. during the annual Congressional Fire Service Caucus (CFSC). I was delighted to be allowed the privilege of accompanying the delegation again in April 2018.

Like last year, this was again an exceedingly impactful visit as a result of continued meticulous planning efforts by Northern Illinois Alliance of Fire Protection Districts (NIAPFD) Legislative Liaison Ronald Kubicki.



(Pictured above are delegation members meeting with the Hon. Richard Durbin.)

The delegation was primarily fire chiefs and trustees, representing not only their districts and departments but many statewide organizations: Illinois Fire Chiefs Association, NIAFPD, Illinois Association of Fire Protection District, and Illinois Fire Service Institute.

In addition to Sen. Richard Durbin (D-IL, pictured above), in a whirlwind of a very active itinerary, the delegation met with a number of Members of Congress, including Rep. Brad Schneider (D-IL 10th Dist), Rep. Raja Krishnamoorthi (D-IL 8th Dist., again), Rep. John Shimkus (R-IL 15th Dist.) Rep. Daniel Lipinski (D-IL 3rd Dist.), and Rep. Mike Bost (R-IL 12th Dist.) as well as the staff for other Members whose schedules precluded an in-office meeting including Sen. Tammy Duckworth (D-IL), Rep. Darin LaHood (R-IL 18th Dist.), Rep. Robin Kelly (D-IL, 2nd Dist.), Rep. Peter Roskam (R-IL, 6th Dist.), Rep. Jan Schakowsky (D-IL, 9th Dist.), and Rep. Mike Quigley (D-IL, 5th Dist.).

All Members and staffers were interested in the interactions with delegation members within their congressional district and concerns of the fire service. All members, regardless of party affiliation or location in the State, were very interested in and supportive of concerns and initiatives championed by the delegation. Noteworthy among the many concerns and initiatives shared with the Senators and Representative and their staffs were the following.

- Continued funding of AFG (Assistance to Firefighter Grant) and SAFER Grant Programs, as well as Homeland Security grant programs, to help with training, staffing, equipment, and other resources needed and used by the fire service.
- Reauthorizing the medical ambulance payment extenders set to expire January 1, 2019. These payment authorizations are critical for continuation of service in smaller communities.
- Implementing a national registry to track cancer related deaths of firefighters during and after service.

The CFSC continues to be an exceedingly worthwhile effort to champion issues and concerns of the fire service to Members of Congress. While not practical for all to attend, trustees and chief officers should at least make known and share with delegation representatives their fire service interests and concerns. While the annual CFSC effort focuses on Congress and national level issues, similar efforts regularly occur with the General Assembly in Springfield, and perhaps locally in your districts and departments. Take advantage by informing and educating our elected representatives in Congress and the General Assembly; they can better address the issues and concerns only if they are aware of the fire service agenda.

In closing I have two personal observations.

- First, I want to thank all the members of the CFSC 2018 delegation again this year; I continue to learn from their professional expertise and demeanor in a manner that is far out of proportion to the short time of the visit.
- Second, and should you be fortunate enough to attend a CSFC, be ready: get your most comfortable walking shoes, prepare for hikes, and you too will understand why the site is referred to as "Capitol Hill."

## **Springfield Legislative Update**



By: Liz Brown-Reeves, NIAFPD Lobbyist



#### STATE BUDGET

For the first time in three years- the State of Illinois passed a budget before the May 31st legislative deadline. The budget was a bi-partisan work product focusing on funding key priorities like education, higher education and local government. The budget passed on a vote of 56-2 in the Senate and the House 97-18.

The budget was a full state budget providing funding for the State Fire Marshall and the Illinois Fire Service Institute through the appropriation of the Fire Prevention Fund.

All eyes are now pointed to November 6th to the General Election. With thirty-one open legislative seats and a highly contested Governor's race – candidates are spending time in their districts meeting voters and attending events.

Veto Session: November 13-15 & November 27-29

# BILL REVIEW SUPPORT

#### HB 4390 (Willis/ Sandoval) - Support

Creates the offense of first responder endangerment. Provides that a person commits the offense when he or she knowingly creates a dangerous condition and intentionally conceals the dangerous condition in a commercial property under his or her management or operational control and the dangerous condition is found to be the primary cause of the death or serious bodily injury of a first responder in the course of his or her official duties.

Current Status: Passed House <u>107-000-000</u>/ Bill Dead in Senate Assignments

#### HB 4477 (Caveletto)/ SB 2471 (Holmes) - Support

Expands the definition of "volunteer emergency worker" to mean a person who serves as a member of a fire department of a fire protection district, municipality, or other unit of government on other than a full-time career basis and who meets the requirements for volunteer status under United States Department of Labor.

Current Status: Passed Both Chambers – Sent to Governor's Desk

#### HB 4661 (Martwick) - Support

Provides that for an elected or appointed trustee under the Downstate Police or Downstate Firefighter Article of the Code, fulfillment of certain trustee training requirements satisfies certain ethics training requirements.

Current Status: Passed Both Chambers – Sent to Governor's Desk

#### SB 2629 (T. Cullerton) – Support

Provides that an elected or appointed member of the board of trustees of a fire protection district may satisfy the training requirements of the Act by participating in a course of training sponsored or conducted by an organization that represents fire protection districts created under the Fire Protection District Act. Provides the required subject matter for the course of training. Provides that if an organization that represents fire protection districts organized under the Fire Protection District Act provides a course of training, it must provide a certificate of course completion to each elected or appointed member of a board of trustees who successfully completes that course of training.

Current Status: Passed Both Chambers – Sent to Governor's Desk

#### SB 2638 (Clayborne) – Support

Governmental Account Audit Act, provides that audit reports shall be prepared on financial statements consistent with either the accrual or cash basis of accounting and gives the Fire Districts the choice of which option to use.

Current Status: Passed Both Chambers – Sent to Governor's Desk

#### **OPPOSE**

# HB 5630 (Severin) / HB 5637 (Welter) – OPPOSE – EXPANSION OF FIREWORKS SALES

Fire Service adamantly opposes any expansion of the sale of fireworks. Any increased revenues will be a huge increase in injuries and even deaths, not to mention increased cost for first responders, Medicaid and insurance. Fireworks also have a horrible impact on our combat vets suffering from PTSD and in this heightened state of homeland security, we don't want to make it easier for the wrong people to have access to explosives. Fireworks should be left in the hands of trained professionals.

Current Status: Bills Dead in House Rules

Continued on Page 8

## **Cyber Security for Fire Protection Districts**

When hearing of data breaches in the news, most people think of big corporations such as Target, Chase & Equifax. Large companies with sensitive information have been targets of cyber criminals for years. Many have heard in more recent years that smaller companies have become the victims of data breach as well. Some wonder whether Fire Protection Districts are, or will be, targets of a potential data breach.

Insurers have been offering insurance policies that provide protection against data breach for many years. "Cyber Liability" protection became available as a standard option for Fire Protection Districts around 5 years ago. Discussion of the data breach coverage often begs the question, "Is this additional protection necessary for a Fire Protection District?" Until recently I didn't have a good answer to that question.

In March of this year, the Fire Chief of a local Fire Protection District called me in the early evening and stated that multiple people in the department had received emails containing personal information with links to click. Some people had clicked the links. It was immediately noticeable once the links had been clicked that their computer network was acting differently, and it seemed entirely possible that files were being taken from their server. Understandably, everyone was concerned. The Fire Chief's questions to me were, "What do we do?" and "Do we have coverage for this?" They had purchased Cyber Liability coverage and their insurer was instrumental in engineering the response to the breach.

#### **Pre-Breach Conditions**

Before the breach occurred, the administration of the District felt quite comfortable with the protection that was in place. They were spending money and trying to provide protection. The following protections were in place:

- In house Tech Services Manager
- Outside tech consulting agency used for larger projects on an as needed basis.
- Junk mail filter
- Password protected computers
- Firewall

I mention these things because when the topic of breach protection comes up, many people tell me they are taking similar measures and feel quite comfortable with the effort that is being given. Unfortunately, even if these things are in place it doesn't mean a breach won't occur.

#### **Anatomy Of The Breach**

The forensic investigation of this breach uncovered that the attack on the District had been aided by a previous breach of one of their vendors that stored personal information of District employees. The previously breached personal information was used in the emails to District employees, which made them feel more comfortable clicking the links in the email. Once these links had been clicked, files were installed on the District server. Some of the files were key-tracker viruses that would allow the hackers to see passwords as they were typed into computers. Other files were not to become active until a later time, but ultimately would help the hackers steal more information.

#### **The Breach Consultant**

As soon as the claim was made, the insurer hired a breach consultant. The consultant directs the entire response and is responsible for the following:

- Forensic investigation a thorough investigation of how the breach occurred, what info was taken, what was installed from foreign sources, and what could have prevented the breach.
- Verification of all files everything is removed from the server, "cleaned", and replaced.
- Notification various laws require notification of anyone who potentially has been affected by the breach. In many cases these letters must be sent by certified mail.
- Credit Monitoring/Protection this protection provides peace of mind to the affected individuals, but it also reduces the potential liability. If the credit monitoring can prevent the breached information from being used nefariously, there are fewer damages involved in a potential lawsuit.

#### **Post Breach Changes**

This District is now concerned with reducing their risk of a future breach. They have taken several steps to increase cyber security:

• Junk mail filter – A filter was in place before the breach, but it wasn't providing adequate protection. The sensitivity had been set very low. The sensitivity of the filter is now much higher. Users must check their filtered mail each day to see if something was caught that should not have been. The District acknowledges that this is less convenient for users, but a Continued on Page 8

## 2019 CONFERENCE: IT'S NOT TO EARLY TO SCHEDULE THESE DATES

It's not too early to mark your calendars and schedules for January 24, 25, 26 and 27, 2019 so you won't forget the 2019 Northern Illinois Alliance of Fire Protection Districts Annual Conference, 2019 will be our 26th annual conference for the NIAFPD. All our past conferences have continued to grow in attendance year after year. We've come a long way since we began hosting an annual conference and we attribute that to your continued participation and we thank you.

The 2019 conference will again be at the Hilton Oak Brook Hills Resort and Conference Center. We have received many positive comments on this facility during the past several conferences we've held here. The Hilton has totally completed major renovations including meeting rooms, sleeping rooms lobby and dining areas. If you didn't attend our last conference we're sure you'll find this location very impressive and accommodating.

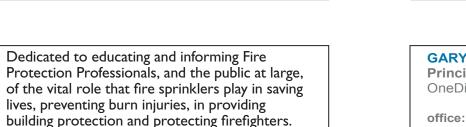
The conference committee continues to plan 2019's programs that will include informative classes for fire district trustees. commissioners, chief officers, administrative staff and pension board trustees. District trustees can earn their required CEU hours to maintain certification. Likewise, pension board trustees can earn their entire 16 hours of required annual CEU training. While the conference committee has a very good start in the development of educational sessions, we would very much like to hear from you with any ideas or suggestions for programs or speakers. This is your conference and we want to provide programs that benefit you. We ask that you contact the Alliance Office with your ideas or suggestions by e-mail at khaage@comcast.net or you can share your thoughts directly with our Executive Director by calling 224-355-9778.

At your next board meeting, discuss attending this very informative and worthwhile conference. We ask that you don't wait until the last minute to register. Start discussing it now and be prepared to complete everybody's registration by December, if not sooner.

The NIAFPD Board of Directors and your fellow members look forward to seeing you at the 2019 conference in January.



For more information, contact us today.



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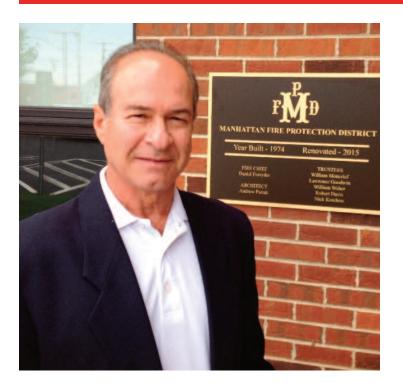
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# Nick Kotchou brings 9 years of Fire Department Trustee experience to his position as NIAFPD Board Member



Hailing from Manhattan, Illinois, I spent my formative years in Chicago, where I began my career with ComEd when I was 18 years old, finishing my tenure in 2009 with 39 years. I also served time in the Army as a Communications Expert, and driver for the Captain in an artillery unit, based in Germany. I was a field technician and lead trainer in South Chicago, Harvey, and University Park.

I also enjoyed being involved with volunteer work as Chairman of The Crusade of Mercy, a non-profit organization that provides for the needy and homeless. I was also very involved in my daughters high school, volunteering and heading Lincoln-Way Central's Athletic Boosters, who provided sports equipment and uniforms to one of Illinois' largest high schools.

In my free time, I play drums in a rock n' roll band and spend most of the summer on my boat. I enjoy time with wife of 46 years, daughter, and 11 year old grandson. I look forward to serving as a NIAFPD Board Member.









## **Equity Markets Turn Positive; Bond Yields Drift Higher**

By: Thomas S. Sawyer, Managing Partner, Sawyer Falduto Asset Management, LLC

#### **Key Points**

- Concerns over U.S. trade policies, tariffs and a potential trade war continue to rattle investor confidence fueling market volatility.
- The Federal Reserve (Fed) again raised short-term interest rates at the June meeting of the Federal Open Markets Committee (FOMC). Additionally, in its announcement, the Fed forecasted two additional rate increases this year.
- Economic fundamentals continue on a positive track with accelerating GDP growth, low unemployment and a resilient consumer.

#### **Equity Markets Turn Positive**

Domestic equity markets returned to positive territory during the second quarter, balancing policy concerns and trade disputes against strong economic fundamentals.

	1st Qtr 2018	2nd Qtr 2018	YTD 2018
Standard & Poor's 500 Index	-0.76%	+3.43%	+2.62%
Russell 2000 Index	-0.08%	+7.75%	+7.66%
MSCI-EAFE Index	-1.41%	-0.97%	-2.37%

#### **Looking Forward**

- Economy: While first quarter GDP was revised down twotenths to 2.0%, growth appeared to be accelerating during the second quarter with estimates hovering around 3.5%. Notably, the expected uptick in growth is in part due to strong retail sales.
- Federal Reserve: As expected, the Federal Reserve at its June meeting, raised its benchmark interest rate by 0.25% bringing the target range to 1.75 2.0%. Based on the unemployment rate declining to 3.8% and inflation approaching the Fed's 2.0% target level, current guidance is for two more rate increases this year, which represents an accelerated pace of returning short-term interest rates to "normal" levels.
- Earnings: Corporate earnings continue to be a bright spot for equity market valuations. For companies in the S&P 500

Index, both year-over-year earnings and revenue growth are expected to post strong gains for the second quarter. The S&P 500 is currently priced at a multiple of just over 19x operating earnings which again represents a modest contraction since our last submission to FireGuard. On a 12-month forward looking basis, the Price to Earnings Ratio (P/E) is 16.6x earnings estimates, still above the historical trend P/E of 14.5x but well below the 21.5 P/E on operating earnings at 12/31/17.

While investor concerns over trade policy, tariffs, foreign policy and other global matters continue to fuel market volatility, equity valuations continue to improve. Strong economic growth, solid corporate earnings and revenue, along with a still low interest rate environment provide a solid foundation for equities.

#### **Bond Yields Drift Higher**

Interest rates continued to drift higher during the second quarter, reflecting the Fed guidance for accelerated rate increases by the Fed.

- U.S. Treasuries with maturities in the 1 to 3 year range were the biggest mover with yields increasing by about 25 basis points.
- Although breaching the 3.00% level several times during the quarter, the 10 Year U.S. Treasury note finished June with a yield of 2.85%.

Concerns over the direction of trade policy, uncertainty surrounding the global political/economic environment and the low yield on foreign sovereign debt all lend to support U.S. Treasury prices. We continue to hold portfolio durations somewhat short of benchmarks (slightly conservative) and place a premium on quality.

"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 risk tolerance. The resulting asset allocation 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."

#### **SPRINGFIELD**

Continued From Page 3

#### HB 4474 (Walsh) - OPPOSE- LOGOS

Provides that a nongovernmental entity with which a county, township, municipality, or fire protection district contracts to furnish fire protection services that displays a logo of the unit of local government on the entity's vehicles or uniform shall conspicuously display on all vehicles and uniforms a disclosure with specified information

Current Status: Bill Dead in House Rules

# OPPOSE – PROPERTY TAX FREEZE, TEMPORARY & PERMANENT

We strongly oppose any type of property tax freeze whether it be temporary or permanent. Because of the financial responsibility that our fire districts are obligated to perform in our communities, we believe that any type of property tax freeze is catastrophic.

Currently Status: Bills Dead in House Rules & Senate Assignments



NIAFPD Day at the Illinois State Fair

#### CYBER SECURITY

Continued From Page 6

conscious trade-off is being made to increase security at the expense of convenience.

- Passwords Passwords are now required to be more complex and changed at regular intervals. Again, less convenient, but necessary.
- Network remote access The District previously allowed people to access the network from home or other places. This practice has been eliminated to better control access to the network.
- Password protecting documents Files with personal information that are kept on the District network are also now password protected. This adds another layer of security.
   Even if a hacker accesses the network, they may not be able to access the sensitive information in the files.
- Firewall update The firewall that was in place when the breach occurred was not substandard, but there were more modern, more powerful versions available. In fact, at this District the Tech Services Manager had suggested the District may want to upgrade the firewall (pre-breach). This upgrade was on the list of projects to complete, but it was not their highest priority. After the breach occurred, upgrading the firewall was one of the first changes that was made.
- Employee training An outside firm was hired to provide training to all employees on best practices for computer usage and breach warning signs. Now everyone is more knowledgeable on how to prevent breaches in the future.

Use of technology and the associated risks are part of today's workplace. Cyber criminals continue to change the tactics they use to attack. Sharing of information between Districts regarding breaches and protection strategies is important to increase awareness. Additionally, I recommend you contact your insurance agent to discuss the level of protection provided by your current insurance policies.

## **NIAFPD Day at the Illinois State Fair**

Sunday, August 19, 2018

We need your help at the Illinois State Fair in Springfield to manage the Fire Service Tent and provide fire prevention education to fair-goers. You don't need to be an educator to volunteer. Contact Kathy Haage if you would like to help!



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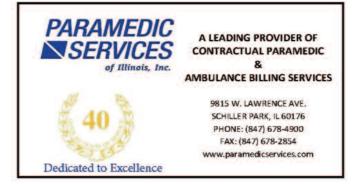


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**Newsletter Designed & Printed by** Vance Printing • 608-362-2049

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