NOTICE OF A REGULAR MEETING OF THE LINCOLNWOOD POLICE PENSION FUND BOARD OF TRUSTEES

The Lincolnwood Police Pension Fund Board of Trustees will conduct a regular meeting on Thursday, October 26, 2017 at 2:00 pm at Village Hall located at 6900 N. Lincoln Avenue, Lincolnwood, IL for the purposes set forth in the following agenda:

AGENDA

1. Call to Order
2. Roll Call
3. Public Comment (limit to 3 minutes per person)
4. Investment Report
   a.) Wells Fargo/Madison Quarterly Review and Investment Strategy Discussion
   b.) Graystone Consulting Quarterly Review and Investment Strategy Discussion
   c.) Review/Update Investment Policy
   d.) Potential Sale/Purchase of Securities and/or Decision on Investment Advisors/Managers
5. Approval of Meeting Minutes
   a.) July 27, 2017 Regular Meeting Minutes
   b.) August 23, 2017 Special Meeting Minutes
6. Accountant’s/Treasurer’s Report
   a.) Presentation and Approval of Bills
   b.) Additional Bills, if any
      i. Trustee Training Reimbursements
7. Applications for Membership/Withdrawals from Fund
8. Applications for Retirement/Disability Benefits
   a.) Deceased Pensioner – Karlis Starpins/Approval of Surviving Spouse Benefits – Bernice Starpins
9. Trustee Training Updates
10. Old Business
11. New Business
   a.) IDOI Annual Statement
   b.) Review/Approve Actuarial Valuation and Tax Levy Request
   c.) 2018 Board Meeting Dates
   d.) Certify Board Election Results – Active Member Position
12. Communications or Reports
   a.) Affidavits of Continued Eligibility
13. Attorney’s Report
   a.) Legal Updates
14. Closed Session, if needed
15. Adjournment
A regular meeting of the Lincolnwood Police Pension Fund Board of Trustees was held on Thursday, July 27, 2017 at 2:00 pm at the Village Hall located at 6900 N. Lincoln Avenue, Lincolnwood, IL pursuant to notice.

CALL TO ORDER: Trustee Tim O’Connor called the meeting to order at 2:00 pm.

ROLL CALL:
PRESENT: Trustees Tim O’Connor, Travis Raypole, Mark Weidner and Michael Bartholomew
ABSENT: Trustee Joel Perzov
ALSO PRESENT: Mary Tomanek, Graystone Consulting; Brian Carroll, Wells Fargo, Inc.; Gregory Poplett, Madison Investments; and Robina Amato, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

INVESTMENT REPORT – Wells Fargo Quarterly Performance Review and Investment Strategy Discussion:
Mr. Carroll presented the Wells Fargo quarterly performance report for the stock portfolio as of June 30, 2017. As of June 30, 2017, the year-to-date net time-weighted return is 11.02% for a year-to-date gain of $505,472.00 and an overall portfolio value of $5,091,751.00.

Mr. Carroll left the meeting at 2:09 pm

Madison Investments Quarterly Performance Review and Investment Strategy Discussion:
Mr. Poplett presented the Quarterly Investment Report for the bond portfolio for the period ending June 30, 2017. As of June 30, 2017, the quarter-to-date total net return is 0.77% for a quarter-to-date gain of $121,322.00 and an overall portfolio value of $8,728,656.00. The current asset allocation is as follows: Corporate Bonds at 60%, Government Bonds at 37% and Cash at 3%. A motion was made by Trustee O’Connor and seconded by Trustee Weidner to accept the Quarterly Investment Reports as presented. Motion carried unanimously by voice vote.

Mr. Poplett left the meeting at 2:26 pm

Review/Update Investment Policy: There were no updates necessary to the Investment Policy at this time.

APPROVAL OF MEETING MINUTES: April 27, 2017 Regular Meeting Minutes: The Board reviewed the April 27, 2017 regular meeting minutes. A motion was made by Trustee Raypole and seconded by Trustee Weidner to approve the April 27, 2017 regular meeting minutes as written. Motion carried unanimously by voice vote.
Semi-Annual Review of Closed Session Meeting Minutes: There were no closed session meeting minutes for review.

TREASURER’S REPORT: The Board was presented with the Treasurer’s Report for the period 04/01/2017 through 06/30/2017. As of June 30, 2017, the beginning balance in cash & investments was $20,036,051.00, benefits and administrative expenses totaling $631,373.00, and the ending cash and investment balance was $19,976,867.00.

Additional Bills: There were no bills presented at this time.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: Contribution Refund – Pardeep Deol: The Board noted that Pardeep Deol has requested a contribution refund. A motion was made by Trustee Raypole and seconded by Trustee O’Connor to table this matter until the next scheduled meeting. Motion carried unanimously by voice vote.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: Approval of Regular Retirement Benefits – Lawrence Martin: The Board reviewed the regular retirement benefit calculation for Lawrence Martin prepared by L&A. Lieutenant Martin had an entry date of 01/19/1990, retirement date of 05/11/2017, effective date of pension of 6/21/2017, 50 years of age at date of retirement, 27 years of creditable service, applicable salary of $113,162.82, applicable pension percentage of 67.50%, and amount of originally granted annual pension of $76,384.92. A motion was made by Trustee O’Connor and seconded by Trustee Raypole to approve Lawrence Martin’s regular retirement benefit as calculated by L&A. Motion carried by roll call vote.

AYES: Trustees O’Connor, Raypole, Weidner and Bartholomew
NAYS: None
ABSENT: Trustee Perzov

Application for Non-Duty Disability Benefits - Laura Namovicz: The Board noted Laura Namovicz’s non-duty disability benefit is being calculated by L&A. A motion was made by Trustee Raypole and seconded by Trustee O’Connor to discuss Laura Namovicz’s non-duty disability benefit at the next scheduled meeting. Motion carried unanimously by voice vote.

TRUSTEE TRAINING UPDATE: The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities. The Board directed L&A to register both Trustee Raypole and Trustee O’Connor for the 16-hour IPPAC seminar in September 2017.

Trustee Bartholomew left the meeting at 2:58 pm

OLD BUSINESS: There was no old business to discuss.

NEW BUSINESS: Status of Actuarial Valuation: The Board noted the Actuarial Valuation will be reviewed at the next scheduled meeting.
Board Officer Elections – President, Vice President, Secretary and Assistant Secretary: The Board discussed Board Officer Elections and nominated the following slate of Officers: Tim O’Connor as President; Mark Weidner as Vice President; Travis Raypole as Secretary; and Joel Perzov as Assistant Secretary. A motion was made by Trustee O’Connor and seconded by Trustee Weidner to elect the slate of Officers as stated. Motion carried unanimously by voice vote.

FOIA Officer & OMA Designee: The Board discussed designating Carolyn Dick with the Village of Lincolnwood as the FOIA Officer and Secretary Raypole as the OMA Designee. A motion was made by Trustee O’Connor and seconded by Trustee Raypole to designate the FOIA officer and OMA designee as discussed. Motion carried unanimously by voice vote.

Ms. Tomanek joined the meeting at 3:13 pm

COMMUNICATIONS OR REPORTS: Affidavits of Continued Eligibility: The Board noted that L&A mailed Affidavits of Continued Eligibility to all pensioners with the June payroll cycle and a due date of July 31st. The Board directed L&A to send second request affidavits to any pensioners outstanding after the July 31st due date, and to include verbiage stating their direct deposit will cease and a physical check will be issued and available for pick up at L&A’s office if the second request affidavit is not received by the due date. Status updates will be provided as they become available.

Active Member File Maintenance: The Board noted that L&A prepared Active Member File Maintenance letters for distribution to all active members requesting additional pension file documents as required by the IDOI.

INVESTMENT REPORT (continued): Graystone Consulting - Quarterly Investment Report: Ms. Tomanek presented the Quarterly Investment Report for the period ending June 30, 2017. As of June 30, 2017, the quarter-to-date net return is 2.24%, the year-to-date net return is 5.78% and the ending market value is $19,611. The current asset allocation is as follows: fixed income at 43.041%, equities at 55.46%, and cash equivalent at 1.5%. Ms. Tomanek reviewed the recent transactions and discussed cash flow needs for the upcoming quarter. A motion was made by Trustee Raypole and seconded by Trustee O’Connor to accept the Quarterly Investment Report as presented. Motion carried unanimously by voice vote.

ATTORNEY’S REPORT: Legal Updates: The RDK newsletter was distributed, reviewed and discussed.

CLOSED SESSION, IF NEEDED: No closed session was needed.
ADJOURNMENT: A motion was made by Trustee O’Connor and seconded by Trustee Raypole to adjourn the meeting at 3:36 pm. Motion carried unanimously by voice vote.

Tim O’Connor, President

Minutes approved by the Board Trustees on ____________.

Minutes prepared by Casey Heeley, Pension Services Administrator.

~ The next regular meeting is scheduled for Thursday, October 26, 2017 at 2:00 pm. ~
A special meeting of the Lincolnwood Police Pension Fund Board of Trustees was held on Wednesday, August 23, 2017 at 10:00 am at the Village Hall located at 6900 N. Lincoln Avenue, Lincolnwood, IL pursuant to notice.

CALL TO ORDER: Trustee Tim O’Connor called the meeting to order at 10:00 am.

ROLL CALL:
PRESENT:  Trustees Tim O’Connor, Mark Weidner, Joel Perzov and Michael Bartholomew
ABSENT:  Trustee Travis Raypole
ALSO PRESENT:  Ben Harris, Accountant for the Village of Lincolnwood

PUBLIC COMMENT: There was no public comment.

CONTRIBUTION REFUND – PARDEEP DEOL: The Board reviewed the contribution refund request submitted by Pardeep Deol. A motion was made by Trustee O’Connor and seconded by Trustee Bartholomew to approve Pardeep Deol’s contribution refund in the amount of $5,702.05 paid directly to himself. Motion carried by roll call vote.
AYES:  Trustees O’Connor, Weidner, Perzov and Bartholomew
NAYS:  None
ABSENT:  Trustee Raypole

TEMPORARY NON-DUTY DISABILITY – SGT. LAURA NAMOVICZ: The Board reviewed the Temporary Non-Duty Disability benefit calculation for Laura Namovicz prepared by L&A. Sgt. Namovicz had an entry date of 12/07/2011, disability date of 10/03/2016, effective date of pension of 10/04/2016, 30 years of age at date of disability, 4 years of creditable service, applicable salary of $90,546.79, applicable pension percentage of 50.00%, amount of originally granted monthly pension of $3,772.78. Sgt. Namovicz returned to work 05/02/2017. The retroactive payment due is $26,166.05 for the period of 10/04/2016 through 05/01/2017. A motion was made by Trustee O’Connor and seconded by Trustee Perzov to approve Sgt. Laura Namovicz’s Temporary Non-Duty Disability benefit and retroactive payment as calculated by L&A. Motion carried by roll call vote.
AYES:  Trustees O’Connor, Weidner, Perzov and Bartholomew
NAYS:  None
ABSENT:  Trustee Raypole

APPROVAL OF WRITTEN DECISION AND ORDER – SGT. LAURA NAMOVICZ: The Board reviewed the written Decision and Order for Sgt. Laura Namovicz’s temporary non-duty disability benefit as prepared by RDK. A motion was made by Trustee O’Connor and seconded by Trustee Weidner to accept the written Decision and Order as prepared. Motion carried by roll call vote.
AYES: Trustees O’Connor, Weidner, Perzov and Bartholomew
NAYS: None
ABSENT: Trustee Raypole

CLOSED SESSION, IF NEEDED: No closed session was needed.

ADJOURNMENT: A motion was made by Trustee O’Connor and seconded by Trustee Perzov to adjourn the meeting at 10:25 am. Motion carried unanimously by voice vote.

_____________________________________________
Tim O’Connor, President

Minutes approved by the Board Trustees on ____________.

Minutes prepared by Casey Heeley, Pension Services Administrator.

~ The next regular meeting is scheduled for Thursday, October 26, 2017 at 2:00 pm. ~
### Personal Data

- **Spouse Name**: [Redacted]
- **Spouse Social Security Number**: [Redacted]
- **Member Birth Date**: [Redacted]
- **Member Entry Date**: 02/08/71
- **Member Retirement Date**: 03/18/99
- **Member Effective Date of Pension**: 03/19/99
- **Member Age at Effective Date of Pension**: 51
- **Years (Y) of Creditable Service Earned**: Y 28
- **Applicable Salary**: $71,220.18
- **Amount of the Original Monthly Pension Granted to Member**: $4,154.51
- **Member Date of Death**: 08/22/17
- **Spousal Effective Date of Benefit**: 08/23/17

### Pension Calculation History

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Amount of Change</th>
<th>Amount of Monthly Pension</th>
<th>Amount of Annual Pension</th>
</tr>
</thead>
<tbody>
<tr>
<td>03/19/99</td>
<td>Original Benefit (prorated)</td>
<td>1,742.21</td>
<td>1,742.21</td>
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<tr>
<td>04/01/99</td>
<td>Original Benefit (full month)</td>
<td>2,412.30</td>
<td>4,154.51</td>
<td>49,854.12</td>
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<tr>
<td>06/01/02</td>
<td>Initial Increase</td>
<td>394.68</td>
<td>4,549.19</td>
<td>54,590.28</td>
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<tr>
<td>01/01/03</td>
<td>Annual 3% COLA</td>
<td>136.48</td>
<td>4,685.67</td>
<td>56,228.04</td>
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<tr>
<td>01/01/04</td>
<td>Annual 3% COLA</td>
<td>140.57</td>
<td>4,826.24</td>
<td>57,914.88</td>
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<tr>
<td>01/01/05</td>
<td>Annual 3% COLA</td>
<td>144.79</td>
<td>4,971.03</td>
<td>59,652.36</td>
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<tr>
<td>01/01/06</td>
<td>Annual 3% COLA</td>
<td>149.13</td>
<td>5,120.16</td>
<td>61,441.92</td>
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<td>01/01/07</td>
<td>Annual 3% COLA</td>
<td>153.60</td>
<td>5,273.76</td>
<td>63,285.12</td>
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<td>01/01/08</td>
<td>Annual 3% COLA</td>
<td>158.21</td>
<td>5,431.97</td>
<td>65,183.64</td>
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<td>01/01/09</td>
<td>Annual 3% COLA</td>
<td>162.96</td>
<td>5,594.93</td>
<td>67,139.16</td>
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<td>01/01/10</td>
<td>Annual 3% COLA</td>
<td>167.85</td>
<td>5,762.78</td>
<td>69,153.36</td>
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<td>01/01/11</td>
<td>Annual 3% COLA</td>
<td>172.88</td>
<td>5,935.66</td>
<td>71,227.92</td>
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<tr>
<td>01/01/12</td>
<td>Annual 3% COLA</td>
<td>178.07</td>
<td>6,113.73</td>
<td>73,364.76</td>
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<tr>
<td>Date</td>
<td>Description</td>
<td>Amount of Change</td>
<td>Amount of Monthly Pension</td>
<td>Amount of Annual Pension</td>
</tr>
<tr>
<td>------------</td>
<td>------------------------------------------</td>
<td>------------------</td>
<td>---------------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>01/01/13</td>
<td>Annual 3% COLA</td>
<td>183.41</td>
<td>6,297.14</td>
<td>75,565.68</td>
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<tr>
<td>01/01/14</td>
<td>Annual 3% COLA</td>
<td>188.91</td>
<td>6,486.05</td>
<td>77,832.60</td>
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<td>01/01/15</td>
<td>Annual 3% COLA</td>
<td>194.58</td>
<td>6,680.63</td>
<td>80,167.56</td>
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<tr>
<td>01/01/16</td>
<td>Annual 3% COLA</td>
<td>200.42</td>
<td>6,881.05</td>
<td>82,572.60</td>
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<td>01/01/17</td>
<td>Annual 3% COLA</td>
<td>206.43</td>
<td>7,087.48</td>
<td>85,049.76</td>
</tr>
<tr>
<td>08/23/17</td>
<td>Spousal Benefits Begin (prorated)</td>
<td>(5,029.82)</td>
<td>2,057.66</td>
<td></td>
</tr>
<tr>
<td>09/01/17</td>
<td>Spousal Benefits Begin (full month)</td>
<td>5,029.82</td>
<td>7,087.48</td>
<td>85,049.76</td>
</tr>
<tr>
<td><strong>Creditable Service</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------------</td>
<td>---------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entry Date</td>
<td>02/08/71</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Termination/Retirement Date</td>
<td>03/18/99</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Years</strong></td>
<td>28</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Creditable Service Earned</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions to Creditable Service</td>
<td>Additions (Days)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reductions to Creditable Service</td>
<td>Reductions (Days)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Creditable Service</strong></td>
<td>28</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Spousal Information - If Applicable</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Marital Status</td>
<td>Married</td>
</tr>
<tr>
<td>Spouse's Name</td>
<td>Starpins, Bernice C</td>
</tr>
<tr>
<td>Spouse's Social Security Number</td>
<td></td>
</tr>
<tr>
<td>Spouse's Date of Birth</td>
<td></td>
</tr>
<tr>
<td>Date of Marriage</td>
<td>8/10/1996</td>
</tr>
</tbody>
</table>
## Required Information

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicable Salary</td>
<td>$71,220.18</td>
</tr>
<tr>
<td>Rank @ Last Day of Service</td>
<td>Commander</td>
</tr>
<tr>
<td>Total Creditable Service</td>
<td>28</td>
</tr>
</tbody>
</table>

## Applicable Pension Percentage

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creditable Service Years 1 to 20 x 2.5%</td>
<td>50.00%</td>
</tr>
<tr>
<td>Creditable Service (# of Years 21 to 30) x 2.5%</td>
<td>20.00%</td>
</tr>
<tr>
<td>Total (Maximum = 75%)</td>
<td>70.00%</td>
</tr>
</tbody>
</table>

## Amount of Originally Granted Pension

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Annual Pension</td>
<td>$49,854.12</td>
</tr>
<tr>
<td>Monthly</td>
<td>$4,154.51</td>
</tr>
</tbody>
</table>

## Increases in Pension

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age @ Retirement Date</td>
<td>51</td>
</tr>
</tbody>
</table>

The initial increase is granted on the latter of:
- The month after the member turns 55
- OR
  - The month after the member has been retired for one full year.

The amount of the initial increase is equal to 1/12 of 3% of the original monthly benefit, times the number of full months that have elapsed since the pension began.

<table>
<thead>
<tr>
<th>Description</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of Initial Increase</td>
<td>06/01/02</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of Initial Increase (monthly)</td>
<td>$394.68</td>
</tr>
</tbody>
</table>

Subsequent COLA increases are granted every January in the amount of 3% of the current benefit. Benefits granted to Survivors do NOT receive COLA Increases.
2017 FALL PENSION SEMINAR

Exhibitors  Continental Breakfast  Breaks – Refreshments  Lunch  50 / 50 Raffle

Illinois Pensions
Illinois Senate President John Cullerton will provide his view concerning pension systems in the State of Illinois.

*State Senator John J. Cullerton, (D-6th Senate District.)*

Current Court Decisions
Recent court decisions and other legal concerns having a potential impact to Article 3 and Article 4 Pension Boards throughout the state.

*Brian LaBardi, Reimer, Dobrovolny & Karlson, LLC*

Contribution Amounts
Open session concerning benefits, financial administration and accounting. Contributions, military service, leave of absence, service buy back. E-mail or call the office with the questions you want answered.

*Allison Barrett, Principal; Barb Utterback, Principal; A.J. Weber, Principal all of Lauterbach & Amen, LLP*

Determining Investment Costs
Using your fund’s annual report to calculate your fund’s total investment expenses.

*Mike Slonek-CFA and Rich Weikal Strategic Capital Investment Advisors, Inc.*

Illinois Department of Insurance
The 2017 Bi-Annual Report. Changes in how Article 3 and 4 information is reported by the Public Pension Division.

*Elaine Keller, Acting Director, Public Pension Division, IL Dept. of Insurance*

The Good, the Bad & the Ugly
Last minute petitions, duty process issues, requests for standing, recusals and issues between attorneys that can arise before and at hearings.

*Jerry Marzullo, Laura Goodloe Puchalski, Goodloe, Marzullo, LLC*

Investing Like a Large Fund
What might happen to returns if downstate pension plans had the same flexibility in their asset allocation, as well as broadened diversification opportunities.

*Spencer L. Klein, CFA, Senior Portfolio Manager mb wealth management*

The General Assembly
The IPFA Legislative Representative and Executive Director will discuss the impact of budget “sweeps” on various state agencies. Tier III for some of the state retirement systems. Average rate of return based on asset level. IDOI data and how it differs from estimates used by some special interest groups.

*Mark Mifflin, Giffin, Winning, Cohen & Bodewes, P.C. Greg Knoll, IPFA Executive Director*

Post 2008 Fund Performance
The importance of broad diversification, investment policy, and disciplined investment as effective tools in managing portfolios.

*Thomas, Sawyer-Managing Partner, Sawyer Falduto Asset Management, LLC*

IPFA Members: $135.00  Non-Members: $175.00  Walk-Ins: $185.00
(over for more information)

YOUR PENSION PROTECTORS
Empress Banquets is on the north side of Lake Street:

North of North Avenue
South of I-290, Eisenhower Expressway
East of Addison Road
West of Route 83, Kingery Highway

For those traveling, consider staying at:

Hampton Inn & Suites
1685 West Lake Street
Addison, IL
1-630-495-9511

IPFA maintains a database that compiles the funding and rate of return history of all Article 4 funds since 1964 and Article 3 funds since 2010. These reports now include the IDOI calculated tax levy for each fund. A copy of your fund’s history, including 2015 data, will be part of your seminar packet when you attend the IPFA 2017 Fall Pension Seminar.

Continuing Trustee education: Are your hours completed?

Spending Illinois Money in Illinois
SEMINAR REGISTRATION FORM

Municipality, District, or Firm: _____________________________________________ Address: _____________________________________________

City: ____________________________________________, IL Zip: _________ Phone: _____________________________

SEMINAR FEES: IPFA Members: $ 135.00 Non-Members: $ 175.00 Walk-In Registration: $ 185.00

Avoid the walk-in surcharge – register on or before Monday, October 30, 2017

First Name: ______________________ Last Name: ______________________ e-mail Address: ______________________ Member $_______.___ $_______.___

Non-Member $_______.___ $_______.___

$_______.___ $_______.___

$_______.___ $_______.___

$_______.___ $_______.___

$_______.___ $_______.___

TOTAL CHECK ENCLOSED $_______.___

Payment must accompany this Registration Form and be received in our office on or before Monday, October 30th to qualify for lower rates. Reservations received after the above date will be charged walk-in registration fee. Requests for refunds also must be received on or before Monday, October 30th for full fee refunds. No refunds of seminar fees after this date. Please mail the completed form to IPFA, 188 Industrial Drive, Suite 134, Elmhurst, IL 60126-1608, fax it to 630-833-2412, or scan & e-mail to ipfa@aol.com. Any questions, call 630-833-2405. For Tax Reporting Purposes our Federal I.D. Number is: 36-2650496.

The Illinois Pension Statute requires continuing education for all pension board members. This seminar provides up to 8 hours of credits.
CERTIFICATION FORM
LINCOLNWOOD POLICE PENSION FUND

Fiscal Year Ending: 4/30/2017

Date of Internet Filing: 10/3/2017 7:30:24 PM
Submitted By: Jamie Wilkey
Pension Fund Number: 3160
Batch Identification (BID): 20170401
State of Illinois
County of Cook

President: Tim O'Connor
Secretary: Travis Raypole
Treasurer: Charles Greenstein

of the
LINCOLNWOOD POLICE PENSION FUND,

being duly sworn, each for himself deposes and says that they are the above described officers of the said Pension Fund and that the electronically filed annual statement referred to above is a full, true and correct exhibit of all Assets, Liabilities, Income, and Disbursements, and of the conditions of the said Fund on the said 30th day of April, 2017, and for the fiscal year ended on that day, according to their information, knowledge, and belief, respectively and that the assets, liabilities, revenues, and expenses are in agreement with the annual financial audit conducted by an independent certified public accountant with generally accepted auditing standards for local government.

Subscribed and Sworn to before me this __________ day of ______________, __________

President:

Secretary:

Treasurer:

________________________________________
Notary Public

Complete and Mail To:
Department of Insurance
Public Pension Division
320 West Washington Street
Springfield, IL 62767-0001
Notice of Election Results

August 2017 Special Election
Active Member

Nominations are closed and have resulted in:

Tim O'Connor

running unopposed for the position of:

Member of the Board of Trustees
Lincolnwood Police Pension Fund
Active Member Trustee
To Fill Term Expiring in April 2019

being duly nominated is elected by acclamation.

Active Member Tim O'Connor has accepted the position as a member of the Board of Trustees and has agreed to uphold the duties required.
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Funding problems involving the City of Harvey continue to play out in Court. You may recall from our April newsletter, the First District Appellate Court previously affirmed entry of a $7.3 million judgment against the City stemming from chronic underfunding of the police pension fund. This recent case involved similar allegations pertaining to the City’s funding (or lack thereof) of the firefighters’ pension fund.

As was the case with the police pension fund, the City of Harvey had previously entered into settlement agreements with the firefighters’ pension fund requiring it to take specific steps to address underfunding of the pension fund. Multiple witnesses were deposed by both parties detailing the City’s neglect of the firefighters’ pension fund. The pension fund’s investment advisor, accountants, and independent actuaries provided detailed analysis of the lack of City funding left in the pension fund. The Fund’s financial consultant testified the Fund is being forced to sell assets to pay the beneficiaries current pension benefits and the time when no money would be left in the plan to pay benefits is shorter than the life expectancy of the retirees. While the City also employed an independent actuary, he agreed the Fund was chronically underfunded. Harvey’s comptroller for the period in question invoked his Fifth Amendment privilege against self-incrimination 178 times. The trial court entered judgment against the City in the amount of...
$11.5 million plus interest but found the pension fund did not have a Constitutional right to funding because it was not on the verge of imminent default or bankruptcy.

Addressing the facts on appeal, the Appellate Court noted that from 2005-2014, the City contributions to the Pension Fund fell well short of the actuarially determined required amount. From 2011-2013 the City made no contribution whatsoever to the firefighters’ pension fund.

Based on these statistics and the deposition testimony of the pension fund’s investment advisor, actuaries and accountants, the Appellate Court reversed finding the pension fund on the verge of default. It is the first time an Illinois Court has made such a determination. Specifically, the Court found, “the fund-supported benefits are already impaired and shortly they will be diminished because the benefits are being supported primarily by the contributions of the firefighters. In other words, when a firefighter makes a contribution to the Pension Fund, that current firefighter expects that his money and the money contributed by Harvey will be available to him at retirement. Without Harvey’s contribution, there will be no pension for him in the future or his pension will be substantially diminished within a short time.” The court noted if the current trend continues, “the Pension Fund will be paying out increased benefits each year and receiving nothing in contributions from Harvey.”

The Court next examined the dire financial situation in Harvey generally. It noted collection of personal property replacement taxes but no contribution to the pension fund, allegations of fraudulent bond offerings, unmonitored expense accounts for city aldermen, and rampant nepotism in making payments to parties other than the pension fund. The court found Harvey had put forth no plan to correct its pension funding problem in the future and continues to deny it is responsible for the issue.

Based on these facts, the Court found, “Based on the testimony from multiple witnesses, Harvey’s blatant disregard for the Pension Fund over a long period of time, and the dwindling status of the Pension Fund assets, this court finds that the Pension Fund is on the verge of default, which establishes a valid and enforceable constitutional right to funding. Harvey has set up a collision course over a period of many years where the beneficiaries of their firefighters’ Pension Fund are being paid substantially out of the money that the firefighters themselves contributed to the Pension Fund and the money the Pension Fund earns from investments causing an ever-increasing dissipation of the Pension Fund’s assets, which will result in the fund having no assets to pay its beneficiaries or fulfill its obligations under the fund. In essence, Harvey is robbing Peter to pay Paul, but what happens when Peter retires?”

In finding for the first time a pension fund on the verge of default, the Court made clear it was not simply the financial condition of the Fund leading to this conclusion. Rather, it combined with the constant denials by the City it was responsible for the poor financial condition of the Fund and, “the continued lack of financial responsibility shown by Harvey over a significant period of time”.

In addition to holding the Pension Fund had a Constitutional right to funding, the Court went on to find Harvey violated the Pension Code providing no justification for the random amounts it contributed to the Fund while diverting funds specifically levied for the firefighters’ pension fund. While the municipality has some discretion on how it chooses to fund, Harvey far exceeded any discretion allowed under the law. Finally, in addition to the above, the Appellate Court also agreed the City had breached the settlement agreement.

In short, the Court affirmed the award of monetary damages in the amount of $11.5 million covering damages from 2005-2014. In so doing, the Appellate Court for the first time found a pension fund on the verge of imminent default recognizing a Constitutional right to funding. The next steps in attempting to collect on the judgment remain to be seen and an appeal to the Illinois Supreme Court is possible. However, this case represents the first step defining and granting additional standing to
pension funds to address chronic underfunding by municipalities. ❖

Court Finds Disability Did Not Result from Police Duties

Marinelli v. City of Springfield Police Pension Fund, 2017 IL App (4th) 160891-U

A Springfield police officer applied for a line of duty disability claiming his carpel tunnel/TOS in both hands resulted from his duties as a police officer. The officer attributed his carpel tunnel to extensive and voluminous report writing, use of his firearm, and apprehension of a subject.

Plaintiff’s treating physicians found his disability attributable to extensive report writing, use of firearms, long distance driving, and other repetitive movement associated with his job as a police officer. The pension board’s IME’s found his disability was caused by using a computer in the squad car, writing reports in a squad car, and firearm use.

The pension board denied his line of duty request finding he did not frequently author reports and further, that writing police reports did not rise to the level of an act of duty inherently involving special risk. It specifically noted plaintiff’s testimony on the number of reports he wrote and characterized it as minimal and infrequent. It further found the medial reports tying plaintiff’s disability to his police job duties were based on incorrect accounts of those duties. He was granted a not in the line of duty disability pension benefit.

The Appellate Court affirmed the pension board’s denial of line-of-duty benefits. Noting the standard of review to overturn the pension board’s factual findings is whether the opposite conclusion is clearly evident, the Court examined the testimony on the number of reports written by plaintiff and agreed with the pension board characterization it was minimal and infrequent. As a result, the Court found those physicians reports that relied on repetitive or frequent report writing to form the causation of plaintiff’s disability to be unfounded as no evidence of prolonged report writing was presented. The Court concluded that, even if extensive report writing could be the cause of disability, the evidence failed to demonstrate plaintiff was engaged in such an activity. Because the Court found plaintiff failed to establish a causal connection between his disability and job duties, it upheld the denial of line of duty benefits without addressing the issue of whether the alleged activity could rise to the level of an “act of duty” under the Pension Code. ❖

Proprietary/Copyrighted Database Not Subject to FOIA

Garlick v. Naperville Township, 2017 IL App (2d) 170025

Bringing closure to a case featured in our April 2016 newsletter, the Second District Appellate Court has upheld denial of a FOIA request seeking an electronic copy of a township’s real-property database “in its native file format”. Previously, the township had directed the requestor to its website where the records could be accessed online. While a 2014 amendment to the FOIA permits a public body to direct a requestor to its website where the requested information may be found, the requestor in this case argued the information could not be reasonably accessed on the website because he could not search multiple properties at the same time. In its prior opinion, the Appellate Court found whether the data could be reasonably accessed was an issue of fact to be determined by the trial court and remanded the case.

In this most recent opinion, the Appellate Court found the request was properly denied under the FOIA exemption for trade secrets and copyright information. The Court noted the township offered to make any of the data requested available but refused to produce the software in its native file format. Evidence submitted to the trial court indicated the software and data in its native file format were subject to copyright protection and contained proprietary information, trade secrets, and valuable formula, the discourse of which is exempted under the FOIA. Disclosure was also
prohibited pursuant to the software license agreement granted to the township by the vendor. While the requestor argued the database requested did not meet the criteria for protected copyright information, the Court found a FOIA action was not the proper forum to litigate whether information was properly confidential under federal copyright law or the Trade Secrets Act. The Court upheld the township’s denial based on the copyright claim and claims of confidentiality required under the software license agreement.

**Pension Benefits Denied Due to Felony Conviction Related to Employment**

*Coveliers v. Laborers’ and Retirement Bd. Employees’ Annuity & Benefit Fund of Chicago, 2017 IL App (1st) 170159-U*

In a Rule 23 (unpublished) decision, the First District Appellate Court affirmed the Chicago Police Pension Board’s denial of retirement benefits for a City of Chicago employee who had pleaded guilty to mail fraud (a felony). The circuit court reversed the pension board’s determination on administrative review.

In 2005, a federal grand jury returned an indictment against Richard Coveliers, his wife, and other city employees for conspiring to defraud the city. Coveliers pleaded guilty to one count of mail fraud and one count of making a false statement to a federal investigator. Coveliers secretly owned a trucking company in an effort to avoid the City’s prohibition against doing business with City employees. The deputy commissioner of the City’s water department (another defendant) authorized Coveliers’ company to provide trucks to the water department in exchange for Coveliers’ company paying the deputy commissioner $75 per truck per week for any business directed to the complaint. Coveliers’ company received $1.4 million in business from the City, and in 2005, Coveliers lied to a federal investigator regarding his involvement in the company and denied any knowledge of payments to the deputy commissioner.

Article 11 of the Illinois Pension Code contains a provision barring payment of pension benefits to “any person who is convicted of any felony relating to or arising out of or in connection with his service as an employee.” 40 ILCS 5/11-230.

During a hearing regarding his retirement benefits, Coveliers testified he agreed to participate in the scheme because he feared repercussions for refusing. “I didn’t want to get transferred or lose my job.” Coveliers testified further there would not have been any chance of repercussions if he had not been a City employee. Coveliers’ testimony before the pension board contradicted statements made in his plea agreement. The pension board denied Coveliers’ application for benefits, finding his felony conviction was related to, arose out of, and was in connection with his service as a City employee.

In affirming the pension board’s denial of benefits, the Appellate Court found determinative Coveliers’ testimony regarding his involvement with the conspiracy. Coveliers testified he agreed to participate because he did not want to lose his job and, but for his City employment, there would have been no pressure to participate. The Appellate Court found the evidence and testimony supported an inference Coveliers was invited to participate because of his employment with the Water Department. The Appellate Court noted, “participation in a felonious conspiracy arising out of a conspirator’s employment if the employee would not have been in a position or selected to participate in the conspiracy but for his City employment.” The pension board’s decision was held to not be against the manifest weight of the evidence.

**“Emergency” Meetings Under the Open Meetings Act**

P.A.C. Requests for Review 2017 PAC 48511-12, 48522, and 48543

The Open Meetings Act requires at least 48 hours public notice of any meeting, “except a meeting held in the event of a bona fide emergency.” The
The term “bona fide emergency” is not defined in the Act nor has any reported Illinois appellate court attempted to lend a definition.

In this case, it was alleged the Evanston City Council violated the notice requirements of the Act by holding an “emergency” meeting to discuss the Cook County minimum wage ordinance with less than 48 hours public notice. The City claimed the meeting met the definition of an “emergency” because the minimum wage ordinance adopted by the County would become law in the City of Evanston unless it opted out prior to the effective date. While the City Council had not yet addressed the minimum wage ordinance, two adjoining municipalities announced their intention to either opt out or consider opting out shortly before the ordinance went into effect. As a result, Evanston called an emergency City Council meeting the day before the Cook County ordinance was to take effect. No action was taken at the emergency City Council meeting.

The Public Access Counselor acknowledged the lack of a definition of “emergency” in both the Act and case law. It adopted the dictionary definition of emergency as, “an unforeseen combination of circumstances or the resulting state that calls for immediate action.” Prior PAC decisions focused on “unanticipated circumstances” as the lynchpin for whether a meeting was an emergency. For example, a prior opinion found an account deficit that would have resulted in a public body failing to meet payroll was not an emergency under the Act because it was foreseeable.

Applying the “unanticipated circumstances” test to the emergency meeting on the Cook County minimum wage ordinance, in a non-binding opinion the PAC found it should have been foreseen by the City Council. The County ordinance was passed in October 2016 with an effective date of July 1, 2017. This gave the City Council nearly 8 months’ notice it should consider the matter. As a result, the meeting of June 30, 2017, called by the Evanston City Council did not qualify as an “emergency” under the Act.

Kentucky Court Allows City to Sue State Pension Board for Impudent Investments


In a case being watched by pension advocates across America, the City of Fort Wright, Kentucky has been permitted to sue the Kentucky Retirement Systems (“KRS”), which serves as Kentucky’s statewide municipal retirement system. Starting in 2014, the City filed a class-action suit against KRS alleging it had engaged in imprudent investments and overpaid management fees. The City demands an accounting of the assets and segregation of its assets from KRS.

KRS greeted the City’s lawsuit with a motion to dismiss. The trial court denied KRS’ motion. KRS then appealed asserting sovereign immunity barred

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**Suggested Agenda Items for January (or 1st Quarter)**

- Approval of annual COLA increases.
- Semi-annual review of closed executive session minutes to determine if needs to remain confidential.
- Determine need for election of beneficiary and active Trustees and/or re-appointment of appointed Trustees – request for re-appointment of appointed Trustees.
- Schedule annual examinations for disabled firefighters/policemen under age 50.
- Annual verifications of eligibility for beneficiaries.
- Review/update contracts with vendors (accountants, actuaries, attorneys, investment managers/advisors or consultants).
- Obtain predatory lending certification forms from Illinois regulated banks.
the City’s suit. Sovereign immunity was the sole issue on appeal. The Appellate Court, on September 23, 2016, found the doctrine of sovereign immunity was deemed waived as a matter of statute. On February 9, 2017, Kentucky’s Supreme Court declined to hear the case. Shortly thereafter, the case returned to the Franklin County Circuit Court. The parties are currently engaged in discovery. We are certain a veracious summary judgment process will follow. Then, if necessary, pre-trial motions and trial will set the table for a return to the appellate court.

The myriad of legal issues wrapped into this case are too many to discuss. However, allow this article to serve as a preview of this case. While sovereign immunity is an issue, it is far from the most direct impact to the majority of our readers. The Illinois Supreme Court eliminated sovereign immunity in Illinois. In response, the General Assembly installed a series of laws curtailing tort immunity for governmental entities. Certainly, sovereign/tort immunity will undoubtedly play a substantial role in the KRS case, and any successor cases. However, those are only the tip of the iceberg.

The Kentucky case begs a variety of questions. What, if any, duty does a pension board owe to a sponsoring employer? Does the employer have standing to bring such a suit? To what extent are trustees personally liable to the employer? Are the duties different for single and multi-employer plans? There are many more questions regarding liability. Then, assuming liability is established, what comes next?

What remedies are available to an employer who successfully establishes it was owed a duty and that duty was breached. Is it owed money? If so, from where? Can it enjoin the pension trustees and require them to invest in a certain manner? Can the employer demand to be removed from the pension system? Again, this is just a preview. We will continue to track this case.

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**Denial of Disability Based on Objective Findings Proper**

*Aquino v. City of Northlake Police Pension Fund, et al., 2017 IL App (1st) 162279-U*

In a Rule 23 decision, the First District Appellate Court affirmed a Northlake Police Pension Board determination an officer was “not disabled”. The officer suffered an injury when she responded to the scene of an abandoned car. While directing traffic at the scene, she was struck on the right side of her body by the mirror of a passing vehicle. She sought extensive treatment from numerous doctors. Eventually, one of her treating physicians diagnosed her with complex regional pain syndrome (CRPS).

The officer applied for a line of duty disability benefit or, in the alternative, a not in the line of duty disability benefit. The pension board denied any benefit finding she had failed to prove she was disabled from performing the duties of a police officer or that she suffers from CRPS. In its written decision and order, the pension board gave greater weight to those opinions based on objective findings of medical examiners as opposed to those based on the officer’s subjective complaints.

A lengthy re-telling of the medical evidence by the Appellate Court focused on five independent medical examinations of plaintiff. While three of the IME’s found plaintiff disabled, one was based solely on subjective evidence, one changed his opinion to “not disabled” after review of supplemental evaluations, and the third found plaintiff disabled due a mental condition without indicating how he came to that conclusion. Both doctors who evaluated plaintiff in connection with her workers’ compensation claim found she did not suffer from CRPS.

In affirming the decision of the pension board to deny plaintiff benefits, the Appellate Court found the pension board’s reasoning according more weight to those medical opinions based on objective as opposed to subjective evidence to be proper. The subjective testing relied on by the
The pension board found normal function of plaintiff’s nerves and muscles. “The pension board, as finder of fact, was free to place a greater emphasis on the objective findings than the subjective complaints of the plaintiff in reaching its decision.”

This serves as a good reminder when conflicting evidence is introduced, the pension board’s job is to weigh the evidence. Its determination should not be disturbed unless the opposite conclusion is clearly evident. While several doctors found Plaintiff disabled, other found her “not-disabled”. Ultimately, the Appellate Court found the Pension Board’s reasoning detailed in its decision and order as to which medical opinions it credited sufficiently supported its determination.

**Surviving Spouse Pension Benefit Not Subject to Judgment Creditor**

*Chicago Police Sergeants’ Assoc. v. Pallohusky,* 2017 IL App (1st) 162822

John Pallohusky is a retired Chicago police officer. In addition to his own pension, he receives a survivors’ pension benefit from the Chicago Police pension fund as his deceased wife was also a Chicago police officer. The Chicago Police Sergeants’ Association (PBPA) obtained a judgment against Mr. Pallohusky in the amount of $690,215.17. The PBPA sought to attach Pallohusky’s widow’s annuity of $1,829.10 per month to the judgment. Relying on a recent United States Supreme Court case and an Illinois appellate case interpreting the same, the circuit court allowed PBPA to attach the widow’s annuity to satisfy the judgment. The Appellate Court reversed. First, it noted Article 5 of the Pension Code (applying to Chicago police) exempted all benefits granted under Article 5 from judgments. (Similar language is included in both Articles 3 and 4 of the Pension Code). It also noted the Code of Civil Procedure exempted from judgment benefits from public employee pension plans created under the Illinois Pension Code. As such, the strict language of the Pension Code and Code of Civil Procedure exempted Pallohusky’s widow’s annuity from attachment.

The Court then addressed the cases relied upon by the Circuit Court in ignoring the statutes. The U.S. Supreme Court case of Clark v. Rameker, 134 S.Ct. 2242, (2014) found an IRA inherited by a debtor from her mother was not exempt from her bankruptcy estate because they should not be considered “retirement funds “excluded from judgment. Adopting this reasoning, the Illinois Appellate Court in In re Marriage of Branit, 2015 IL App (1st) 141297 found a nonspousal inherited IRA from a debtor’s mother was not exempt from collection as a judgment under the Code of Civil Procedure because it was not in the nature of a retirement benefit. The Appellate Court found both Clark and Branit materially distinguishable inasmuch as neither dealt with a pension benefit expressly exempted from judgment under both the Pension Code and Code of Civil Procedure.

There are few reported cases dealing with the judgment-proof nature of police and/or fire pensions. This case serves as a reminder those benefits are not subject to attachment to satisfy judgments by the strict language of both the Pension Code and Code of Civil Procedure.

**Assumption of Unassigned Duties Does Not Create an “Act of Duty” for Disability Pension Purposes**

*Law v. Bd. of Trustees of the River Forest Firefighters’ Pension Fund et al.,* 2017 IL App (1st) 161826-U

In a Rule 23 (unpublished) decision, the First District Appellate Court affirmed a pension board decision denying the disability application for line-of-duty disability benefits from a firefighter who claimed he was injured while performing an inspection of a ladder truck the Village was considering for purchase. Firefighter Law claimed he had been ordered by his supervisors to inspect a ladder truck. During his inspection, Law injured his right wrist climbing to
the top of the ladder truck. At the time of injury, the ladder truck had not yet been put in service. There was a department requirement for the daily inspection of all trucks, but only those already in service. There was no testimony from any supervisor regarding whether a direct order had been issued to Law to conduct the inspection. The Fire Chief testified the ladder truck was a demonstration model, which was parked at the fire station as an accommodation to the truck vendor. At the time of Law’s injury, the Village Board had not yet approved purchased of the ladder truck. Prior to the purchase, there was no requirement for members of the department to inspect the vehicle – it was strictly voluntary.

The Pension Board denied Law’s application for line-of-duty disability pension benefits, determining his actions had been voluntary, and therefore he was not engaged in an “act of duty” when injured. On administrative review, the circuit court affirmed the Pension Board’s denial.

In affirming the Pension Board’s denial, the Appellate Court disagreed with Law’s application of Section 5/4-110 of the Pension Code. The Appellate Court disagreed with Law’s assertion he was performing an “act of duty” because he was on shift at the time of injury, inspecting a truck the Village had not yet decided to purchase. The Appellate Court noted Law conceded no fire department rules and regulations or Village ordinances required his inspection of the ladder truck.

The Appellate Court further found Law presented no evidence his inspection of the ladder truck led to the saving of life or property, and that any training on the new ladder truck would not begin until it had been placed into service. Ultimately, the Appellate Court held the manifest weight of the evidence supported the Pension Board’s determination.

‘Double Dipping’ House Bill Becomes Law

P.A. 100-0281

House Bill 418 (reported in our last newsletter) was signed into law by Governor Rauner August 24, 2017. As previously reported, it purports to address “doubling dipping” for members of Article 3 pension funds and takes away the Chief of Police option to participate in IMRF. The amendments to the Pension Code prevent Chief’s from electing to participate in IMRF after January 1, 2019, unless they have IMRF service prior to that date.

The new law also requires municipalities create defined contribution plans with individual accounts. While the legislation is short on specifics, it appears these would be similar to a 401(k)-style plans. Each municipality will control the rules, contributions, and benefits of their own 401(k)-style plan.

Police officers eligible to participate in the 401(k)-style plan instead of Article 3 will be only those officers who have more than 10 years creditable service in a fund and enter service with a different municipality. They will be given the option to participate in the defined contribution plan as opposed to the current defined benefit plan. The election may later be rescinded in writing in accordance with the rules of the pension board. If rescinded, any employer contributions, along with the earnings on the contributions, shall remain vested in the officer’s account. The officer would then begin participating in the Article 3 fund on the first day of the month following the written rescission. An officer making an election to participate in the 401(k)-style plan will not receive creditable service or any other benefit under the new municipality’s Article 3 pension fund.

In addition, the legislation purports to address re-entry into active service issues. It provides a police officer who first enters service after January 1, 2019, and re-enters service with any municipality
while receiving pension benefits can only participate in the defined contribution plan. The officer would not receive any additional creditable service or Article 3 pension benefit.

In the short term, this legislation has the potential to create funding issues for Article 3 funds if transferring officers opt for 401(k)-style plans thereby foregoing contributions to the existing Article 3 fund. However, as noted above, the pool of officers eligible to make that election is limited. While the restriction on re-entry is being interpreted to apply only to those officers first entering service on or after January 1, 2019, it is not clear from the language of the Act if this was the intent of the Legislature. An alternative interpretation applying it to all officers effective January 1, 2019, would certainly give rise to Constitutional concerns under the Pension Protection Clause. It seems probable further clarification on how to apply these amendments will need to come from the DOI and/or the courts.

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Five-Year Statute of Limitations Applies to PSEBA Claims

Terrazzino v. City of Des Plaines, et al., 2017 IL App (1st) 161826-U

In a Rule 23 (unpublished) decision, the First District Appellate Court affirmed dismissal of a complaint challenging the city’s denial of request for benefits under the Public Safety Employee Benefits Act (“PSEBA”). The circuit court granted the city’s motion to dismiss for failure to file during the appropriate statute of limitations.

As way of background, Officer Terrazzino was injured when he was bitten on the right hand, while attempting to restrain a subject in 1984. Terrazzino was later diagnosed with an infection of his right index finger, but was able to continue to perform his duties. Terrazzino continued to experience complications ultimately resulting in the amputation of his right index finger in 2000. Following the amputation, Terrazzino applied for and was granted line of duty disability benefits. At that time, Terrazzino did not apply for benefits under PSEBA because he had health insurance from other sources. In November 2015, his other source of health insurance ended. On December 27, 2015, Terrazzino applied for PSEBA benefits from the city. The city declined to make health insurance payments for Terrazzino and Terrazzino filed a complaint on March 18, 2016. The city filed a motion to dismiss, arguing Terrazzino suffered his injury prior to the enactment of PSEBA and the five-year statute of limitations had run prior to filing of the complaint.

The circuit court granted the motion to dismiss finding Terrazzino’s injury occurred prior to the enactment of PSEBA in 1997 and, “even assuming the injury became catastrophic in 2000, Terrazzino failed to file his complaint within the five-year statute of limitations.” In affirming the dismissal, the Appellate Court did not reach a determination on the issue of the date of injury, instead choosing to affirm on statute of limitations grounds.

The Appellate Court agreed the five-year catch-all statute of limitations set forth by 735 ILCS 5/13-205 applied to claims related to PSEBA. The First District Appellate Court favorably cited to the Second District’s similar decision in Hancock v. Village of Itasca, 2016 IL App. (2d) 150677. The Appellate Court concluded Terrazzino had not timely filed his complaint for PSEBA benefits because his claim for benefits was ripe in April 2000, when he was awarded line-of-duty disability benefit and he did not file his complaint until March 2016. ❖
August 16, 2017, RDK partner Keith Karlson taught at the IPPFA certified trustee training seminar in Hoffman Estates.


September 21, 2017, RDK partners Rick Reimer & Keith Karlson taught on the legal implications of critical incidents and internal investigations at the Metropolitan Alliance of Police seminar.

October 2-October 6, 2017, RDK partners Rick Reimer, Jim Dobrovolny, and Keith Karlson presented and attended the IPPFA fall conference in St. Louis.

October 30-31, November 2, & November 8, 2017 RDK partner Rick Reimer will teach at the IPPFA certified trustee training seminar in Hoffman Estates.

November 3, 2017, RDK attorney Brian LaBardi will present at the IPFA fall conference.