



# DARIEN POLICE PENSION BOARD

In the County of DuPage and the State of Illinois  
Incorporated 1969

## NOTICE OF A REGULAR MEETING OF THE BOARD OF TRUSTEES

The Darien Police Pension Fund Board of Trustees will conduct a regular meeting on Wednesday, November 19, 2014 at 7:00 PM at 1710 Plainfield Road, Darien, IL 60561 for the purposes set forth in the following Agenda:

### AGENDA

- 1) Call to Order
- 2) Roll Call
- 3) Public Comment (limited to 3 minutes per comment)
- 4) Approval of Minutes
- 5) Accountant's Report
  - a) Monthly Financial Report
  - b) Presentation and Approval of Bills
  - c) Additional Bills, if any
    - i) Lauterbach & Amen Invoices
    - ii) Timothy W. Sharpe Invoice
    - iii) 2015 IPPFA Annual Membership Dues - \$775
    - iv) IPPFA Fall Conference Reimbursements
- 6) Investment Reports
  - a) Portfolio Review - MB Financial
  - b) Portfolio Review - Sawyer Falduto Asset Management
  - c) Review/Update Investment Policy
- 7) Old Business
  - a) Trustee Training Update
  - b) Surviving Dependent Children Benefits – Borsilli
    - i) Modification of Payment for Surviving Dependent Children Benefits to Nikolas Borsilli
    - ii) Modification of Payment for Surviving Dependent Children Benefits to Daniel Borsilli
  - c) QILDRO – Michael Campo
  - d) IDOI Annual Statement
- 8) New Business
  - a) Application for Membership – Eric Sarat
  - b) 2015 Board Meeting Dates
- 9) Correspondence & Reports
  - a) Affidavits of Eligibility
- 10) Attorney's Report
  - a) Legal Updates
  - b) Annual IME - Vlach
  - c) QILDRO – Robert Pavelchik
- 11) Closed Executive Session, if required
- 12) Adjournment

Posted on: November 17, 2014

by: Anton Hruby, Vice President



# DARIEN POLICE PENSION BOARD

In the County of DuPage and the State of Illinois  
Incorporated 1969

## THE REGULAR MEETING MINUTES OF THE DARIEN POLICE PENSION FUND BOARD OF TRUSTEES JULY 30, 2014

A regular meeting of the Darien Police Pension Fund Board of Trustees was held on Wednesday, July 30, 2014, at 7:00 PM at 1710 Plainfield Road, Darien, IL 60561, pursuant to notice.

**CALL TO ORDER:** Vice President Anton Hruby called the meeting to order at 7:08 pm.

### ROLL CALL:

**PRESENT:** Vice President Anton Hruby, Secretary Jason Norton, Assistant Secretary Patrick Murphy and Treasurer James Caldwell

**ABSENT:** President Leonard Catalano

**ALSO PRESENT:** Board Attorney Brian LaBardi, Reimer & Karlson; Tom Sawyer and John Falduto, Sawyer Falduto Asset Management; Ted Kirpach and Michael Stuart, MB Financial; Mike Coren, City of Darien Treasurer; and Stephanie Bay and Kari Heffron, Lauterbach & Amen (L&A)

**PUBLIC COMMENT:** None

**APPROVAL OF MINUTES:** The Board reviewed the minutes from the April 30, 2014 regular meeting. A motion was made by Trustee Caldwell and seconded by Trustee Norton to approve the April 30, 2014 regular meeting minutes. Motion carried unanimously by voice vote.

### ACCOUNTANT'S REPORT:

*Monthly Financial Report:* Ms. Bay presented the Monthly Financial Report for the two month period ending June 30, 2014. As of June 30, 2014, the net position held in trust for pension benefits is \$24,034,892.60 for a change in position of \$998,983.95. Ms. Bay reviewed the Cash Analysis Report, Revenue Report, Expense Report and Payroll Journal with the Board.

*Presentation and Approval of Bills:* The Board reviewed the Vendor Checks Report from April 1, 2014 through June 30, 2014, for a total disbursement of \$96,967.66.

A motion was by Trustee Caldwell and seconded by Trustee Murphy to accept the Monthly Financial Report and approve the Vendor Checks Report in the amount of \$96,967.66.

**AYES:** Trustees Hruby, Murphy, Norton and Caldwell

**NAYS:** None

**ABSENT:** Trustee Catalano

*Additional Bills, if any:* Four additional bills were presented for Board approval: \$1,410 to L&A, invoice #5757 dated 05/20/2014, for professional services rendered in April; \$1,460 to L&A, invoice #6056 dated 06/20/2014, for professional services rendered in May; \$1,410 to L&A, invoice #6585 dated 07/20/2014, for professional services rendered in June; \$540 to INSPE, invoice #45082 dated 07/25/2014, for George Vlach's Independent Medical Exam. A motion was made by Trustee Hruby and seconded by Trustee Norton to approve the additional invoices.

AYES: Trustees Hruby, Murphy, Norton and Caldwell

NAYS: None

ABSENT: Trustee Catalano

### **INVESTMENT REPORTS:**

*Portfolio Review – Sawyer Falduto Asset Management:* Mr. Sawyer presented the Quarterly Investment Performance Report for the period ending June 30, 2014. As of June 30, 2014, the quarter-to-date total net return is 2.76% for an investment return of \$286,167 and an ending market value of \$10,386,821. The year-to-date total net return is 4.00% for an investment return of \$414,909. The current asset allocations are as follows: Fixed Income at 47.2%, Equities at 52.6% and Cash Equivalents at 0.2%. The Market Commentary, Equity and Fixed Income Portfolios, and Transaction Ledger Report were reviewed with the Board. Mr. Sawyer noted that the Scout International Fund is on their watch list due to underperformance and the Vanguard 500 Index Fund Signal (USD) VIFSX merged shares with the Vanguard 500 Index Fund Admiral (USD) VFIAX.

*Portfolio Review – MB Financial:* Mr. Kirpach and Mr. Stuart presented the Quarterly Investment Report for the period ending June 30, 2014. As of June 30, 2014, the quarter-to-date total return is 3.17% with a change due to investments of \$413,974 and an ending market value of \$13,725,783. The fiscal year-to-date total return is 4.75% with a change due to investments of \$614,889. The current asset allocations are as follows: Fixed Income at 45.27%, Equities at 46.12%, Alternative Strategies at 5.89%, and Cash & Equivalents at 2.73%. The Asset Composition for the Equity and Fixed Income Portfolios, Market Value vs. Invested Capital, Risk/Return Analysis and Quarterly Market Insights were reviewed with the Board.

A motion was made by Trustee Caldwell and seconded by Trustee Norton to accept the Investment Reports. Motion carried unanimously by voice vote.

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

### **OLD BUSINESS:**

*Trustee Training Update/Approve Trustee Training Expenses:* Ms. Bay reviewed the Trustee Training Summary and discussed upcoming training opportunities with the Board. A motion was made by Trustee Hruby and seconded by Trustee Norton to approve the payment of \$1,220.00 to NIU for the IPPFA Fall Conference registration fees for Trustees Catalano, Hruby, Murphy and Norton.

AYES: Trustees Hruby, Murphy, Norton and Caldwell

NAYS: None  
ABSENT: Trustee Catalano

*QILDRO – Michael Campo:* Mr. LaBardi informed the Board that the draft QILDRO remains insufficient. Further discussion will be held at the next meeting.

*Surviving Dependent Children Benefits – Borsilli:* Mr. LaBardi informed the Board that Ms. Borsilli does not want to open a new Trust account that complies with the April 2012 Decision & Order. The Board may have the option to pay Nickolas Borsilli's benefits directly to himself instead of the Trust account because he has reached the age of 18. Further discussion will be held at the next meeting.

*Review of Active Member Pension Contributions:* Ms. Bay informed the Board that Paul Nosek corrected pension contributions and provided dates for any unpaid breaks in service. According to Paul Nosek, pension contributions are not withheld on Holiday Pay for administrative positions.

**NEW BUSINESS:**

*Election of Officers – President, Vice President, Secretary, Assistant Secretary, Treasurer and FOIA/OMA Designee:* A motion was made by Trustee Caldwell and seconded by Trustee Murphy to maintain the slate of officers: Leonard Catalano as President, Anton Hruby as Vice President, Jason Norton as Secretary, Patrick Murphy as Assistant Secretary and James Caldwell as Treasurer. John Cooper will remain the FOIA Officer and OMA designee. Motion carried unanimously by voice vote.

*IDOI Annual Statement:* Ms. Bay informed the Board that a draft of the IDOI Annual Statement will be emailed to the Board upon completion of the Audit. Further discussion will be held at the next meeting.

*Actuarial Valuation Report:* The Board reviewed the Actuarial Valuation Results prepared by Tim Sharpe. Mr. Coren recommended that the Board request the tax levy recommendation reflecting PUC, 27-year and 100% Amortization with an investment return of 7.00% and salary increase of 5.50%.

*Approve Tax Levy Recommendation to the City of Darien:* A motion was made by Trustee Caldwell and seconded by Trustee Norton to approve the tax levy recommendation in the amount of \$1,200,005.

AYES: Trustees Hruby, Murphy, Norton and Caldwell  
NAYS: None  
ABSENT: Trustee Catalano

*Six Month Review of Closed Meeting Minutes:* None

**CORRESPONDENCE & REPORTS:**

*Affidavits of Eligibility:* Ms. Bay informed the Board that the Affidavits of Eligibility were mailed to the pensioners with a return deadline of July 31, 2014. Further discussion will be held at the next meeting.

*Active Member File Maintenance:* Ms. Bay informed the Board that she is in the process of preparing the active member file maintenance letters. Ms. Bay will send the active member file maintenance letters to the station for distribution.

**ATTORNEY’S REPORT:**

*Annual IME – Vlach:* Mr. LaBardi informed the Board that INSPE is in the process of performing a records only review for George Vlach’s Independent Medical Exam. Further discussion will be held at the next meeting.

*QILDRO – Robert Pavelchik:* Mr. LaBardi informed the Board that the QILDRO is insufficient. Further discussion will be held at the next meeting.

*Legal Updates:* Mr. LaBardi distributed copies of the quarterly newsletter, *Legal and Legislative Update*, highlighting recent court decisions and pension news.

**CLOSED EXECUTIVE SESSION, IF REQUIRED:** None

**ADJOURNMENT:** A motion was made by Trustee Hruby and seconded by Trustee Norton to adjourn the meeting at 8:24 pm. Motion carried unanimously by voice vote.

\_\_\_\_\_  
Leonard Catalano, Board President

\_\_\_\_\_  
Jason Norton, Board Secretary

Minutes approved as presented by the Board of Trustees on \_\_\_\_\_.

*Minutes prepared by Stephanie M. Bay, Pension Services Administrator*

*~ The next regular meeting is scheduled for Wednesday, October 29, 2014 at 7:00pm. ~*

# Darien Police Pension Fund

## Monthly Financial Report

For the Month Ended  
September 30, 2014

Prepared by:

Lauterbach & Amen, LLP

# Darien Police Pension Fund

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# Accountant's Compilation Report





October 15, 2014

Members of the Pension Board of Trustees  
Darien Police Pension Fund  
Darien, IL 60561

We have compiled the accompanying modified cash basis statement of net position of the Darien Police Pension Fund as of September 30, 2014 and the related modified cash basis statement of changes in net position for the five months then ended, and the accompanying other supplementary information as referred to in the table of contents. We have not audited or reviewed the accompanying financial statements and other supplementary information and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and other supplementary information are in accordance with the modified cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements and other supplementary information in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and other supplementary information.

Our responsibility is to conduct the compilation in accordance with Statements for Standards and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management in presenting financial information in the form of financial statements and other supplementary information without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements and other supplementary information.

Management has elected to omit substantially all of the disclosures, Management Discussion and Analysis (MD&A), and Required Supplementary Information (RSI) required by the modified cash basis of accounting. If the omitted disclosures were included in the financial statements and other supplementary information, they might influence the user's conclusions about the Pension Fund's assets, liabilities, fund balance, revenues and expenses. Accordingly, these financial statements and other supplementary information are not designed for those who are not informed about such matters.

We are not independent with respect to the Darien Police Pension Fund.

Cordially,

Lauterbach & Amen, LLP

# Financial Statements

**Darien Police Pension Fund**  
**Statement of Net Position - Modified Cash Basis**  
**As of September 30, 2014**

**Assets**

Cash and Cash Equivalents	\$	0.00
Investments, at Fair Value		
Money Market Mutual Funds		293,458.37
Fixed Income		11,265,218.42
Insurance Company Contracts - General		55,312.35
Stock Equities		2,462,787.45
Mutual Funds		10,074,190.85
Total Cash and Investments		<u>24,150,967.44</u>
Accrued Interest		97,036.87
Prepays		<u>516.67</u>
Total Assets		<u>24,248,520.98</u>

**Liabilities**

Pension and Benefits Due/Unpaid		134,997.97
Expenses Due/Unpaid		<u>8,676.22</u>
Total Liabilities		<u>143,674.19</u>

**Net Position Held in Trust for Pension Benefits** 24,104,846.79

See Accountants' Compilation Report

**Darien Police Pension Fund**  
**Statement of Changes in Net Position - Modified Cash Basis**  
**For the Five Months Ended September 30, 2014**

**Additions**

Contributions - Employer	\$ 1,133,113.79
Contributions - Employee	<u>121,236.30</u>
Total Contributions	<u>1,254,350.09</u>
Investment Income	
Interest and Dividends Earned	217,158.85
Net Change in Fair Value	<u>281,446.75</u>
Total Investment Income	498,605.60
Less: Investment Expense	<u>(27,792.93)</u>
Net Investment Income	<u>470,812.67</u>
Total Additions	<u>1,725,162.76</u>

**Deductions**

Administration	14,032.77
Benefits and Refunds	
Benefits	642,191.85
Refunds	<u>0.00</u>
Total Deductions	<u>656,224.62</u>

**Change in Position**

1,068,938.14

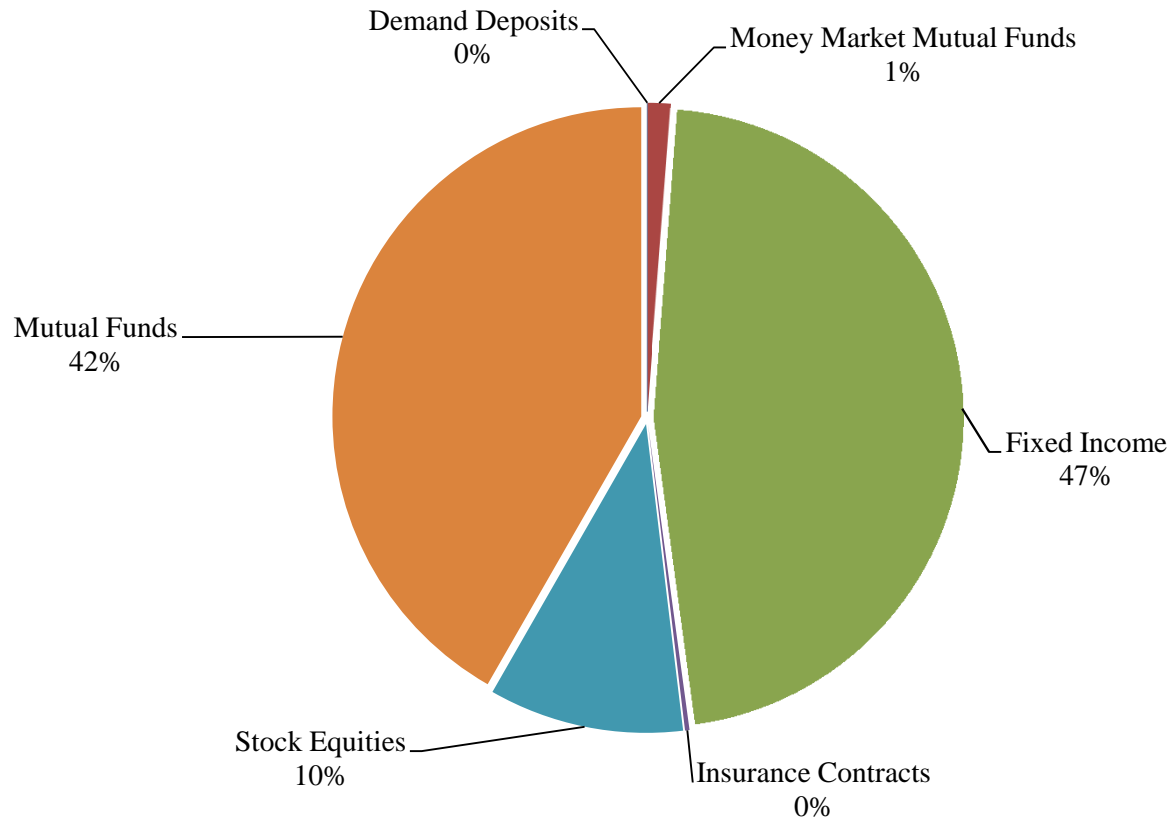
**Net Position Held in Trust for Pension Benefits**

Beginning of Year	<u>23,035,908.65</u>
End of Period	<u>24,104,846.79</u>

See Accountants' Compilation Report

## Other Supplementary Information

## Darien Police Pension Fund Cash and Investments

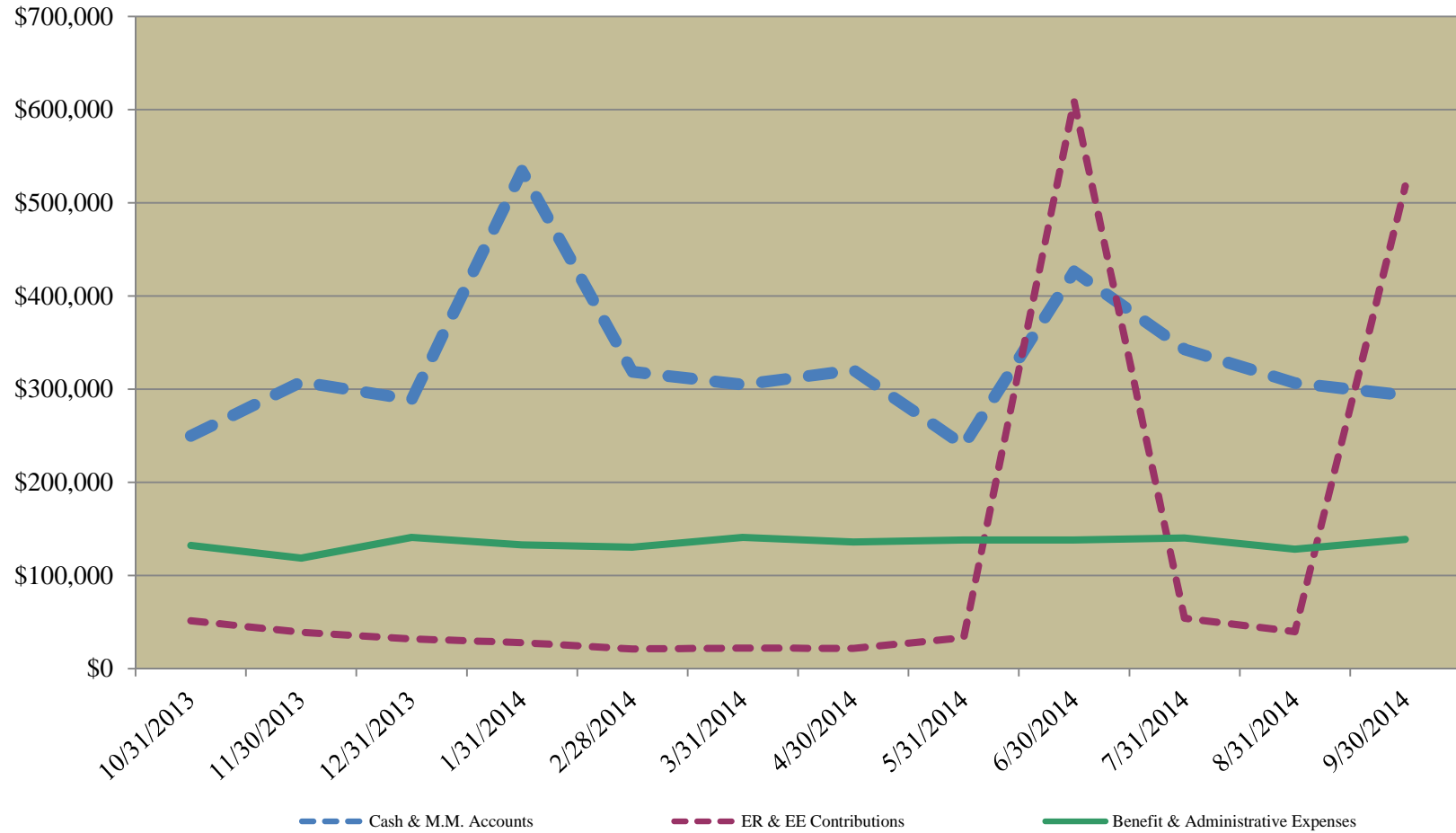


**Darien Police Pension Fund  
Cash Analysis Report  
For the Twelve Periods Ending September 30, 2014**

<u>Financial Institutions</u>	<u>10/31/13</u>	<u>11/30/13</u>	<u>12/31/13</u>	<u>1/31/14</u>	<u>2/28/14</u>	<u>3/31/14</u>	<u>4/30/14</u>	<u>5/31/14</u>	<u>6/30/14</u>	<u>7/31/14</u>	<u>8/31/14</u>	<u>9/30/14</u>
	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>
MB - Money Market #61404680	206,629	140,933	268,719	261,293	279,354	291,565	299,164	208,346	384,883	325,073	280,157	196,722
Schwab - Money Market #2002-7678	43,376	167,108	20,030	273,221	39,466	13,396	21,308	31,446	41,563	17,774	26,531	96,736
	<u>250,005</u>	<u>308,041</u>	<u>288,748</u>	<u>534,514</u>	<u>318,819</u>	<u>304,961</u>	<u>320,472</u>	<u>239,792</u>	<u>426,446</u>	<u>342,848</u>	<u>306,689</u>	<u>293,458</u>
Totals	<u>250,005</u>	<u>308,041</u>	<u>288,748</u>	<u>534,514</u>	<u>318,819</u>	<u>304,961</u>	<u>320,472</u>	<u>239,792</u>	<u>426,446</u>	<u>342,848</u>	<u>306,689</u>	<u>293,458</u>
<u>Contributions</u>												
Current Tax	18,579	17,352	8,758	3,122	-	31	-	40	586,579	31,951	18,397	496,147
Contributions - Current Year	32,878	21,862	23,113	24,753	21,158	22,162	21,712	33,269	22,267	22,280	21,427	21,993
	<u>51,457</u>	<u>39,214</u>	<u>31,871</u>	<u>27,875</u>	<u>21,158</u>	<u>22,193</u>	<u>21,712</u>	<u>33,309</u>	<u>608,846</u>	<u>54,231</u>	<u>39,824</u>	<u>518,139</u>
<u>Expenses</u>												
Benefits	118,663	118,663	118,663	125,609	128,243	128,243	128,438	128,438	128,438	128,438	128,438	128,438
Administration	13,816	-	22,442	7,490	2,100	12,664	7,581	9,753	9,762	12,070	-	10,241
	<u>132,479</u>	<u>118,663</u>	<u>141,105</u>	<u>133,099</u>	<u>130,343</u>	<u>140,907</u>	<u>136,019</u>	<u>138,191</u>	<u>138,200</u>	<u>140,508</u>	<u>128,438</u>	<u>138,679</u>
Total Contributions less Expenses	<u>(81,021)</u>	<u>(79,448)</u>	<u>(109,233)</u>	<u>(105,223)</u>	<u>(109,185)</u>	<u>(118,713)</u>	<u>(114,307)</u>	<u>(104,882)</u>	<u>470,646</u>	<u>(86,277)</u>	<u>(88,614)</u>	<u>379,460</u>

See Accountants' Compilation Report

## Darien Police Pension Fund Cash Analysis Summary



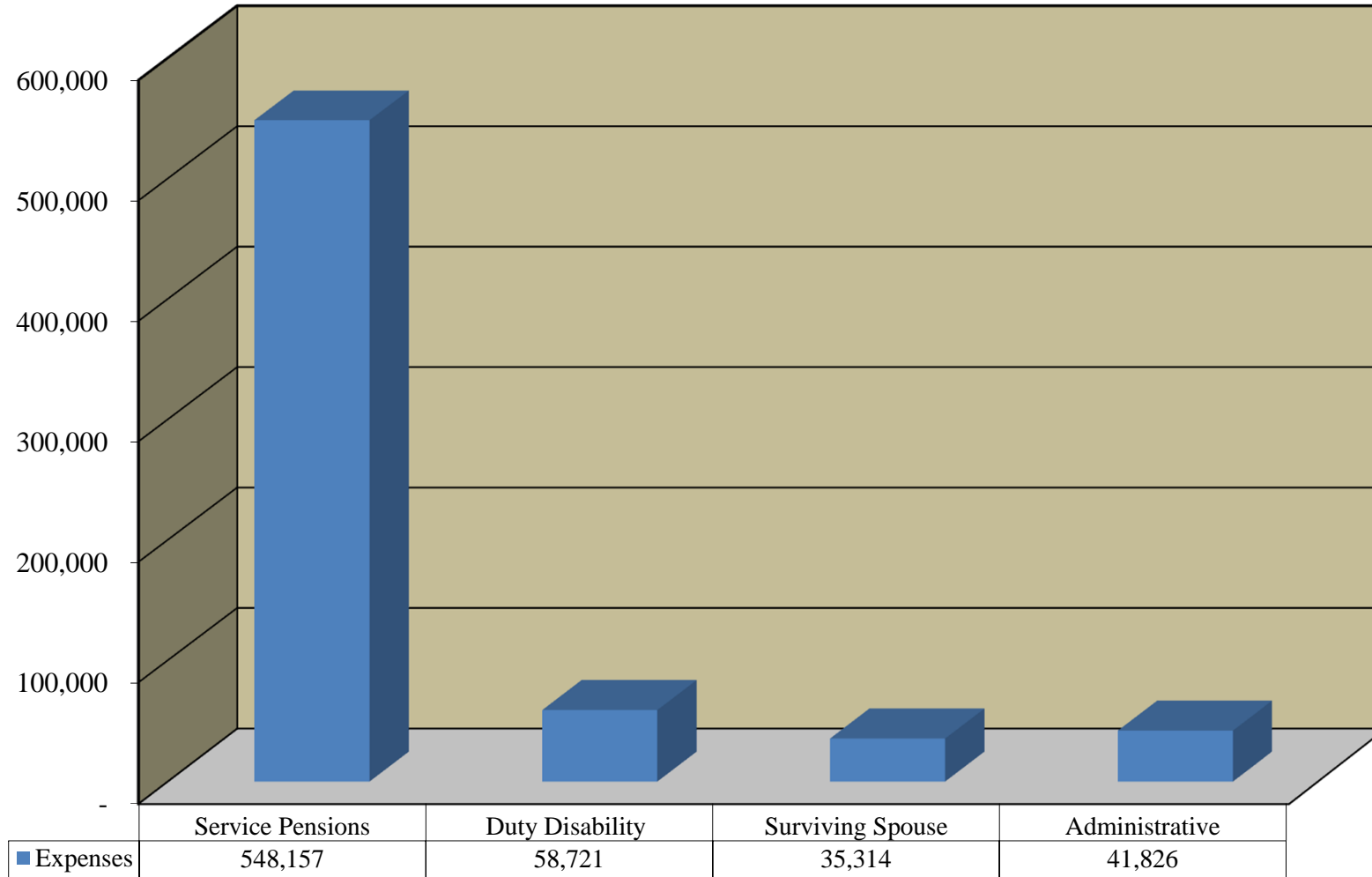


# Darien Police Pension Fund

## Revenue Report as of September 30, 2014

	<u>Received this Month</u>	<u>Received this Year</u>
<b><u>Revenues</u></b>		
<b><u>Municipal and Member Contributions</u></b>		
<b><u>Municipal Contributions</u></b>		
41-210-00 - Current Tax	496,146.78	1,133,113.79
	496,146.78	1,133,113.79
<b><u>Member Contributions</u></b>		
41-410-00 - Contributions - Current Year	21,992.59	121,236.30
	21,992.59	121,236.30
<b>Total Municipal and Member Contributions</b>	518,139.37	1,254,350.09
<b><u>Investment Income</u></b>		
<b><u>Interest and Dividends</u></b>		
43-252-02 - MB - Fixed Income #61404680	19,581.13	115,065.93
43-252-04 - Schwab - Fixed Income #2002-7678	13,395.15	46,653.25
43-450-02 - MB - Common Stock #61404680	5,572.18	10,099.87
43-550-02 - MB - Mutual Funds #61404680	2,988.36	18,372.40
43-550-04 - Schwab - Mutual Funds #2002-7678	9,289.51	21,443.57
	50,826.33	211,635.02
<b><u>Gains and Losses</u></b>		
44-252-02 - MB - Fixed Income #61404680	(49,774.92)	(60,492.22)
44-252-04 - Schwab - Fixed Income #2002-7678	(31,345.48)	2,738.80
44-350-01 - Regatta Gold #7600488136	(13.36)	641.22
44-450-02 - MB - Common Stock #61404680	(29,961.50)	77,850.00
44-550-02 - MB - Mutual Funds #61404680	(169,458.02)	113,791.14
44-550-04 - Schwab - Mutual Funds #2002-7678	(158,283.69)	146,917.81
	(438,836.97)	281,446.75
<b><u>Other Income</u></b>		
45-200-00 - Accrued Interest	(2,747.41)	5,523.83
49-000-01 - Other Income	0.00	0.00
	(2,747.41)	5,523.83
<b>Total Investment Income</b>	(390,758.05)	498,605.60
<b>Total Revenues</b>	127,381.32	1,752,955.69

## Darien Police Pension Fund Expenses



# Darien Police Pension Fund

## Expense Report as of September 30, 2014

	<u>Expended this Month</u>	<u>Expended this Year</u>
<b><u>Expenses</u></b>		
<b><u>Pensions and Benefits</u></b>		
51-020-00 - Service Pensions	109,631.48	548,157.40
51-030-00 - Non-Duty Disability Pensions	0.00	0.00
51-040-00 - Duty Disability Pensions	11,744.16	58,720.80
51-050-00 - Occupational Disease Pensions	0.00	0.00
51-060-00 - Surviving Spouse Pensions	7,062.73	35,313.65
51-070-00 - Children's Pensions	0.00	0.00
51-080-00 - Parent's Pensions	0.00	0.00
51-090-00 - Handicapped Annuitant Pensions	0.00	0.00
51-100-00 - Refund of Contributions	0.00	0.00
51-110-00 - Transfers to Other Pensions	0.00	0.00
	<u>128,438.37</u>	<u>642,191.85</u>
 <b><u>Administrative</u></b>		
<b><u>Professional Services</u></b>		
52-170-03 - Accounting & Bookkeeping Services	0.00	7,150.00
52-170-05 - Legal Services	0.00	2,451.63
	<u>0.00</u>	<u>9,601.63</u>
 <b><u>Investment</u></b>		
52-190-01 - Investment Manager/Advisor Fees	10,241.02	27,792.93
	<u>10,241.02</u>	<u>27,792.93</u>
 <b><u>Other Expense</u></b>		
52-290-34 - IDOI Filing Fee Expense	0.00	4,362.96
52-290-35 - Other Expense	0.00	68.18
	<u>0.00</u>	<u>4,431.14</u>
 <b>Total Administrative</b>	 <u>10,241.02</u>	 <u>41,825.70</u>
 <b>Total Expenses</b>	 <u>138,679.39</u>	 <u>684,017.55</u>

See Accountants' Compilation Report

**Darien Police Pension Fund  
Member Contribution Report  
As of Month Ended - September 30, 2014**

Name	Thru Prior Fiscal Year	Current Fiscal Year	Service Purchase	Refunds	Total Contributions
Bischoff, Brian H.	\$ 71,646.82	3,669.24	0.00	0.00	75,316.06
Bozek, Mark A.	142,532.00	3,806.75	0.00	0.00	146,338.75
Camacho, Carol L.	4,552.89	2,592.34	0.00	0.00	7,145.23
Cheasure, Gregory J.	173,142.83	4,455.71	0.00	0.00	177,598.54
Cooper, John B.	175,119.90	5,060.46	0.00	0.00	180,180.36
Dollins, Jennifer A.	1,613.74	2,520.10	0.00	0.00	4,133.84
Foster, William S.	216,417.63	3,806.75	0.00	0.00	220,224.38
Foyle/Price, Kara L.	123,608.96	3,945.21	0.00	0.00	127,554.17
Glomb, Brette A.	83,808.83	3,696.34	0.00	0.00	87,505.17
Greenberg, William W.	116,389.85	4,556.12	0.00	0.00	120,945.97
Hellmann, Rick J.	91,813.71	3,796.27	0.00	0.00	95,609.98
Hruby, Anton W.	66,946.27	3,757.39	0.00	0.00	70,703.66
Jump, John A.	32,936.25	3,378.52	0.00	0.00	36,314.77
Keough, Keith E.	32,798.19	3,259.96	0.00	0.00	36,058.15
Kosieniak, Geoff T.	96,920.62	3,796.27	0.00	0.00	100,716.89
Liska/Gentile, Marina A.	132,545.82	3,910.58	0.00	0.00	136,456.40
Liss, Steven M.	110,068.07	4,556.12	0.00	0.00	114,624.19
Lorek, Michael D.	85,828.95	4,129.25	0.00	0.00	89,958.20
Milazzo, David M.	21,147.36	3,035.17	0.00	0.00	24,182.53
Murphy, James K.	105,708.09	3,796.27	0.00	0.00	109,504.36
Norton, Jason F.	85,208.85	3,669.29	0.00	0.00	88,878.14
Pastick, Joseph G.	442.12	2,497.99	0.00	0.00	2,940.11
Piccoli, Gerald R.	173,442.12	4,617.76	0.00	0.00	178,059.88
Renner, Lauren E.	64,472.34	3,591.29	0.00	0.00	68,063.63
Rentka, Edward P.	141,141.40	4,617.75	0.00	0.00	145,759.15
Rumick, Douglas J. II	36,846.66	3,395.07	0.00	0.00	40,241.73
Simek, Jeffrey A.	79,229.38	3,796.35	0.00	0.00	83,025.73
Skweres, Nicholas A.	78,230.37	3,796.35	0.00	0.00	82,026.72
Stutte, Richard W.	102,418.58	3,796.27	0.00	0.00	106,214.85
Topel, James A.	170,776.33	4,415.21	0.00	0.00	175,191.54
Yeo, Kevin G.	86,096.20	3,796.27	0.00	0.00	89,892.47
Zimny, Jennifer M.	49,296.40	3,721.88	0.00	0.00	53,018.28
	2,953,147.53	121,236.30	0.00	0.00	3,074,383.83
Terminated/Removed Members					
DeYoung, Owen M.	58,711.55	0.00	0.00	0.00	58,711.55
<b>Total</b>	<b>3,011,859.08</b>	<b>121,236.30</b>	<b>0.00</b>	<b>0.00</b>	<b>3,133,095.38</b>

# Darrien Police Pension Fund Payroll Journal

Pay Description	Amount	Withholdings	Amount	Deduction Desc.	Amount
<b>10000 - TERRY ABMA Check #11151 09/26/14</b>					
Retirement (Service)	8,011.28	Federal W/H	1,367.04	QUILDRO	935.18
TOTALS	8,011.28		1,367.04		935.18
				<b>NET PAY:</b>	<b>5,709.06</b>
<b>10050 - KIMBERLY ANDERLE-ABMA Check #11152 09/26/14</b>					
QUILDRO	935.18				
TOTALS	935.18		0.00		0.00
				<b>NET PAY:</b>	<b>935.18</b>
<b>10100 - CHRISTINE A. BOWEN Check #11153 09/26/14</b>					
Spouse	4,399.23	Federal W/H	659.88		
TOTALS	4,399.23		659.88		0.00
				<b>NET PAY:</b>	<b>3,739.35</b>
<b>10200 - CHARMAINE BURNETT Check #11154 09/26/14</b>					
Spouse	2,663.50	Federal W/H	305.00		
TOTALS	2,663.50		305.00		0.00
				<b>NET PAY:</b>	<b>2,358.50</b>
<b>10325 - MICHAEL C. CAMPO Check #11155 09/26/14</b>					
Retirement (Service)	5,276.07	Federal W/H	412.66		
TOTALS	5,276.07		412.66		0.00
				<b>NET PAY:</b>	<b>4,863.41</b>
<b>10300 - RON CAMPO Check #11156 09/26/14</b>					
Retirement (Service)	6,492.18	Federal W/H	1,230.86		
TOTALS	6,492.18		1,230.86		0.00
				<b>NET PAY:</b>	<b>5,261.32</b>
<b>10250 - LEONARD J. CATALANO Check #11157 09/26/14</b>					
Retirement (Service)	7,291.89	Federal W/H	952.14	Medical Insurance	574.66
TOTALS	7,291.89		952.14		574.66
				<b>NET PAY:</b>	<b>5,765.09</b>
<b>10350 - CHRISTOPHER J. FALCO Check #11158 09/26/14</b>					
Retirement (Service)	7,152.40	Federal W/H	1,386.53	Medical Insurance	574.66
TOTALS	7,152.40		1,386.53		574.66
				<b>NET PAY:</b>	<b>5,191.21</b>
<b>10450 - JAMES GROSS Check #11159 09/26/14</b>					
Retirement (Service)	6,067.91	Federal W/H	1,028.37	Medical Insurance	574.66
TOTALS	6,067.91		1,028.37		574.66
				<b>NET PAY:</b>	<b>4,464.88</b>
<b>10500 - THOMAS HRUBY Check #11160 09/26/14</b>					
Retirement (Service)	5,968.50	Federal W/H	337.00		
TOTALS	5,968.50		337.00		0.00
				<b>NET PAY:</b>	<b>5,631.50</b>
<b>10550 - DAVID KOHNKE Check #11161 09/26/14</b>					
Retirement (Service)	4,080.59	Federal W/H	381.46		
TOTALS	4,080.59		381.46		0.00
				<b>NET PAY:</b>	<b>3,699.13</b>
<b>10650 - CAROLANNE MELICK Check #11162 09/26/14</b>					
Duty Disability-NT	2,829.38				
TOTALS	2,829.38		0.00		0.00
				<b>NET PAY:</b>	<b>2,829.38</b>

# Darien Police Pension Fund Payroll Journal

Pay Description	Amount	Withholdings	Amount	Deduction Desc.	Amount
<b>10700 - RALPH MENZIONE Check #11163 09/26/14</b>					
Retirement (Service)	7,007.47	Federal W/H	1,335.85	Medical Insurance	574.66
TOTALS	7,007.47		1,335.85		574.66
					<b>NET PAY: 5,096.96</b>
<b>10750 - EDWARD MUSIAL Check #11164 09/26/14</b>					
Retirement (Service)	8,926.40	Federal W/H	1,032.55		0.00
TOTALS	8,926.40		1,032.55		0.00
					<b>NET PAY: 7,893.85</b>
<b>10800 - ROBERT J. PAVELCHIK, JR. Check #11165 09/26/14</b>					
Retirement (Service)	8,782.39	Federal W/H	1,981.11	Medical Insurance	611.35
TOTALS	8,782.39		1,981.11		611.35
					<b>NET PAY: 6,189.93</b>
<b>10900 - FLORIAN P. PYRZ Check #11166 09/26/14</b>					
Retirement (Service)	6,099.82	Federal W/H	735.00		0.00
TOTALS	6,099.82		735.00		0.00
					<b>NET PAY: 5,364.82</b>
<b>10950 - STEVEN J. REED Check #11167 09/26/14</b>					
Retirement (Service)	4,647.27	Federal W/H	795.54	Medical Insurance	574.66
TOTALS	4,647.27		795.54		574.66
					<b>NET PAY: 3,277.07</b>
<b>10950 - STEVEN J. REED Check #11168 09/26/14</b>					
Retirement (Service)	2,060.00		0.00		0.00
TOTALS	2,060.00		0.00		0.00
					<b>NET PAY: 2,060.00</b>
<b>10951 - JAMIE SCHOENEMAN Check #11169 09/26/14</b>					
Retirement (Service)	1,302.62	Federal W/H	80.08		0.00
TOTALS	1,302.62		80.08		0.00
					<b>NET PAY: 1,222.54</b>
<b>11000 - DAVID E. SKALA Check #11170 09/26/14</b>					
Retirement (Service)	7,622.97	Federal W/H	1,511.90	Medical Insurance	574.66
TOTALS	7,622.97		1,511.90		574.66
					<b>NET PAY: 5,536.41</b>
<b>11045 - DAVID B. STOCK Check #11171 09/26/14</b>					
Retirement (Service)	6,805.54	Federal W/H	839.58	Medical Insurance	574.66
TOTALS	6,805.54		839.58		574.66
					<b>NET PAY: 5,391.30</b>
<b>11050 - VINCENT SUDNIK Check #11172 09/26/14</b>					
Retirement (Service)	6,036.18	Federal W/H	472.00	Medical Insurance	1,690.44
TOTALS	6,036.18		472.00		1,690.44
					<b>NET PAY: 3,873.74</b>
<b>11100 - EDWARD VAUGHAN Check #11173 09/26/14</b>					
Duty Disability - T	5,260.63		0.00		0.00
TOTALS	5,260.63		0.00		0.00
					<b>NET PAY: 5,260.63</b>
<b>11150 - GEORGE F. VLACH Check #11174 09/26/14</b>					
Duty Disability-NT	3,654.15		0.00		0.00
TOTALS	3,654.15		0.00		0.00
					<b>NET PAY: 3,654.15</b>

# Darien Police Pension Fund Payroll Journal

Pay Description	Amount	Withholdings	Amount	Deduction Desc.	Amount
<b>Company Totals    Number of Checks: 24</b>					
Retirement (Service)	109,631.48	Federal W/H	16,844.55	QUILDRO	935.18
QILDRO	935.18			Medical Insurance	6,324.41
Spouse	7,062.73				
Duty Disability-NT	6,483.53				
Duty Disability - T	5,260.63				
<b>TOTALS</b>	<b>129,373.55</b>		<b>16,844.55</b>		<b>7,259.59</b>
				<b>NET PAY:</b>	<b>105,269.41</b>

# Darien Police Pension Fund

## Vendor Checks Report

Vendor Name	Chk. No.	Check Date	Amount
CITY OF DARIEN	2458	07/26/14	6,324.41
INTERNAL REVENUE SERV	2459	07/26/14	17,107.99
		Subtotal	<u>23,432.40</u>
LAUTERBACH & AMEN LLP	50068	07/31/14	4,280.00
SAWYER FALDUTO ASSET MGMT LLC	50069	07/31/14	7,790.00
		Subtotal	<u>12,070.00</u>
CITY OF DARIEN	2482	08/26/14	6,324.41
INTERNAL REVENUE SERV	2483	08/26/14	17,107.99
		Subtotal	<u>23,432.40</u>
CITY OF DARIEN	2484	09/26/14	6,324.41
INTERNAL REVENUE SERV	2485	09/26/14	16,844.55
		Subtotal	<u>23,168.96</u>
MB FINANCIAL BANK	50070	09/30/14	10,241.02
		TOTAL	<u>92,344.78</u>



# Darien Police Pension Fund

## Vendor Checks Report

Vendor Name	Chk. No.	Check Date	Amount
CITY OF DARIEN	2458	07/26/14	6,324.41
<b>Account No.</b> 20-220-00	<b>Description</b> INSURANCE 07.26.14		<b>Amount</b> 6,324.41
INTERNAL REVENUE SERV	2459	07/26/14	17,107.99
<b>Account No.</b> 20-230-00	<b>Description</b> FEDERAL TAXES 07.26.14		<b>Amount</b> 17,107.99
CITY OF DARIEN	2482	08/26/14	6,324.41
<b>Account No.</b> 20-220-00	<b>Description</b> INSURANCE 8.26.14		<b>Amount</b> 6,324.41
INTERNAL REVENUE SERV	2483	08/26/14	17,107.99
<b>Account No.</b> 20-230-00	<b>Description</b> FEDERAL TAXES 8.26.14		<b>Amount</b> 17,107.99
CITY OF DARIEN	2484	09/26/14	6,324.41
<b>Account No.</b> 20-220-00	<b>Description</b> INSURANCE 09.26.14		<b>Amount</b> 6,324.41
INTERNAL REVENUE SERV	2485	09/26/14	16,844.55
<b>Account No.</b> 20-230-00	<b>Description</b> FEDERAL TAXES 9.26.14		<b>Amount</b> 16,844.55
LAUTERBACH & AMEN LLP	50068	07/31/14	4,280.00
<b>Account No.</b> 52-170-03	<b>Description</b> INV. #5757 APR.		<b>Amount</b> 1,410.00
52-170-03	INV #6056 MAY		1,460.00
52-170-03	INV #6585 JUN		1,410.00
SAWYER FALDUTO ASSET MGMT LLC	50069	07/31/14	7,790.00
<b>Account No.</b> 52-190-01	<b>Description</b> ADVISOR FEE		<b>Amount</b> 7,790.00
MB FINANCIAL BANK	50070	09/30/14	10,241.02
<b>Account No.</b> 52-190-01	<b>Description</b> ADVISOR FEES		<b>Amount</b> 10,241.02
		TOTAL	<u><u>92,344.78</u></u>

# *Lauterbach & Amen, LLP*

*27W457 Warrenville Road*

*Warrenville, IL 60555*

*(630) 393-1483*

**AUTOPAY**

Darien Police Pension Fund  
1702 Plainfield Rd  
Darien, IL 60561

Invoice No: 6721  
Date: 07/31/2014  
Client No: DARIENPP

---

**SERVICE****AMOUNT**

For professional services rendered in connection with the preparation of year end work papers for the fiscal year ended:

April 30, 2014

770.00

**Current Amount Due \$** 770.00

# Lauterbach & Amen, LLP

27W457 Warrenville Road  
Warrenville, IL 60555  
(630) 393-1483

**AUTOPAY**

Darien Police Pension Fund  
1702 Plainfield Rd  
Darien, IL 60561

Invoice No: 6853  
Date: 08/20/2014  
Client No: DARIENPP

---

SERVICE	AMOUNT
For professional services rendered for the month of July, 2014	
Accounting Services	665.00
Benefits Administration	120.00
Pension Services Administration (PSA)	650.00
Current Amount Due \$	<u>1,435.00</u>

# Lauterbach & Amen, LLP

27W457 Warrenville Road

Warrenville, IL 60555

(630) 393-1483

Darien Police Pension Fund  
1702 Plainfield Rd  
Darien, IL 60561

Invoice No: 7195  
Date: 09/20/2014  
Client No: DARIENPP

---

SERVICE	AMOUNT
For professional services rendered for the month of August, 2014	
Accounting Services	665.00
Benefits Administration	120.00
Pension Services Administration (PSA)	650.00
Current Amount Due \$	<u>1,435.00</u>

# Lauterbach & Amen, LLP

27W457 Warrenville Road

Warrenville, IL 60555

(630) 393-1483

Darien Police Pension Fund  
1702 Plainfield Rd  
Darien, IL 60561

Invoice No: 7603  
Date: 10/20/2014  
Client No: DARIENPP

---

SERVICE	AMOUNT
For professional services rendered for the month of September, 2014	
Accounting Services	665.00
Benefits Administration	120.00
Pension Services Administration (PSA)	650.00
Current Amount Due \$	<u>1,435.00</u>

**Timothy W. Sharpe**  
**Actuary**

1816 Allen Drive  
Geneva, Illinois 60134  
(630) 262-0600  
TWSActuary@aol.com

August 4, 2014

Mr. Mike Coren  
City of Darien  
1702 Plainfield Road  
Darien, IL 60561

Re: Invoice for Services Rendered During June through August

Completion of May 1, 2014 Actuarial Valuation for  
the City of Darien Police Pension Fund;  
Completion of Benefit Statements for Officers

\$2,400

# Certified Trustee Training

Organization: Darlen Police Pension Fund

Year: August 2014 - August 2015

## JAMES CALDWELL

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	16				
2					
3					
4					
5					
6					
7					
8					

## LEONARD CATALANO

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	16	2014 IPPFA Fall Conference			
2					
3					
4					
5					
6					
7					
8					

## ANTON HRUBY

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	16	2014 IPPFA Fall Conference			
2					
3					
4					
5					
6					
7					
8					

## PATRICK MURPHY

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	16	2014 IPPFA Fall Conference			
2					
3					
4					
5					
6					
7					
8					

## JASON NORTON

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	16	2014 IPPFA Fall Conference			
2					
3					
4					
5					
6					
7					
8					

*Illinois Public Pension Fund Association - The Leader in Pension Trustee Training*

## Public Pension Trustee Training

**Once again the IPPFA is proud to present its regional seminars. By attending one of our regional seminars you are given the opportunity to hear speakers and professionals that work in the public pension arena on a daily basis. Receive up to date information in the areas of legislation, investments, ethics, the economy and fiduciary responsibilities. Check our web site [www.ippfa.org](http://www.ippfa.org) for agenda updates.**

**The 2015 IPPFA Regional Seminars will satisfy 8 hours of the required continuing pension trustee training**

**Locations:** *(Subject to change)*

- Wednesday February 11, 2015-NIU Outreach Campus-Hoffman Estates, IL
- **Wednesday March 25, 2015-Jumer's Hotel & Casino, 777 Jumper Drive, Rock Island IL**
- Wednesday June 10, 2015-Doubletree by Hilton Collinsville-St. Louis, 1000 Eastport Plaza Drive, Collinsville, IL
- **XXXX**
- **XXXX**
- **XXXX**

**Seminars are scheduled from 8:00 AM until 4:00 PM Registration begins at 7:00 AM**

**Use the Registration Form Below or Register online at [www.ippfa.org](http://www.ippfa.org) (1 per person)**

**-REGISTER NOW SPACE IS LIMITED-**



**Registration for (check one):**  **2/11/15 Hoffman Estates**  **3/25/15 Rock Island**

Name: \_\_\_\_\_ Preferred First Name on Badge: \_\_\_\_\_

Fund/Organization Name: \_\_\_\_\_

Preferred Address:  Home  Work Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Payment Information:

I am paying by check: # \_\_\_\_\_

I am paying by credit card:  Visa  MC  Am Ex  Discover

Card Number: \_\_\_\_\_ Expiration: \_\_\_\_\_

Name on Card and Signature: \_\_\_\_\_

Billing Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

**Registration Fee:**  
 **IPPPFA Members- \$150.00**  
 **Non-Member- \$300.00**

**Call 815-753-7922 with registration questions (hours 8:00 am to 4:30 pm). All payments made payable to: NIU**

**Mail to: Registration Office, Outreach Services, Northern IL University, DeKalb, IL 60115**

**E-mail: [outreachregistration@niu.edu](mailto:outreachregistration@niu.edu) NIU Fax: 815-753-6900 Register on line: [www.ippfa.org](http://www.ippfa.org)**

**Watch our web site [www.ippfa.org](http://www.ippfa.org) for updates on this agenda and other training opportunities**





2015 IPPFA ILLINOIS PENSION CONFERENCE

May 5-8, 2015

PENSION TRUSTEE REGISTRATION FORM

(For pension trustee registration only)



Attorneys, investment professionals, etc. must use the corporate registration form

Registration form fields: Fund Name, Street Address, City/State/Zip, Contact Person, Daytime Telephone #, E-mail Address, IPPFA Member: Y N

IPPFA MEMBERS ONLY: Please list your TRUSTEE DELEGATE for voting purposes in the space provided below
Print your name as you would like it to appear on your badge & please include your e-mail address

DELEGATE NAME: \_\_\_\_\_ e-mail \_\_\_\_\_
Trustee: \_\_\_\_\_ e-mail \_\_\_\_\_
Trustee: \_\_\_\_\_ e-mail \_\_\_\_\_
Trustee: \_\_\_\_\_ e-mail \_\_\_\_\_
Trustee: \_\_\_\_\_ e-mail \_\_\_\_\_
Trustee: \_\_\_\_\_ e-mail \_\_\_\_\_

The IPPFA is going green! This year's Illinois Pension Conference material will be accessible on the IPPFA app available for your Apple or Android device.

TRUSTEE REGISTRATION (Check One) - Register Before March 6, 2015 and SAVE

IPPFA MEMBER TRUSTEES ONLY:

NON-MEMBER PENSION TRUSTEES ONLY:

- Payment options for both IPPFA Member and Non-Member trustees, including amounts and spouse/guest luncheon fees.

\*Spouse/Guest Luncheon Fee can be paid on site at conference registration

NOW AVAILABLE - ONE DAY REGISTRATIONS - SPECIFY WEDNESDAY MAY 6TH or THURSDAY MAY 7TH

IPPFA MEMBERS: \$175.00 - May 6 - May 7 NON-MEMBER TRUSTEE: \$340.00 - May 6 - May 7

PAYMENT INFORMATION (check one) Total Amount \$ \_\_\_\_\_
I am paying by check: # \_\_\_\_\_
I am paying by credit card: Visa MC Am Ex Discover Expiration Date \_\_\_\_\_
Card Number: \_\_\_\_\_
Name on Card: \_\_\_\_\_
Billing Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_
Signature: \_\_\_\_\_
All payments made payable to: NIU
Mailed to: Registration Office, Outreach Services, Northern IL University, DeKalb, IL 60115
Email: outreachregistration@niu.edu
Registration Questions: 815-753-7922 (8:00 am to 4:30 pm) NIU Fax: 815-753-6900

NON MEMBER INVESTMENT SERVICES: Please call the IPPFA office for registration information (630-784-0406)

CANCELLATION NOTICE: A charge of \$25.00 applies to any cancellation prior to 04/03/15. A charge of \$50.00 applies to any cancellation after 04/05/15 but prior to 04/21/15. A cancellation made after 04/21/15 will forfeit the conference registration fee.

NO REFUNDS AFTER 04/21/15

# 2015

## January

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

## February

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

## March

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

## April

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

## May

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

## June

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

## July

Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

## August

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

## September

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

## October

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

## November

Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

## December

Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

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# REIMER & KARLSON LLC

A PUBLIC SAFETY LAW FIRM

RICHARD J. REIMER  
KEITH A. KARLSON\*  
CHRIS W. POTTHOFF, JR.  
CHRISTOPHER M. MELNYCZENKO\*  
BRIAN J. LABARDI

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15 SPINNING WHEEL ROAD, SUITE 310, HINSDALE, ILLINOIS 60521  
(630) 654-9547 • (630) 654-9676 FAX  
WWW.RKLABORLAW.COM



OF COUNSEL  
ROBERT W. TREVARTHEN

Volume 12, Issue 4

October 2014

## Legal and Legislative Update

### Recent Court Decisions

#### *Appellate Court Affirms Pension Board Denial of Line-of-Duty Disability*

*Shafer v. Lake in the Hills Pension Bd.*,  
2014 IL App (2d) 131002-U

In a recent Rule 23 opinion, the Second District Appellate Court affirmed the pension board's denial of Officer Shafer's line-of-duty disability pension claim. The police department required physical fitness testing of its officers, as was specified in the collective bargaining agreement. All of the tests are pass/fail and an officer would pass if they achieved a result in the 40<sup>th</sup> percentile on the first attempt. For the bench press, officers were not required to attempt more than the minimum weight necessary to achieve the 40<sup>th</sup> percentile. However, officers could attempt greater weights to qualify to earn additional compensatory time.

Shafer passed the bench press test by lifting the minimum weight. Shafer was then asked if he wanted to attempt the 80<sup>th</sup> percentile weight. While attempting the 80<sup>th</sup> percentile weight, Shafer suffered a torn rotator cuff. The pension board found that Shafer was disabled, but that the injury did not occur in performance of an act of duty. The pension board awarded a non-duty disability pension, even though Shafer had applied for a line-of-duty disability pension only.

The Appellate Court noted that both police officers and ordinary citizens perform bench

presses, and both are at risk of injury while performing the exercise. Shafer argued that he had performed the exercise at a special risk, because he was injured during a mandatory physical fitness test. The Appellate Court held that Shafer was under no duty to perform the physical test that resulted in his injury – attempting to lift the 80<sup>th</sup> percentile weight. However, Shafer was under no duty to attempt a weight greater than the 40<sup>th</sup> percentile weight after he had successfully completed the exercise.

The Appellate Court disagreed with Shafer's argument that he was exercising discretion in the performance of his duty in attempting the greater weight. Shafer was exercising personal discretion only, not discretion with respect to the manner in which to perform his duty, in deciding to try to earn additional compensatory time by attempting

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the 80<sup>th</sup> percentile weight. Reimer & Karlson represented the pension board in this matter and is pleased with the Appellate Court's affirmation of the pension board's decision. Shafer is currently seeking appeal, as a right, to the Illinois Supreme Court. ❖

***Appellate Court Finds Amendment to Pension Credit Statute Does Not Apply Retroactively***

*White v. Retirement Bd. of the Policemen's Annuity and Benefit Fund of the City of Chicago*, 2014 IL App (1st) 132315

In a recent decision, the First District Appellate Court affirmed the circuit court's reversal of a pension board's refusal to approve pension credit for prior service periods. The officer applied for pension credit under Sections 5/5-214(b) and 5/5-214(c) of the Pension Code for two (2) prior service periods. The officer was seeking credit for time spent employed as a legal investigator with the City of Chicago's Corporation Counsel's

office and as a police aide with the City of Chicago Police Department. The officer originally applied for the credits in February 2010. At the initial hearing, the officer was cautioned that she may want to hire an attorney. An attorney filed an appearance on behalf of the officer in February 2012, and a hearing was conducted in March 2012.

Prior to the continued hearing date, Section 5-214(b) of the Pension Code was amended (effective January 5, 2012). Section 5-214(c) remained unchanged. The following language was appended to the end of Section 5-214(b):

...provided that, in each of these cases and for all periods specified in this item (b), including those beginning before the effective date of this amendatory Act of the 97th General Assembly, the police officer is on leave and continues to remain in sworn status, subject to the professional standards of the public employer or those terms established in statute.

***COGFA Publishes Results from PSEBA Study***

The Illinois Commission on Governmental Forecasting and Accountability (COGFA) has published an independent study of Public Safety Employee Benefits Act (PSEBA), the statute that grants special health insurance to public safety employees who are catastrophically injured in the line of duty. The study examined the cost and participation trends associated with employees eligible for lifetime health insurance benefits provided for under PSEBA.

COGFA relied on survey results from both 126 individual units of government and 456 individual PSEBA recipients. Results from the study include certain demographics: the largest group of PSEBA recipients are an average age of 54, with the majority of recipients between 40 and 60 years of age. Over 40% of PSEBA recipients received the benefit due to an injury to their back or spine.

Revealed in the study is that 37% of PSEBA recipients are employed, while 155 of the 452 individuals indicated they have insurance available through their employer, their spouse's employer, or both. The COGFA report also detailed the costs involved for the employers that provide benefits to PSEBA recipients.

In the published results, COGFA pointed out that certain data was unable to be collected and/or analyzed. The statutorily-required form sent to individuals and employers did not answer certain questions regarding health insurance plans. As a result, in part, COGFA was unable to make a determination as to the associated costs and benefit levels of health insurance provided to PSEBA recipients and their spouses from a current employer, as set forth in subsection C of Public Act 98-0561. In addition, the City of Chicago, which accounts for over 1/3 of Illinois residents, did not submit the information requested within the allotted timeframe of the study. ❖

## ***Public Comment Under the Open Meetings Act***

As many of you know, the Open Meetings Act was recently amended to allow for public comment at public meetings. In many public meetings, it has been custom and practice for the speaker to identify themselves by name and address prior to making comments. This was the case in one suburb when a speaker refused to give her home address prior to addressing the village board. The Mayor insisted the rules of the board required her address and interrupted her comments to the board. Eventually, the speaker was allowed to address the board without stating her address.

In analyzing the complaint brought by the speaker, the Attorney General noted the amendment to the Open Meetings Act does allow public bodies to create rules and regulations for the public comment portions of public meetings. See 5 ILCS 120/2.06(g). However, those rules and regulations are subject to reasonable “time, place, and manner” restrictions as has been interpreted by a vast body of case law on government regulation of speech. The AG then noted the village ordinance regulating public comment at board meetings does not require a member of the public to state his or her home address prior to addressing the board.

Nevertheless, since many public bodies followed a similar practice, the PAC addressed the issue to provide clarity. The PAC found a requirement that a speaker provide their home address prior to addressing a public body at an open meeting exceeded the rule making authority of the Open Meetings Act. The PAC found such a requirement serves little purpose and has the potential to significantly limit public participation at meetings. ❖

At the hearing, the officer provided testimony regarding the duties she performed as a police aide with the police department. Her duties included assisting citizens and conducting investigations. All of the officer’s investigations occurred within the police station. The pension board voted to deny the officer’s claims for pension credits for both the period as a legal investigator with the Corporation Counsel and as a police aide with the police department. The pension board stated that it was required to follow the law in existence at the time of the hearing. The pension board also decided that the investigative work performed by the officer as a police aide was not the type of investigative work contemplated by §5-214(c).

After reviewing the statutory language, the Appellate Court determined that §5-214(b) was not expressly intended to be applied retroactively. The Appellate Court further found the amendment was substantive in nature, as it limited certain pension credits available. Therefore, the pension board’s retroactive application of the statutory amendment was improper. The Appellate Court held that the pension board should have made its determination based on application of the 2010 version of §5-214(b). The Appellate Court further found that the evidence and testimony presented related to the investigative work performed by the officer as a police aide demonstrated that the

officer had indeed performed investigative work within the meaning of §5-214(c). The Appellate Court held that the officer had done more than simply passing along information to other officers. The pension board was found to have improperly applied the definition of “investigative work” under §5-214(c), and that the pension board’s ruling was clearly erroneous. The Appellate Court confirmed that the officer had presented sufficient evidence to meet the requirements under §5-214(c) to receive pension credits for her time employed as a police aide.

In confirming the circuit court’s reversal of the pension board’s denial of the officer’s claim for pension credits, the Appellate Court remanded the matter to the pension board for a determination of the appropriate pension credits to be granted to the officer in accordance with §§5-214(b) and (c). ❖

### ***Municipality Obligated to Pay for Officer’s PSEBA Benefits, Even After Officer Awarded Line-of-Duty Disability Pension***

*Village of Vernon Hills v. Heelan*,  
2014 IL App (2d) 130823

The Second District Appellate Court has affirmed a decision that the village continues to be obligated to pay for benefits under the Public Safety Employee Benefits Act (“PSEBA”) for a

police officer following the award of a line-of-duty disability pension. The Village of Vernon Hills filed a complaint against Officer Heelan, seeking a ruling by the Circuit Court that the village was no obligated to pay for health insurance premiums under PSEBA for the officer and his family after the pension board awarded the officer a line-of-duty disability pension.

The Board of Trustees of the Vernon Hills Police Pension Board awarded Heelan a line-of-duty disability pension. The Village's complaint sought declaratory judgment that it was not obligated under Section 10 of PSEBA to pay for the health insurance premiums for Heelan, his wife, and their two children. Heelan filed a counterclaim seeking declaratory judgment that the Village was obligated to pay for the health insurance premiums. Heelan was awarded a line-of-duty disability pension following two hip replacement surgeries, which were necessary following his fall on some ice when responding to a panic alarm call.

In its complaint, the Village alleged that Heelan had not suffered a catastrophic injury, and that the injury had not resulted from his response to what he reasonably believed was an emergency (the requirements for the Village to pay Heelan's health insurance premiums, under §10(b) of PSEBA). The Village argues that a factual distinction existed between Heelan's injury and the facts in *Krohe v. City of Bloomington*, (204 Ill.2d 392 (2003)), which held that an injury resulting in a line-of-duty disability pension is synonymous with a catastrophic injury.

Prior to the bench trial, Heelan filed a Motion in *Limine*, seeking to bar the Village from presenting an evidence or testimony on the issue of whether he had suffered a catastrophic injury under §10(a) of PSEBA. The Circuit Court granted the motion, finding that the Village was collaterally barred from arguing that Heelan had not suffered a catastrophic injury. Following the bench trial, the Circuit Court ruled in favor of Heelan and entered declaratory judgment that the Village was obligated under PSEBA to pay for the health insurance premiums for Heelan and his family.

Heelan also sought sanctions against the Village for filing its complaint, which acknowledged Heelan had received a line-of-duty disability pension and that he was entitled to PSEBA benefits. The Circuit Court found in favor of the Village, holding that the Village did not act to harass Heelan and that it had not act in bad faith in bringing the complaint, which was done in an effort to bring change to the law.

The Appellate Court, in its review, noted PSEBA does not provide a definition for "catastrophic injury," and stated that the Illinois Supreme Court has held the term "catastrophic injury" to be synonymous with an injury resulting in a line-of-duty disability under the Illinois Pension Code. On Appeal, the Village argued "much confusion" resulted from the Supreme Court's decision in *Krohe*. The Appellate Court disagreed, finding *Krohe* had unequivocally resolved the question. The Appellate Court found *Krohe*, *Richter v. Village of Oak Brook*, (2011 IL App (2d) 100114), and *Nowak v. City of Country Club Hills*, (2011 IL 111838), to be controlling case law, which left no ambiguity regarding the applicable definition of "catastrophic injury."

The Appellate Court further found that the Village's complaint and arguments were an improper collateral attack on the findings of the pension board in granting Heelan's application for a line-of-duty disability pension. Because the Village did not challenge the pension board's statutory authority to render its decision, the Village's complaint was held to be an improper collateral attack on the pension board's decision. In so holding, the Appellate Court determined that the Village's due process rights had not been violated by the Circuit Court prohibiting the Village from presenting any evidence related to the nature, extent, and causes of Heelan's injuries. Accordingly, all evidence related to Heelan's injuries was irrelevant.

The Appellate Court also affirmed the Circuit Court's ruling that the Village had filed its complaint in an effort to change existing law (PSEBA) and did not act in bad faith. ❖

## ***First District Appellate Court Affirms Village's Denial of PSEBA Benefits***

*Whited v. Village of Hoffman Estates*,  
2014 IL App (1st) 131662-U

In a recent unpublished opinion, the First District Appellate Court affirmed the Village of Hoffman Estates decision denying health insurance benefits under the Public Safety Employee Benefits Act ("PSEBA"). Specifically, that Court determined the municipality's finding was not against the manifest weight of the evidence because the record showed the plaintiff did not suffer a catastrophic injury while responding to an emergency.

Plaintiff Deborah Whited claimed she suffered a catastrophic injury on April 24, 2010. The record showed Whited had been employed with the Village since October 1989. On March 12, 2004, she sustained an injury to her right knee during a mandatory police training session. Between 2004 and 2010, she underwent three arthroscopic knee surgeries. In 2011, plaintiff applied for and was awarded a line-of-duty disability pension based on the March 2004 injury. Subsequent to the granting of her disability pension, plaintiff asked the Village to determine whether she was eligible for PSEBA benefits.

Section 10 of PSEBA provides, in part, that a full-time law enforcement officer is eligible to receive health insurance benefits if two conditions are met. First, the officer must have suffered a

catastrophic injury in the line of duty. Second, the injury must have occurred as the result of the officer's response to fresh pursuit, or the officer's response to what is reasonably believed to be an emergency, an unlawful act by another, or during the investigation of a criminal act. Both requirements must be satisfied for an officer to be eligible for benefits.

At a hearing on the issue, plaintiff testified that on April 24, 2010, she felt her knee buckle while descending stairs at the police station, on the way to a domestic call. Even though she was in pain, she continued to the call, where her knee gave out again. Three days later, a doctor placed her on light duty, where she remained until 2011. Plaintiff further testified she was entitled to benefits as a result of both the March 2004 and April 2010 injuries.

After a thorough review of the record, the Appellate Court found the Village's determination that plaintiff was not injured in April 2010 as not against the manifest weight of the evidence. Plaintiff's disability pension, awarded in 2011, was based on the 2004 injury and made no reference whatsoever to an April 2010 injury. The Court noted that if such an injury had occurred, it would have been included in her disability pension application. In addition, the Court found that, as the trier of fact, the hearing officer is charged with determining credibility of witnesses at the hearing. Judgment of the Circuit Court of Cook County affirmed. ❖

### ***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 request for re-appointment of appointed Trustees.
- Schedule annual examinations for disabled firefighters/police officers 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.



## ***Supreme Court to Again Weigh in on Retiree Healthcare***

As a follow up to a case reported in the April edition of *Legal and Legislative Update*, the Illinois Supreme Court has accepted review of *Matthews v. CTA et al.* 2014 IL App (1st) 1123348. That case involved retired CTA employees who filed suit to contest the diminishment of their healthcare benefits by legislation passed in 2008 as an unconstitutional diminishment of their pension benefits. The Appellate Court found the union contract vested the retirees healthcare benefits and therefore did not address the Constitutional issue. It noted the *Kanerva* case pending before the Illinois Supreme Court at the time and remanded the matter to the trial court with instructions to await the Illinois Supreme Court's determination. In contrast to the *Kanerva* case dealing with state retiree healthcare benefits, the *Matthews* case involved health care benefits vesting under the collective bargaining agreement. It will be interesting to see how the Illinois Supreme Court treats the difference between contracted for healthcare benefits compared to statutorily granted benefits. ❖

## ***Compliance Reminder***

When a police officer or firefighter who is otherwise eligible for retirement applies for a disability pension, the issue of whether the applicant can receive the retirement benefit during the pendency of their disability application often comes up. The reasoning behind this desire is, assuming the application for disability is denied, the applicant will be entitled to their regular pension benefit anyway. Why not allow them to collect it while the disability application is pending?

The DOI has weighed in on this issue and advises pension boards cannot grant these interim benefits. The Department reasons once a disability applicant is in receipt of a retirement pension benefit, that individual is no longer in active service and not eligible to receive disability pension benefits. It further notes that there is no statutory mechanism to convert from regular retirement to disability. Therefore, the DOI takes the position that pension board cannot grant interim retirement benefits while an application for disability is pending before a pension board. ❖

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### **REIMER & KARLSON News**

- R&K partners Richard J. Reimer and Keith A. Karlson taught at the IPPFA Midwest Training Conference, held September 30 – October 3 in Lake Geneva, Wisconsin. Topics covered included the new trustee orientation, the annual legal update, and the underfunding of pension systems.
- R&K partners Richard J. Reimer and Keith A. Karlson taught about use of force and internal departmental discipline at the MAP Annual Union Stewards Training Conference.
- R&K is pleased to announce the addition of associate Evan J. Haim. Prior to joining Reimer & Karlson, Mr. Haim was a partner at Hogan Marren, Ltd. Mr. Haim earned B.A. from Ohio Wesleyan University, and his Juris Doctor, *cum laude*, from the DePaul University College of Law.
  - To better serve our central and southern Illinois clients and to better monitor legislative developments, R&K is pleased to announce the opening of a Springfield office on October 1, 2014.
  - To receive updated news throughout the quarter, visit [www.rklaborlaw.com](http://www.rklaborlaw.com) or follow us on Twitter: @ReimerKarlson.

### ***Legal and Legislative Update***

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This publication constitutes advertising material. Information contained herein should not be considered legal advice. *Legal and Legislative Update* is published periodically. Questions may be directed to:

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