

RESOLUTION REGARDING CONSOLIDATION OF PENSION FUNDS

WHEREAS, the Governor has appointed a task force to examine issues related to the possible consolidation of Illinois Pension Code Article 3 and Article 4 “Downstate” police and fire pension funds; and

WHEREAS, a report from the task force was completed and presented on October 10 2019; and

WHEREAS, the possible consolidation of the \$14 billion in assets and 35,000 active and retired participants is a complex financial, economic and operational undertaking, and such an undertaking should not proceed without proper and comprehensive analysis and review by all stakeholders, most notably the asset owners and representatives of the participating members; and

WHEREAS, this will cause confusion, will be difficult to implement and has not established cost saving; and

WHEREAS, the framework necessary to create two consolidated funds with independent trusts, separate from the State Treasury, such that no assets or liabilities are shifted from one plan to another has not been created, tested or planned; the practical aspects of consolidating roughly 650 suburban and downstate police and fire funds has not been set-up, promulgated or explained such that compliance by individual pension funds can be guaranteed; and

WHEREAS, the Task Force admittedly states that challenges beyond the performance of investments returns “requires further discussion with those who would be affected by such a change,” and that “it is the recommendation of the Task Force that it should continue to review the advantages and challenges of consolidating benefit administration,” thus the Task Force cannot conclude their recommendations have been fully vetted as “further discussions” and “continued review” are required for the administration of benefits; and

WHEREAS, any break in the benefits being received by beneficiaries and participants of the downstate and suburban police and fire pensions funds would be tantamount to a breach of a contractual relationship if guaranteed pension benefits are diminished or impaired due to hasty administration or misfeasance in regards to the administration of vested benefits, and therefore unconstitutional under Article XIII, Section 5, of the Illinois Constitution.

NOW THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of Barrington Hills, a home rule community located in the Counties of Cook, Kane, Lake and McHenry, Illinois:

SECTION ONE: The recitals set forth above are incorporated herein and made a part hereof.

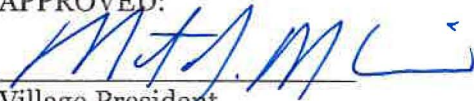
SECTION TWO: That the Village requests that the Illinois General Assembly not adopt enabling consolidation legislation during the 2019 Veto Session and that any consideration of such a major undertaking be held over until the 2020 Regular Legislative Session, and not adopted until an agreed implemented system has been developed.

SECTION THREE: This Resolution shall take effect immediately upon its passage and approval as provided by law.

Ayes: 7 Nays: 0 Absent: 0

PASSED AND APPROVED by the President and Board of Trustees of the Village of Barrington Hills, Illinois, this 28th day of October, 2019.

APPROVED:



Village President

ATTEST:



Village Clerk