

HOFFMAN ESTATES FIREFIGHTERS PENSION BOARD

Station 24
575 Beacon Point
Hoffman Estates, IL. 60192
847-695-8502

October 28, 2015 at 1:00pm

SPECIAL MEETING MINUTES

- I. Call to Order. Meeting called to order at 1:02pm.
- II. Roll Call/Acknowledgement of Guests. Present: Robert Orr, President; Matthew Fijalkowski, Secretary; Rachel Musiala, Village Trustee and Treasurer; James Oskroba, Retiree Trustee, One Vacant Board Position, Laura Goodloe, Puchalski, Goodloe, Marzullo, LLP., and Allison Barrett, Lauterbach & Amen, LLP.
- III. Public Comment. None
- IV. Business at issue. Discussion and action regarding underpayment and overpayment of our pensioners.
 - a. Underpayments- Pensioners Kenneth Sandacz and Thomas Tyrell are due additional funds due to their dependent benefits not being increased. Pursuant to 10 ILCS 5/4-109.1(c-1), the dependent benefit granted to a Firefighter receiving a line of duty disability or occupational disease disability shall be increased 3% compound every January. Corrective measure recommended by Allison Barrett is to remit the corrected retro benefit and then remit the correct monthly benefit for November per statute.
 - i. Kenneth Sandacz, retro benefit due is \$11.31, the correct benefit due to him is \$5,114.20, and his younger dependent is due \$20.60 per month.
 - ii. Thomas Tyrell, retro benefit due is \$2.43, the correct benefit due to him is \$5,701.55, and his younger dependent is due \$20.60 per month.
 - iii. Robert Orr makes a motion that we remit the retro payment back to the underpaid individuals of Kenneth Sandacz and Thomas Tryrell, the amounts for Kenneth Sandacz of \$5,114.20 per month, \$20.60 per month for his dependent, and sending him a check for the balance of \$11.31, as well as Thomas Tyrell of \$5,701.55 per month, \$20.60 per month for his dependent, and sending him a check for the balance of \$2.43. Seconded by Matthew Fijalkowski. Roll call Vote, Robert Orr, aye, Matthew Fijalkowski, aye, Rachel Musiala, aye, James Oskroba, aye.
 - b. Overpayments- Matthew Collins and David Carlson
 - i. Matthew Collins is over paid due to a "bug" in the Department of Insurance's calculator that was available at the time. The "bug" affected anybody that was over 55 years old and retired effective the first of the month, giving them an initial 3.25% increase instead of 3.0%. Open discussion amongst board, accountant, and legal counsel pertaining to

options and Article 4 statutes we are bound by. During discussion it was brought up to the board to remember that we have two pensioners that we are considering action on and that the situation of David Carlson should also be taken in to account. David Carlson was overpaid due to two issues. The first issue is the same Department of Insurance “bug” that affected Matthew Collins and the second issue being that his conversion was done incorrectly. Per Article 4 statute, when converting a pension benefit, the original retirement calculation is to be done based upon the statute in effect at the time of the disability and not at the time of the conversion. Carlson’s conversion was done using the statute at the time of his retirement, causing the overpayment. Overpayments as they pertain to each individual are outlined as such: Matthew Collins is overpaid \$12.95 per month and has been overpaid a total of \$402.96 through and including the October 2015 payment, David Carlson is overpaid \$265.70 per month and has been overpaid a total of \$11,531.06 through and including the October 2015 payment. Open discussion concluded with the following corrective measure agreed upon by all members: freezing pensioners monthly payment rate at the current rate, until the cost of living increases catch up to the current rate being paid out. In the case of Matt Collins he would just be \$12.95 short of his 3% cost of living increase when it take effect. Additionally, no action would be taken to recoup the losses due to lack of legal guidance provided by Article 4 statute. Retiree Trustee James Oskroba agreed to contact both parties and give them forewarning that they will be receiving a letter pertaining to pension overpayment, rather than catching them off guard.

- ii. Robert Orr makes a motion to have the Hoffman Estates Firefighters’ Pension Fund Attorney and Accountant work together to reach out to our overpaid pensioners in regards to a settlement agreement. Seconded by Matthew Fijalkowski. All in favor, aye, one position vacant.
- c. HELPS (Healthcare Enhancement for Local Public Safety) issue- Effective January 2007, HELPS allows retired or disabled public safety employees to decrease their taxable earnings by applying up to \$3,000 in insurance premiums deducted from their pension benefit payments. Lauterbach & Amen is recommending that the Hoffman Estates Firefighters’ Pension, effective January 2016, discontinue this option. Healthcare premiums would be deducted after tax and at the end of the year, the pensioner can chose when they fill out their 1040 tax form, where that deduction would best suit them individually. Draft letter was presented to board for review outlining the change and how this change could be used to maximize tax deductions. Letter was reviewed and approved for use as long as a cover letter precedes it from the Pension Board with Robert Orr’s signature attached to it.
 - i. Rachel Musiala makes a motion authorizing Lauterbach & Amen to send out communication to Firefighter Pensioners regarding the HELPS Retiree

Act, seconded by Matthew Fijalkowski. All in favor, aye, one position vacant.

- d. Municipal Compliance Report signed and dated.
- e. Robert Orr makes a motion to adjourn at 1:32pm, seconded by Matthew Fijalkowski. All in favor, aye, one position vacant.