

# REIMER & DOBROVOLNY PC

A PUBLIC SAFETY LAW FIRM

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840 S. SPRING STREET, SUITE D  
SPRINGFIELD, ILLINOIS 62704

September 17, 2019

Ms. Carla Huffman, Manager  
Office of the Comptroller  
325 West Adams Street  
Springfield, Illinois 60601

*Via Email: [Carla.huffman@illinoiscomptroller.gov](mailto:Carla.huffman@illinoiscomptroller.gov)*

Re: East St. Louis Firefighters' Pension Fund's "Statement of Notification" of a claim eligible to be remitted pursuant to 40 ILCS 5/4-118(b-5) and 74 Ill. Adm. Code 295, et seq.

Ms. Huffman:

The undersigned is legal counsel for the Board of Trustees of the East St. Louis Firefighters' Pension Fund ("Pension Board"). This correspondence serves as the Pension Board's "Statement of Notification" of a claim eligible to be remitted pursuant to 40 ILCS 5/4-118(b-5) and 74 Ill. Adm. Code 295, et seq. The following information is provided pursuant to 74 Ill. Adm. Code 295.300.

Attached are the completed required Comptroller's forms:

1. Statement of Notification (Form C-33p), and
2. Pension Fund Collection Authorization (Form SCO-501p)

**Terms Defined:**

1. **Claimant:** City of East St. Louis Firefighters' Pension Fund
2. **Chief Executive Officer:** John Anthony – Pension Board President
3. **Person:** City of East St. Louis ("the City")

**Statement of Notification Information Pursuant to 74 Ill. Adm. Code 295.300(c):**

1. **The name and FEIN or Government Unit Code for the person against whom the claim exists:**  
City of East St. Louis, Illinois  
FEIN: XXXXXXXXXX

2. **The certified amount delinquent then due and payable to the fund: \$2,209,227**
  
3. **The reasons why there is an amount due to the fund:** There is an amount due to the Pension Fund because the City failed to contribute the statutory minimum, Annual Actuarial Requirement (“AAR”) to the Pension Fund for fiscal years 2017 and 2018 as required by 40 ILCS 5/4–118 (b-5) of the Pension Code. The City of East St. Louis has chronically underfunded the East St. Louis Firefighters’ Pension Fund. According to the Illinois Department of Insurance’s Actuarial Valuation Report for the East St. Louis Firefighters’ Pension Fund as of January 1, 2018, the Pension Fund is only 11% funded. (Bd. Ex. 13, p. 193).<sup>1</sup>

According to a response from the City of East St. Louis to a FOIA request, the City has not done a private actuarial valuation report for fiscal years ending 2015, 2016 and 2017 for the Pension Fund. (Bd. Ex. 7, p. 127, Bd. Ex. 8, p. 129, and Bd. Ex. 10, p. 145).

Since at least 2006, the Pension Fund has engaged the services of an independent enrolled actuary, Jason Franken of Foster and Foster, to determine an actuarial valuation for the East St. Louis Firefighters’ Pension Fund. (Bd. Ex. 2, 5, and 12). The Pension Fund forwards a copy of that independent actuarial valuation report to the City, recommending a required municipal contribution to the Pension Fund, as required by §4–134 of the Pension Code.

On or about December 8, 2016, the Illinois Department of Insurance issued its Actuarial Valuation Report for the City of East St. Louis Firefighters’ Pension Fund as of January 1, 2016. (Bd. Ex. 1, p. 1-2). The Department’s recommended statutory minimum for fiscal year 2017 was \$3,159,397. (Bd. Ex. 1, p. 2).

According to the City of East St. Louis Firefighters’ Pension Fund’s Audited Financial Statement for year ending December 31, 2017, the total amount of contributions to the Pension Fund made by the City during fiscal year 2017 totaled \$2,279,905, or \$879,492 less than the statutory minimum required by §4–118.1(b-5) of the Pension Code. (Bd. Ex. 3, p. 35).

On or about August 30, 2017, the Illinois Department of Insurance issued its Actuarial Valuation Report for the City of East St. Louis Firefighters’ Pension Fund as of January 1, 2017. (Bd. Ex. 4, p. 59-60). The Department’s recommended statutory minimum for fiscal year 2018 was \$3,358,967. (Bd. Ex. 4, p. 60).

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<sup>1</sup> References are to exhibits attached hereto and incorporated by reference.

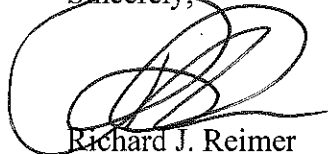
According to the City of East St. Louis Firefighters' Pension Fund's Audited Financial Statement for year ending December 31, 2018, the total amount of contributions to the Pension Fund made by the City during fiscal year 2018 totaled \$2,029,232, or \$1,329,735 less than the statutory minimum required by §4-118.1(b-5) of the Pension Code. (Bd. Ex. 6, p. 104).

4. **The time period to which the claim is attributable:** For fiscal years 2017 and 2018. The Pension Fund's fiscal year begins on January 1 and ends on December 31 of each year.
5. **A description of the type of notification given to the person against whom the claim exists and the type of opportunity to be heard afforded that person:** Written notice was served upon the City attorney and Mayor on September 4, 2019. (Bd. Exhibit #14, p. 196), notifying the City of a hearing scheduled for September 16, 2019 for purposes of determining whether the Pension Board should file an "intercept" claim with the Comptroller's office.
6. **A statement as to the outcome of any hearings or other proceedings held to establish the claim, or a statement that no hearing was requested:** A hearing was held before the Pension Board on September 16, 2019. The City appeared and did not contest the delinquent amount of \$2,209,227. The Pension Board authorized the filing of this claim. (A copy of the Transcript is attached hereto as Bd. Ex. #15)
7. **The date of the final determination of the claim:** September 16, 2019.

The claimant submits this Statement of Notification to the Comptroller and it requests that the Comptroller deduct and remit to the Pension Fund the certified amounts from the total amount of any payments of State funds to the City of East St. Louis in accordance with 40 ILCS 5/4-118(b-5)(3) and 74 Ill. Adm. Code 294.400 through 295.700. A copy of the Notification of Claim letter to the Mayor is also included.

The Pension Board thanks the Comptroller for its attention to this matter. Please feel free to contact the Pension Board's legal counsel, Richard J. Reimer of Reimer & Dobrovolny PC, with any questions or concerns regarding this Statement of Notification.

Sincerely,



Richard J. Reimer

RJR:mr  
Enclosures

cc: Bill English (*Via email: [bill.english@illinoiscomptroller.gov](mailto:bill.english@illinoiscomptroller.gov)*) with enclosures  
Mr. Johnnie Anthony, President  
East St. Louis Firefighters' Pension Board, with enclosures  
Mr. Dennis Orsey, Esq., with enclosures  
Mr. John Baricevik, Esq., with enclosures



STATE OF ILLINOIS  
 COMPTROLLER  
 SUSANA A. MENDOZA

# Pension Fund Collection Request Statement of Notification

Collections Unit  
 325 West Adams  
 Springfield Illinois 62704

East St. Louis Firefighters' Pension Fund  
 Requesting Pension Fund  
 P.O. Box 215  
 Address  
 East St. Louis, Illinois 62201  
 Richard Reimer, Attorney rreimer@rdlaborlawpc.com  
 Contact Name and Email Address

COMPTROLLER USE ONLY

RE: City of East St. Louis  
 (Governmental Entity Name)

Section 5/4-118(b-5) of the Illinois Pension Code.

To Office of the Comptroller, Collections Unit:

In accordance with the requirements of State or Federal law, please withhold payment from the Governmental Entity. Details of this claim are as follows:

FEIN/GUC Number(s)  
 (List all known numbers)

IOC USE ONLY

[Redacted]

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Entity ID Number

**Time Period During Which Debt Was Incurred**

01 / 01 / 2017      12 / 31 / 2018  
 MONTH / DAY / YEAR      MONTH / DAY / YEAR  
 Date From      Date To

\$2,209,227.00

Original Claim Amount

Reason For Debt: Please attach a statement as to why there is an amount due to the Fund.

**PROCEDURAL REQUIREMENTS**

Notification Type 02 and 04      Statement of Outcome 02  
 Type of Hearing Offered 01      Date of Final Determination of Debt 9 / 16 / 19  
 MONTH / DAY / YEAR

If I am submitting a facsimile or email signature, I hereby certify by so filing that the original signed document exists in my possession.

[Signature]      President      Sept 16, 2019      618-520-9784  
 AUTHORIZED SIGNATURE      TITLE      DATE      TELEPHONE NUMBER

Process Date    /   /



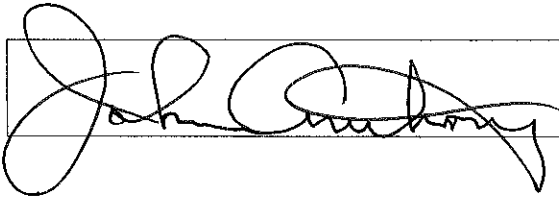
STATE OF ILLINOIS  
 COMPTROLLER  
 SUSANA A. MENDOZA

# PENSION FUND COLLECTION

User Authorization

INSTRUCTIONS	
In order to submit claims for collection to the Illinois Office of the Comptroller (IOC), Pension Funds must complete this User Authorization form and return to IOC.	
Field	Pension Fund
Entity Name	Pension Fund Name East St. Louis Firefighters'
Department	Division Name
Entity ID	5-digit Entity ID
Chief Officer	Chief Executive Officer John Anthony

CLAIMING ENTITY	
PENSION FUND NAME: <small>(30 characters maximum)</small>	East St. Louis Firefighters'
DEPARTMENT: <small>(30 characters maximum)</small>	
ENTITY ID: <small>(If Known)</small>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
CHIEF EXECUTIVE OFFICER NAME:	John Anthony, President
CHIEF EXECUTIVE OFFICER EMAIL:	Johnnieanthony47@gmail.com

AUTHORIZING SIGNATURE	
The Authorized Signature of the Chief Executive Officer below will be kept on file for use as a certifying signature for each debt submitted to the Illinois Office of the Comptroller.	
	
Date 9/16/2009	

# REIMER & DOBROVOLNY PC

A PUBLIC SAFETY LAW FIRM

RICHARD J. REIMER  
JAMES L. DOBROVOLNY  
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URBANA, ILLINOIS, 61801  
217-344-2376

840 S. SPRING STREET, SUITE D  
SPRINGFIELD, ILLINOIS 62704

September 17, 2019

Honorable Robert Eastern III, Mayor  
City of East St. Louis  
301 Riverpark Drive  
East St. Louis, Illinois 62201

***By Priority Mail Signature Confirmation***

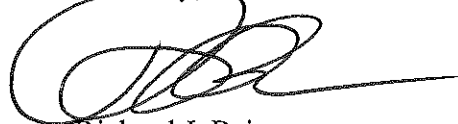
Re: Notice of the East St. Louis Firefighters' Pension Fund's intent to pursue intercept of payments of State funds to the City of East St. Louis pursuant to 40 ILCS 5/4-118(b-5)

Mayor Eastern:

As you are aware, the undersigned is legal counsel for the Board of Trustees of the East St. Louis Firefighters' Pension Fund ("Pension Board"). This correspondence serves as the Pension Board's notice to the City of East St. Louis ("City") pursuant to 40 ILCS 5/4-118(b-5) that the Pension Board is going to submit a Statement of Notification to the State Comptroller certifying the amounts of the City's delinquent contributions to the East St. Louis Firefighters' Pension Fund for fiscal years 2017 and 2018 in the amount of \$2,209,227.00, and seeking the intercept of payments of State funds to the City in order to satisfy the delinquency.

Should you have any questions or concerns in this matter, please do not hesitate to contact the undersigned.

Sincerely,



Richard J. Reimer

RJR:mr

cc: Johnnie Anthony, President  
East St. Louis Firefighters' Pension Board  
Mr. John Baricevik, Esq.  
Mr. Dennis Orsey, Esq.