

2026 IL App (1st) 260393-U
No. 1-26-0393
Order filed October 15, 2026
Fourth Division

NOTICE: This order was filed under Supreme Court Rule 23 and is not precedential except in the limited circumstances allowed under Rule 23(e)(1).

IN THE
APPELLATE COURT OF ILLINOIS
FIRST DISTRICT

VILLAGE OF OAK PARK, Plaintiff-Appellee,

v.

BOARD OF TRUSTEES OF THE VILLAGE OF OAK PARK FIREFIGHTERS' PENSION
FUND, Defendant-Appellant.

Appeal from the Circuit Court of Cook County.
Honorable Myron Mackoff, Judge, Presiding.
No. 2025-CH-00660

JUSTICE NAVARRO delivered the judgment of the court.
Justices Mitchell and Ocasio concurred in the judgment.

ORDER

¶ 1 *Held:* The circuit court properly granted summary judgment in favor of the Village of Oak Park where the “holiday pay” set forth in the collective bargaining agreement was not considered “salary” for pension purposes under the Pension Code (40 ILCS 5/4-118.1(d) (West 2024)).

¶ 2 Defendant-Appellant, Board of Trustees of the Village of Oak Park Firefighters' Pension Fund (Pension Board), appeals from the circuit court's order granting summary judgment in favor of Plaintiff-Appellant, Village of Oak Park (Village). The collective bargaining agreement (CBA) between the Village and the Firefighter's Union, the International Association of

Firefighters, Local 95 (Union) contains a provision in section 13.4 for “lump sum holiday pay.” The parties treated the holiday pay set forth in the CBA as non-pensionable salary until November 2024, when the Pension Board interpreted the lump sum holiday pay as pensionable salary. The Village filed a complaint for declaratory judgment, alleging that the Pension Board erroneously determined that the holiday pay set forth in the CBA should be considered salary for “pension purposes,” and it requested a declaration that the holiday pay is not pensionable salary. The parties filed cross-motions for summary judgment. The court granted summary judgment in favor of the Village. We affirm.

¶ 3

I. BACKGROUND

¶ 4 The Village’s firefighters participate in the Oak Park Firefighters’ Pension Fund established and administered by the Pension Board for the firefighters’ benefit. See 40 ILCS 5/4-101, 4-121 (West 2024). The Village and the Union entered into successive collective bargaining agreements, including the most recent of which is effective from 2024 through 2027. Beginning in 2014, the collective bargaining agreements all contained a similar provision in section 13.4 for “lump sum holiday pay.” Before November 2024, the Pension Board did not treat the lump sum holiday pay set forth in the CBA as pensionable salary. In November 2024, the Pension Board informed the Village that it interpreted the lump sum holiday pay as pensionable salary, and directed the Village to withhold appropriate contributions on the lump sum holiday payments. Thereafter, the Village filed a complaint for declaratory judgment and a writ of mandamus.

¶ 5

A. Village’s Complaint for Declaratory Judgment

¶ 6 In the Village’s complaint for declaratory judgment, it alleged as follows. In 2013, the Village and the Union engaged in collective bargaining negotiations for a successor contract. As part of the parties’ negotiations over wages, the Union “recognized the financial toll pensions were

taking on the community and they wanted to look for creative ways to lessen the Village's pension burden." As a result, the Union sought a "holiday buy-back program" under which the Union would continue receiving a "vacation-bank of 96 hours as part of its holiday pay system." In addition, as part of this program, "in exchange for a 0.5% decrease in annual wage adjustments (that are pensionable)," the Union's members would receive non-pensionable "holiday pay" that was the "lump-sum dollar equivalent of 1.5% of the Step F wage rate." The Village explained that "[s]tated another way, instead of asking for an additional 0.5% of base pay that would be considered salary for pension purposes, bargaining unit members sought a lump sum payment of 1.5%, which would not be treated as pensionable salary." (Emphasis in original.) The Village agreed to the Union's "holiday buy-back" proposal.

¶ 7 The Village alleged that the CBA effective 2014 through 2015 reflected the proposal and clarified that the "lump sum holiday pay" was subject to section 4-118.1(d) of the Pension Code (40 ILCS 5/4-118.1(d) (West 2014)) such that it is non-pensionable. After January 1, 2014, the Village never appropriated the 1.5% of Step F wages as pensionable salary, and the Union never took the position that it was salary for "pension purposes." Between January 1, 2014, and November 8, 2024, the Pension Board never treated the 1.5% of Step F wages as pensionable salary, and it never collected the statutorily defined salary contributions from participants.

¶ 8 The Village further alleged that in a letter on November 8, 2024, the Pension Board informed the Village and the Union that it "voted to prospectively interpret the lump sum holiday pay in Section 13.4 as pensionable salary." The Pension Board told the Village that it "must withhold appropriate contributions on lump sum holiday payments and remit them to the Fund beginning immediately."

¶ 9 In the Village’s first claim for declaratory judgment, it alleged that the Pension Board’s November 8, 2024, “pronouncement” erroneously determined that holiday pay should be considered salary for “pension purposes.” The Village alleged that the Pension Board’s determination was inconsistent with the clear and unambiguous language of the CBA, the undisputed bargaining history between the Union and the Village, the Village’s appropriations ordinances, the *status quo*, the Pension Board’s past practice, the Illinois Public Labor Relations Act, and the Pension Code. The Village requested a declaration that holiday pay is not pensionable salary, the November 8, 2024, “pronouncement” letter was baseless, and any holiday pay funds collected by the Pension Board be returned to pension plan participants.

¶ 10 The Village also asserted, in the alternative, a second claim for declaratory judgment, alleging that, even if the Pension Board’s November 8, 2024, “pronouncement” regarding holiday pay as pensionable salary was jurisdictionally and legally sufficient, the Pension Board left its pension fund significantly underfunded for over 10 years, as it did not collect the statutorily defined percentage required for pensionable salary under the Pension Code (40 ILCS 5/4-118.1(a), (b) (West 2024)). As alternative relief, the Village requested the court order the Pension Board to calculate how much each individual pension plan participant owed in contributions starting from 2014.

¶ 11 The Village also asserted a writ of mandamus claim, alleging that the Pension Board failed to issue and serve a final and appealable administrative decision as required by the Administrative Review Law (735 ILCS 5/3-101 (West 2024)). As alternative relief, the Village requested the court order the Pension Board to issue and serve an administrative decision on the pensionability of holiday pay.

¶ 12 The Village attached to the complaint for declaratory judgment the Pension’s Board’s November 8, 2024, letter, in which the Pension Board stated that it had “voted to prospectively interpret the lump sum holiday pay in section 13.4 [of the CBA] as pensionable salary.”

¶ 13 B. Pension Board’s Counterclaim

¶ 14 The Pension Board asserted two counterclaims, the first for declaratory judgment and the second for writ of mandamus. In the first counterclaim, the Pension Board alleged that holiday pay set forth in section 13.4 of the CBA was salary for pension purposes, and it requested the court declare it as such. In the second counterclaim, it alleged that the Village had a duty to comply with the Pension Code by transmitting to the Oak Park Firefighters’ Pension Fund all pension deductions made, and it requested the court to compel the Village to transmit all employee pension contributions to that fund.

¶ 15 C. Motions for Summary Judgment and Stipulated Record

¶ 16 The Village and the Pension Board filed cross-motions for summary judgment. The parties also filed a stipulated summary judgment record, which included the collective bargaining agreements between the Union and the Village from 2014 through 2027. The parties do not dispute that the successive collective bargaining agreements effective during this period all contained almost identical language regarding holiday pay in section 13.4, which states as follows in the CBA effective 2024-2027:

“In lieu of the following paid holidays, the Village agrees to add eleven (11) calendar days to the vacation schedule or four (4) 24 hour shift days:

New Year’s Day
President’s Day
Memorial Day
Independence Day
September 11th
Easter

Labor Day
Veteran’s Day
Thanksgiving Day
Christmas Day
Martin Luther King Day
Juneteenth

In addition to the time off stated above, bargaining unit members shall receive a lump sum holiday pay equal to 1.5% of Step F no later than November 30th of each year. Employees hired within the previous calendar year shall receive an amount prorated to reflect full months of service in the previous calendar year. Employees retiring shall receive a prorated amount based on the full months of service in the previous calendar year. This lump sum holiday pay is subject to 40 ILCS 4-118.1(d) as in effect on September 23, 2013.”

¶ 17 Section 4-118.1(d) of the Pension Code, which the parties included in their stipulated record, states as follows:

“ ‘Salary’ means the annual salary, including longevity, attached to the firefighter’s rank, as established by the municipality appropriation ordinance, including any compensation for overtime which is included in the salary so established, but excluding any ‘overtime pay’, ‘holiday pay’, ‘bonus pay’, ‘merit pay’, or any other cash benefit not included in the salary so established.” 40 ILCS 5/4-118.1(d) (West 2024).

¶ 18 The parties’ stipulated record also included various communications between the parties leading up to the Pension Board’s November 8, 2024, letter that determined that holiday pay in section 13.4 was pensionable salary. We summarize some of those exhibits below.

¶ 19 In January 2017, counsel for the Pension Board sent a memorandum to the Pension Board regarding “[h]oliday pay as pensionable salary for firefighters.” In the memorandum, counsel concluded that “the main consideration for determining pensionable salary” under the Pension Code and Illinois Administrative Code was the Village’s appropriations ordinance. The memorandum also stated that section 4-118.1(d) of the Pension Code excludes “holiday pay” from pensionable salary when it is “not included in the salary established by appropriation ordinance,” and “the determining factor is whether the pay is included in the appropriation ordinance.”

¶ 20 In July 2021, counsel for the Pension Board issued a memorandum to the Pension Board, concluding that holiday pay under section 13.4 of the CBA constituted pensionable salary. In an April 2022 letter, counsel for the Pension Board informed the Village that, in July 2021, the

Pension Board requested counsel's review of the issue of holiday pay as pensionable salary based on the appellate court decision *Village of Hanover Park v. Board of Trustees of Village of Hanover Park Police Pension Fund*, 2021 IL App (2d) 200380. Counsel explained that, upon review of section 13.4 of the CBA, counsel concluded that the holiday pay received by the firefighters was pensionable salary.

¶ 21 In a November 2022 letter from the Village's counsel to the Pension Board, the Village's counsel stated that the lump sum holiday payment was not pensionable because the Village and the Union "purposefully negotiated the contract's holiday pay provision so that the Village's lump-sum holiday pay payment would not be considered 'salary' for pension purposes." The Village's counsel concluded, that "[a]s such, there is no basis to conclude that these payments should be considered 'salary...attached to the firefighter's rank, as established by the municipality appropriation ordinance.' "

¶ 22 On May 12, 2023, the Pension Board held a special hearing on "Holiday Pay as Pensionable Salary."

¶ 23 At that hearing, the Deputy Village Manager, Lisa Shelley, testified as follows. During the negotiations leading up to the 2014-2015 CBA, the Village and the Union agreed that the lump sum payment in section 13.4 would be non-pensionable. In September 2013, the Village's Interim Human Resources Director issued a memorandum to the Village's manager describing the negotiations between the Union and the Village on the holiday pay issue at that time. That memorandum stated that, as part of the economic portion of the negotiations, the Union "recognize[d] the financial toll pensions were taking on the community, and they wanted to look for creative ways to lessen the Village's pension burden" and that, as a result, the Union proposed

the “holiday buy-back program,” which was included for the first time in section 13.4 of the 2014-2015 CBA.

¶ 24 Shelley further testified that it was the parties’ understanding that the lump sum holiday payment would be non-pensionable. She testified that the Pension Board never told the Village it needed to deduct pension contributions from the firefighters’ holiday payment under section 13.4, and the Union never filed a grievance complaining that holiday pay was not being treated as salary for pension purposes. She testified that, as part of the Village’s appropriations process each year, the Village Board approves an ordinance adopting a budget document. Under the budget, holiday pay is a separate line item from general wages, general wage increases, and pension contributions.

¶ 25 The stipulated record included the Village’s fiscal year 2023 adopted budget as well as the ordinance adopting the budget (appropriations ordinance), which showed that in the “General Fund – Fire Operations” for fiscal year 2023, “Holiday Pay” was listed as a separate line item from “Regular Salaries” as well as “Fire Pension Contributions.”

¶ 26 In an August 2023 letter from the Pension Board to the Village and the Union, the Pension Board explained that, after reviewing section 13.4 of the CBA, it “preliminarily believes that the lump sum holiday pay constitutes ‘salary’ for pension purposes” under section 4-118.1(d) of the Pension Code. The Pension Board explained that the lump sum holiday pay was “fixed,” there were no impermissible eligibility requirements as discussed in *Village of Hanover Park*, and the firefighters received the lump sum holiday pay regardless of whether they worked. The Pension Board also commented that the current CBA expired in January 2024 and that, during the negotiations on the successor CBA, the Village and the Union could “clarify Section 13.4 and bring it in line with their original intent,” explaining that, if the parties “truly wanted the holiday pay lump sum to be non-pensionable, the Board believes they can presently agree to language that

retroactively effectuates that agreement.” The Pension Board noted that it would “hold the holiday pay issue in abeyance while the Village and the [Union] bargain a new CBA.”

¶ 27 Thereafter, in an e-mail in July 2024, the Union’s counsel informed the Pension Board that the parties were still negotiating and that they “did not address the issue of holiday pay, so the language is and will remain the status quo.”

¶ 28 In a September 2024 e-mail response, the Village’s counsel explained the Village’s perspective as follows:

“From the Village’s perspective, the ‘status quo’ has always been that holiday benefits are excluded from the calculation of pensionable salary. That intent is clearly reflected in the current contract language as previously submitted by the Village. No interested party has ever disputed the calculation of final salary in that manner. Since this issue was first raised *sua sponte* by the Pension Board, other employees have received pensions that were calculated in the same manner as has been done historically. From our perspective, the Village has been content with the status quo, historical language and interpretation, and there was no need to propose changes to the contract and risk creating confusion where none previously existed. As such, because no party proposed any modifications to the historical contract language, the contract should continue to be interpreted in the same way a[s] [it] has always been, and there should be no change to the way in which the Pension Board calculates the final salary for pension purposes.”

¶ 29 In October 2024, the Pension Board notified the Union and the Village that it scheduled the continuation of the “Hearing on Holiday Pay as Pensionable Salary” for November 1, 2024. The letter stated that the parties were “not obligated to appear” at the meeting and it was “anticipated that the Board [would] primarily [be] deliberating and taking final action on this date.”

¶ 33 In the Village’s motion for summary judgment, it asserted that since January 2013, bargaining unit members received lump sum holiday payments that were, by agreement, not treated as pensionable salary. The Village argued that, even though the Pension Board’s past practice was to treat holiday pay as non-pensionable, in November 2024, the Pension Board unilaterally announced it would treat holiday pay as pensionable salary on a prospective basis. According to the Village, the record showed that the parties’ intent was to exclude holiday pay from salary for pension purposes and that before November 2024, no party ever considered the holiday payments to be pensionable.

¶ 34 The Village argued that it was undisputed that during the negotiations over wages in 2013, the Union and the Village agreed on a “holiday buy-back program” to help with the Village’s pension burden and that, under this program, the Village agreed to pay lump sum holiday pay on a non-pensionable basis. The Village asserted that the “holiday buy-back” proposal was memorialized in section 13.4 of the CBA effective January 1, 2014, through December 31, 2015, which included language from the Pension Code that expressly excluded holiday pay from pensionable salary, as it stated that, “[t]his lump sum holiday pay is subject to 40 ILCS [5]/4-118.1(d) as in effect on September 23, 2013.” According to the Village, section 4-118.1(d) of the Pension Code expressly provides that “holiday pay” is excluded “from the types of compensation that can be considered ‘salary’ for pension purposes.”

¶ 35 The Village also asserted that the holiday pay did not satisfy the DOI regulations, as the Pension Board did not establish that holiday pay is “attached to [a] rank or class” or that the Village “approved” the holiday pay as pensionable salary “through an appropriation ordinance.” Citing the Village’s 2023 adopted budget, which is included in the stipulated record, the Village highlighted that it appropriated holiday pay as a separate a line item from the “regular salaries” of

fire department personnel and it is not tied to rank or class. Because holiday pay was a separate line item not attached to any rank within the Village’s appropriations/budget ordinance, the Village argued that holiday pay was not part of pensionable salary.

¶ 36 The Village also contended that the Pension Board did not have jurisdiction over a contract interpretation matter that did not exist, arguing that for over a decade, the Union never filed a grievance about the agreement to pay holiday pay as non-pensionable salary. According to the Village, the Illinois Public Labor Relations Act gives the Illinois Labor Relations Board exclusive jurisdiction over all labor and collective bargaining disputes (5 ILCS 315/5 (West 2024)), and the Union should have filed a grievance if it wanted to challenge the interpretation that holiday pay was not pensionable salary.

¶ 37 The Village also argued that the Pension Board’s November 8, 2024, “pronouncement” letter was jurisdictionally improper because it did not comply with the Administrative Review Law (735 ILCS 5/3-101 (West 2024)) or the Open Meetings Act. As a result, the Village argued, the court should declare the Pension Board’s November 8, 2024, letter void. Lastly, the Village argued that for over a decade the parties did not treat holiday pay as pensionable salary and, consequently, the Pension Board never collected the statutorily defined percentage required for pensionable salary such that the pension fund is underfunded. The Village stated that the Pension Board should not be allowed to treat holiday pay as pensionable salary on a prospective basis without curing the funding deficiencies.

¶ 38 E. Pension Board’s Motion for Summary Judgment

¶ 39 In the Pension Board’s cross-motion for summary judgment, it contended that the lump sum holiday pay was “salary” for pension purposes under section 4-118.1(d) of the Pension Code, the DOI regulations, and the DOI advisory opinions. It asserted that the holiday pay is salary

because it is paid regardless of whether the firefighters work, there is no option to receive time off instead, and the Village appropriated for the payment each year. The Pension Board also asserted that the Village cannot bargain around the Pension Code, and that under section 4-142 of the Pension Code (40 ILCS 5/4-142 (West 2024)), neither the Union nor the Village has the power to deviate from the Pension Code. The Pension Board further noted that it issued a statement of policy interpretation about the lump sum holiday payment, not an administrative decision subject to the Administrative Review Law (735 ILCS 5/3-101 (West 2024)).

¶ 40 The Pension Board also contended that since November 2024, the Village placed the firefighters' lump sum holiday pay contributions in escrow, not with the pension fund, in violation of section 4-124 of the Pension Code (40 ILCS 5/4-124 (West 2024)). The Pension Board therefore requested the court issue a writ of mandamus requiring the Village to remit its wrongfully withheld contributions to the pension fund.

¶ 41 F. Circuit Court's Order

¶ 42 In a written order, the circuit court granted the Village's motion for summary judgment and denied the Pension Board's cross-motion for summary judgment. The court concluded that the holiday pay was not pensionable salary, noting that section 4-118.1(d) of the Pension Code "specifically exempts holiday pay." The court commented that the Village and the Union "have been treating holiday pay as non-pensionable compensation" and "[i]f the parties had wanted holiday pay to be pensionable salary, the Village could have simply given the firefighters a 1.5% pay raise when the benefit was first established." The court also highlighted that "pensionable salary must be attached to rank within an appropriations ordinance, and here, the Village appropriated holiday pay as a separate line item."

¶ 43 This appeal follows.

¶ 45 On appeal, the Pension Board argues that the circuit court erred when it granted summary judgment in favor of the Village. The Pension Board contends that the lump sum holiday pay set forth in section 13.4 of the CBA is pensionable salary under the Pension Code and DOI regulations, as it is fixed, unconditional compensation, and approved in the Village's appropriations ordinance. The Pension Board asserts that, contrary to the circuit court's order and the Village's position, section 4-118.1(d) of the Pension Code does not categorically exclude "all holiday pay from being salary," but, instead, only excludes holiday pay that is "not included in the salary so established." According to the Pension Board, holiday pay in section 13.4 is already "included in the salary so established" because it is appropriated for, predetermined, and unconditional.

¶ 46 "Summary judgment is appropriate where there are no genuine issues of material fact, and the movant is entitled to judgment as a matter of law." *Owen v. Village of Maywood*, 2023 IL App (1st) 220350, ¶ 18. A circuit court may grant summary judgment if the "pleadings, depositions, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." 735 ILCS 5/2-1005(c) (West 2024). Where parties file cross-motions for summary judgment, as they did here, "they conceded that no material questions of fact existed and that only a question of law was involved that the court could decide based on the record." *Best Buy Stores, L.P. v. Department of Revenue*, 2020 IL App (1st) 191680, ¶ 12. Our review of the circuit court's entry of summary judgment is *de novo*. *Lopez-Arana v. Brian Properties, Inc.*, 2024 IL App (1st) 231652, ¶ 18. Under this standard, "[w]e review the judgment, not the reasoning of the circuit court, and we may affirm on any grounds in the record, regardless of whether the circuit court

relied on those grounds or whether its reasoning was correct.” *Owen*, 2023 IL App (1st) 220350, ¶ 18.

¶ 47 When we interpret a statute, “[t]he primary objective of statutory construction is to give effect to the true intent of the legislature.” *Holland v. City of Chicago*, 289 Ill. App. 3d 682, 685-86 (1997). “The best indication of the legislature’s intent is the language in the statute, which must be given its plain and ordinary meaning.” *Mercado v. S&C Electric Co.*, 2025 IL 129526, ¶ 20. When a statute is clear and unambiguous, we “apply the statute as written without resort to extrinsic interpretive aids.” *Id.* We may not “depart from the plain language and meaning of the statute by reading into it exceptions, limitations or conditions that the legislature did not express.” *Smith v. Board of Trustees of the Westchester Police Pension Board*, 405 Ill. App. 3d 626, 631 (2010). And we must “read the statute as a whole and give effect to every word, clause, and sentence.” *Mercado*, 2025 IL 129526, ¶ 20. When a statute does not contain definitions, “the terms used in a statute will be given their plain and ordinary meaning.” *Teppel v. Board of Trustees of Bolingbrook Police Pension Fund*, 2025 IL App (3d) 240248, ¶ 25.

¶ 48 “We construe administrative rules and regulations, which have the force and effect of law, under the same standards that govern the construction of statutes.” *Mercado*, 2025 IL 129526, ¶ 20. “The interpretation of statutes and regulations are questions of law that we review *de novo*.” *Best Buy Stores*, 2020 IL App (1st) 191680, ¶ 17.

¶ 49 The Pension Board contends that the lump sum holiday pay is pensionable “salary” under section 4-118.1(d) of Pension Code and the DOI regulations. We briefly address the Pension Code and DOI regulations at issue.

¶ 50 In municipalities with a population of 500,000 or less, the firefighters’ pension funds are governed by article 4 of the Pension Code. *Philpott v. Board of Trustees of City of Charleston*

Firefighters' Pension Fund, 397 Ill. App. 3d 369, 370 (2010) (citing 40 ILCS 5/4-101 through 4-144 (West 2004)). Section 4-118.1 of the Pension Code governs contributions by the firefighters to the pension fund and sets forth the percentages of contributions that are deducted and withheld from their “salary.” 40 ILCS 5/4-118.1 (West 2024)). This section defines “[s]alary” as follows:

“ ‘Salary’ means the annual salary, including longevity, attached to the firefighter’s rank, as established by the municipality appropriation ordinance, including any compensation for overtime which is included in the salary so established, but excluding any ‘overtime pay’, ‘holiday pay’, ‘bonus pay’, ‘merit pay’, or any other cash benefit not included in the salary so established.” *Id.* § 4-118.1(d).

¶ 51 The plain language of section 4-118.1(d) of the Pension Code provides that a firefighter’s pension is “based on the annual salary attached to the [firefighter’s] rank as set forth in the municipality’s appropriations ordinance.” See *Teppel*, 2025 IL App (3d) 240248, ¶¶ 22, 26 (explaining that under a similar provision in article 3 of the Pension Code addressing police officers’ pensions, the plain language “states that a police officer’s pension is based on the annual salary attached to the officer’s rank as set forth in the municipality’s appropriations ordinance”). Additionally, we note that “an appropriation involves the ‘setting apart from public revenue a certain sum of money for a specific object ***.’ ” *Smith*, 405 Ill. App. 3d at 633 (quoting *Schwartz v. City of Chicago*, 223 Ill. App. 184, 192 (1921)).

¶ 52 Under the Pension Code, the DOI is “authorized to promulgate rules necessary for the administration and enforcement” of firefighter pension funds established under the Pension Code. 40 ILCS 5/1A-103 (West 2024); *Teppel*, 2025 IL App (3d) 240248, ¶ 23. As previously noted, “[r]egulations are presumed to be valid and have the force and effect of law” but “[a]gency regulations may not exceed or alter the agency’s statutory power, nor contravene legislative

purpose and intent of statutes.” *City of Countryside v. City of Countryside Police Pension Board of Trustees*, 2018 IL App (1st) 171029, ¶ 48. Further, where the legislature “delegates to an agency the authority to clarify and define a specific statutory provision, administrative interpretations of such statutory provisions should be given substantial weight unless they are arbitrary, capricious, or manifestly contrary to the statute.” *Roselle Police Pension Board v. Village of Roselle*, 232 Ill. 2d 546, 559 (2009). However, “[w]e need only defer to an agency’s interpretation if the statute is ambiguous.” *Teppel*, 2025 IL App (3d) 240248, ¶ 39.

¶ 53 Section 4402.30 of the DOI regulations define “salary” as,

“any fixed compensation received by an employee of a municipality that participates in one of the pension funds established under Article 3 or 4 of the Illinois Pension Code, which has been approved through an appropriations ordinance of the municipality. Salary is received regularly and is attached to the rank or class to which the firefighter or police officer is assigned.” 50 Ill. Adm. Code 4402.30 (1996).

The DOI defines “fixed” as “a payment in a predetermined amount which can be determined through an examination of the appropriation ordinance, plans or agreements establishing salary.” 50 Ill. Adm. Code 4402.30 (1996).

¶ 54 In calculating “salary for pension purposes,” the DOI regulations state:

“All salary, as defined in Section 4402.30 of this Part, shall be used in pension computations for purposes of determining the correct amount of employee contributions. The following types of pay are considered salary, in accordance with the definition in Section 4402.30:

a) Base Pay

The basic salary attached to rank which is specified in the bargaining contract, municipal pay plan or any other document which establishes salary.

c) Holiday Pay

Additional compensation paid regardless of whether the employee must work on the holiday, unless there is an option, such as time off in lieu of cash compensation.” 50 Ill. Adm. Code 4402.35 (1996).

¶ 55 The Pension Board contends that the lump sum holiday pay set forth in section 13.4 of the CBA is pensionable salary under section 4-118.1(d) of the Pension Code and the DOI regulations, as it is fixed, unconditional compensation, and included in the Village’s appropriations ordinance. The Village responds that holiday pay is not part of a firefighter’s pensionable “salary” because in the Village’s appropriations/budget ordinance, holiday pay is a separate line item from “regular salaries” and is not attached to any rank within the ordinance or otherwise included in the “regular salaries” of fire department personnel.

¶ 56 Initially, we note that the Village also asserts that section 4-118.1(d) expressly excludes “holiday pay” from the types of compensation that can be considered “salary” for pension purposes. To the extent that the Village is arguing that “holiday pay” is categorically excluded from “salary” under section 4-118.1(d) such that the modifier “not included in the salary so established” does not apply to “holiday pay,” we disagree.

¶ 57 In *Board of Trustees of Policemen’s Pension Fund of Village of Oak Brook v. Illinois Department of Insurance*, 42 Ill. App. 3d 155, 156-57 (1976), the court reviewed the prior versions of the statutes defining salary in articles 3 and 4 of the Pension Code addressing police and fire pensions, which excluded from salary “ ‘overtime pay’, ‘holiday pay’, ‘bonus pay’, ‘merit pay’,

or any other cash benefit over and above the salary established by the appropriation ordinance.’ ” In interpreting the statute, the court concluded that the modifier “over and above the salary established by the appropriation ordinance” also applied to “merit pay.” *Id.* at 157-59. The court reasoned that, “ ‘[w]hen several words are followed by a clause which is applicable as much to the first and other words as to the last, the natural construction of the language demands that the clause be read as applicable to all.’ ” *Id.* at 158 (quoting *Porto Rico Ry. Light and Power Co. v. Mor*, 253 U.S. 345, 348 (1920)).

¶ 58 Following the above case, we conclude that, under section 4-118.1(d), “holiday pay” is not categorially excluded from “salary” but is only excluded when it is “not included in the salary so established.”

¶ 59 We now turn to whether holiday pay under section 13.4 of the CBA is considered “salary” under section 4-118.1(d) of the Pension Code, or whether it is excluded because it is “not included in the salary so established.”

¶ 60 Applying the plain language of section 4-118.1(d) of the Pension Code, we find that the holiday pay under section 13.4 of the CBA is not salary because the record does not establish that the holiday pay is annual salary “attached to the firefighter’s rank, as established by the municipality appropriation ordinance.”

¶ 61 The undisputed evidence shows that the Village’s appropriations ordinance lists “holiday pay” in a separate category of expenses and as a separate line item from “regular salaries.” Specifically, in the Village’s appropriations ordinance, “regular salaries” is included in the same category as “overtime” which make up the sub-total for “personal services.” However, “holiday pay” is listed separately from that group of expenses, and is, instead, included as one of the expenses making up the sub-total for “fringe benefits.”

¶ 62 Accordingly, there is no indication in the Village’s appropriations ordinance that “holiday pay” is annual salary attached to a firefighter’s “rank.” See 50 Ill. Adm. Code 4402.30 (1996) (defining “rank” as “the employee’s official position, including but not limited to Civil Service Rank, Ranks established by the Police or Fire Commission, Detective, Juvenile Officer, Special Instructor, Shift Commander, Training Officer, Chief, Emergency Medical Technician (E.M.T.), Paramedic, Range Officer, and Mechanic”).

¶ 63 There is also no indication in the Village’s appropriations ordinance that the holiday pay is annual or regular salary attached to the “class” for which a firefighter is assigned. See 50 Ill. Adm. Code 4402.30 (1996) (defining “class” as “a subset of individuals in a particular rank (*i.e.*, Patrol versus Administration).” The Pension Board does not direct us to where in the Village’s appropriations ordinance it shows that the holiday pay is attached to the rank or class of a firefighter. As such, because the record does not establish that holiday pay is annual salary attached to a firefighter’s rank or class, as established by the Village’s appropriations ordinance, the holiday pay does not meet the definition of “salary” under either section 4-118.1(d) of the Pension Code or section 4402.30 of the DOI regulations.

¶ 64 Further, the fact that the Village’s appropriations ordinance separates “holiday pay” from and does not include it in the same category with “regular salaries” also shows that the “holiday pay” is “not included in the salary so established.” As such, holiday pay is excluded from salary for pension purposes because it is “not included in the salary so established.”

¶ 65 Both parties rely on *Teppel v. Board of Trustees of Bolingbrook Police Pension Fund*, 2025 IL App (3d) 240248, to support their positions.

¶ 66 In *Teppel*, a police chief argued that his “pension pick-up” and “retiree insurance pick-up” payments should be included in his pensionable salary under similar language in the Pension

Code regarding salary for police pensions. *Id.* ¶¶ 8, 14, 22. The court concluded that these “pick-up” payments were pensionable salary attached to his “rank as police chief as established by the appropriations ordinance.” *Id.* ¶ 26. In reaching its decision, the court explained that the municipality paid the police chief a salary according to the appropriations adopted by the municipality’s board in the annual budget ordinance, “which provided a line-item for administration salaries for the police chief and deputy police chief.” *Id.* It then explained that the “police administration salaries approved in that ordinance included base pay salaries plus pick-up payments for the chief’s pension and retiree insurance contributions.” *Id.* The court further stated that the municipality “subsequently distributed these appropriations as compensation for services attached to the rank of police chief.” *Id.*

¶ 67 Here, as previously discussed, the Village’s appropriations ordinance lists “holiday pay” as a separate line item and category of expenses from “regular salaries.” Unlike *Teppel*, there is nothing in the Village’s appropriations ordinance that shows “regular salaries” included “holiday pay,” or that “regular salaries” and “holiday pay” were included in the same sub-total category of expenses. As such, here, where the Village’s appropriations ordinance lists “holiday pay” in a separate line and distinct category from “regular salaries,” it is not annual salary “attached to rank, as established by the municipality appropriation ordinance,” and it is also not “included in the salary so established.” As a result, holiday pay is not pensionable salary under section 4-118.1(d) of the Pension Code.

¶ 68 The Pension Board asserts that section 13.4’s holiday pay satisfies the “attached to rank or class” requirement because it is “paid to every member of the firefighters’ bargaining unit—a class defined by rank and employment status under the CBA—without exception.”

¶ 69 The DOI regulations define “rank” and “class,” respectively, as “the employee’s official position, including but not limited to Civil Service Rank, Ranks established by the Police or Fire Commission ***” and as a “subset of individuals in a particular rank (*i.e.*, Patrol versus Administration).” The CBA provides that “[t]he bargaining unit shall consist of all uniformed positions within the Oak Park Fire Department excepting those of Fire Chief, Deputy Chief and Battalion Chief.” As such, the bargaining unit members do not consist of one rank within the Fire Department nor one class in that rank. The bargaining unit members as a whole therefore do not meet the definition of “rank” or “class” such that Pension Board has not established that the holiday pay meets the requirement in section 4-118.1(d) that it be annual salary “attached to the firefighter’s rank, as established by the municipality appropriation ordinance.” As previously noted, the Pension Board does not direct us to where it shows in the Village’s appropriations ordinance that the holiday pay is attached to the rank or class of a firefighter.

¶ 70 The Pension Board also claims that the Village has placed the holiday pay in its appropriations ordinance every year, and it does not matter which line item in that document covers the holiday pay, as compensation is “salary” where it “has been approved through an appropriations ordinance of the municipality” (50 Ill. Adm. Code 4402.30 (1996)).

¶ 71 Although the holiday pay meets the requirement that it be approved through the municipality’s appropriations ordinance, as previously discussed, there is no indication in the appropriations ordinance that the approved holiday pay is considered annual salary attached to the firefighter’s rank as established by that appropriations ordinance or that the approved holiday pay is included in the salary so established.

¶ 72 Additionally, we note that, before November 2024, the Pension Board, the Union, and the Village treated holiday pay as non-pensionable compensation, and the Village’s appropriations

ordinance that specifically separates “holiday pay” from “regular salaries” reflects this treatment. The record shows that before the Pension’s Board’s November 2024 letter interpreting the holiday pay in section 13.4 as pensionable salary, the Pension Board did not treat the lump sum holiday payment as “salary” for pension purposes, and the Union never filed a grievance complaining that the holiday pay was not being treated as pensionable salary. The Village also did not treat the holiday payment as pensionable salary. The stipulated record includes a November 2024 letter from the Village’s counsel, in which counsel explained that, “[f]rom the Village’s perspective, the ‘status quo’ has always been that holiday benefits are excluded from the calculation of pensionable salary.”

¶ 73 Citing *Village of Hanover Park*, 2021 IL App (2d) 200380, the Pension Board asserts that holiday pay is pensionable under section 4-118.1(d) because it is included in the salary so established, as it is appropriated for, predetermined, and unconditional. There, the issue was whether holiday pay under the collective bargaining agreement was “fixed” compensation. *Id.* ¶ 59. The court analyzed the holiday pay section in the CBA and concluded that an officer’s eligibility for and amount of such payment depended on a number of factors. *Id.* ¶¶ 64-69. The court therefore concluded that the holiday payment was not “fixed” because it was not “in a ‘predetermined amount which can be determined through an examination of the appropriation ordinance, plans, or agreements establishing salary.’ ” *Id.* ¶ 69 (quoting 50 Ill. Adm. Code 4402.30 (1996)).

¶ 74 Unlike *Village of Hanover Park*, here, the issue is not whether the holiday payment under the CBA is considered “fixed” payment. Rather, the issues are whether the holiday pay is annual salary “attached to firefighter’s rank, as established by the municipality appropriation

ordinance” and whether holiday pay is excluded because it is “not included in the salary so established.” *Village of Hanover Park* is therefore inapplicable.

¶ 75 The Pension Board also argues that, in multiple advisory opinions involving similar circumstances as here, the DOI has concluded that holiday pay is “salary.” However, the DOI advisory opinions cited by the Pension Board also do not address the requirements in the Pension Code that are at issue here, *i.e.*, whether the holiday pay compensation is annual salary “attached to firefighter’s rank, as established by the municipality appropriation ordinance” or whether the holiday pay is “included in the salary so established” such that it is not excluded from salary for pension purposes.

¶ 76 The Pension Board asserts that the circuit court improperly found that holiday pay in section 13.4 was not “salary” because the Village collectively bargained for that result. According to the Pension Board, the court erred because the Village is statutorily barred from deviating from the Pension Code.

¶ 77 Under section 4-142 of the Pension Code (40 ILCS 5/4-142) (West 2024)), the Village, as a home rule municipality, “shall have no power to change, alter, or amend in any way the provisions of this Article.” Here, section 13.4 of the CBA does not “change, alter, or amend” the Pension Code. Rather, section 13.4 expressly states that it is subject to section 4-118.1(d) of the Pension Code.

¶ 78 The parties present arguments on whether, under the Illinois Public Labor Relations Act (5 ILCS 315/15(a),(b) (West 2024)), the provisions in the CBA control such that the Pension Board must find that the holiday pay was not salary for pension purposes and whether the Pension Board lacked jurisdiction to interpret the holiday pay provision because it was a labor dispute

preempted by that Act. Given our disposition affirming the circuit court's order granting summary judgment in favor of the Village, we need not address these arguments.

¶ 79 We note that the Pension Board also argues that the court erred because it granted summary judgment in favor of the Village on counts II and III, which requested alternative relief. Because we are affirming the court's order granting summary judgment in favor of the Village on its first claim for declaratory judgment, we are not addressing counts II and III.

¶ 80 III. CONCLUSION

¶ 81 For the foregoing reasons, we affirm the circuit court's order granting summary judgment in favor of the Village on its first claim for declaratory judgment.

¶ 82 Affirmed.