

No. 129471

---

**IN THE SUPREME COURT OF ILLINOIS**


---

ARLINGTON HEIGHTS POLICE;  
PENSION FUND, et al.,

Plaintiffs-Appellants,

v.

JAY ROBERT "J.B." PRITZKER, et al.

Defendants-Appellees.

) On Petition for Leave to Appeal  
) from the Appellate Court of Illinois  
) Second District, No. 2-22-0198  
)

) There Heard on Appeal from the  
) Circuit Court of Kane County,  
) Illinois, Case No. 2021 CH 55  
) Honorable Robert K. Villa  
) Judge Presiding  
)

---

**REPLY BRIEF OF PLAINTIFFS-APPELLANTS**


---

Daniel F. Konicek (#6205408)  
Amanda J. Hamilton (#6306098)  
KONICEK & DILLON, P.C.  
21 W. State St.  
Geneva, IL 60134  
630.262.9655  
[dan@konicekdillonlaw.com](mailto:dan@konicekdillonlaw.com)  
[amanda@konicekdillonlaw.com](mailto:amanda@konicekdillonlaw.com)  
*Attorneys for Plaintiffs-Appellants*

E-FILED  
10/11/2023 1:52 PM  
CYNTHIA A. GRANT  
SUPREME COURT CLERK

---

ORAL ARGUMENT REQUESTED

---

**TABLE OF CONTENTS**

Points and Authorities .....	i
Argument .....	1
<b>I. AMICUS BRIEFS AND THE PURPORTED EFFICACY OF THE ACT</b>	
<b>II. VOTING RIGHTS ARE A “BENEFIT” – THE PENSION PROTECTION CLAUSE IS NOT LIMITED TO “FINANCIAL BENEFITS”</b>	
<b>III. LOCAL FUNDS ARE IMPAIRED BY BEARING THE COST OF TRANSITION, STARTUP, AND ADMINISTRATION – THE ACT VIOLATES THE PENSION PROTECTION CLAUSE</b>	
<b>IV. THE ACT VIOLATES THE TAKINGS CLAUSE</b>	
Conclusion .....	18
Certification .....	19

**POINTS AND AUTHORITIES**

<i>Williamson Cty Bd. Of Comm’rs v. Bd. Of Trs. of the Ill. Mun. Ret. Fund</i> , 2020 IL 125330, ¶27, 52 .....	1
<i>Carmichael v. Laborers’ &amp; Retirement Board Employees’ Annuity &amp; Benefit Fund of Chicago</i> , 2018 IL 122793, ¶26 .....	1
<b>I. AMICUS BRIEFS AND THE PURPORTED EFFICACY OF THE ACT</b>	
<i>In re Pension Reform Litigation</i> , 2015 IL 118585 .....	2, 3
<i>Jorgensen v. Blagojevich</i> , 211 Ill.2d 286 (2004) .....	3
<i>People ex rel. Lyle v. City of Chicago</i> , 360 Ill. 25 (1935) .....	3
<b>II. VOTING RIGHTS ARE A “BENEFIT” – THE PENSION PROTECTION CLAUSE IS NOT LIMITED TO “FINANCIAL BENEFITS”</b>	
<i>Envirite Corp. v. Illinois E.P.A.</i> , 158 Ill.2d 210 (1994) .....	3, 4

<i>People ex rel. Sklodowski v. State</i> , 182 Ill.2d 220, 223 (1998) .....	4
<i>McNamee v. State</i> , 173 Ill.2d 433, 436 (1996).....	4, 5
<i>People ex rel. Illinois Federation of Teachers, AFT, AFL-CIO v. Lindberg</i> , 60 Ill.2d 266, 273, 277 (1975) .....	5, 6
<i>Jones v. Municipal Employees Annuity and Ben. Fund of Chicago</i> , 2016 IL 119618, ¶35 .....	5, 6
<i>Williamson Cty Bd. Of Comm'rs v. Bd. Of Trs. of the Ill. Mun. Ret. Fund</i> , 2020 IL 125330, ¶27, 52 .....	7, 8
<i>Carmichael v. Laborers' &amp; Retirement Board Employees' Annuity &amp; Benefit Fund of Chicago</i> , 2018 IL 122793, ¶26, 29 .....	8, 9
<i>Burke v. Burke</i> , 89 Ill.App.3d 826 (2d Dist. 1980).....	9
<i>Kanerva v. Weems</i> , 2014 IL 115811, ¶41 .....	9, 10, 11
<b>III. LOCAL FUNDS ARE IMPAIRED BY BEARING THE COST OF TRANSITION, STARTUP, AND ADMINISTRATION – THE ACT VIOLATES THE PENSION PROTECTION CLAUSE</b>	
40 ILCS 5/22B-118.....	12
40 ILCS 5/22C-118.....	12
<b>IV. THE ACT VIOLATES THE TAKINGS CLAUSE</b>	
<i>Hampton v. Metropolitan Water Reclamation Dist. Of Greater Chicago</i> , 2016 IL 119861, ¶16 .....	13
<i>In re Marriage of Richardson</i> , 381 Ill.App.3d 47, 57 (1 <sup>st</sup> Dist. 2008).....	13, 14
40 ILCS 5/22B-118(e).....	14, 15
40 ILCS 5/22C-118(e).....	14, 15

ARGUMENT

The first question presented to this Court is whether the term “benefit,” as used in the Pension Protection Clause, refers only to “monetary benefits.”

The second question presented to this Court is whether requiring Plaintiffs to pay for the consolidated funds’ startup costs, administration, operation, and transition costs “impairs or diminishes” Plaintiffs’ funds.

The third question presented to this Court is whether the Second District erred in finding that Plaintiffs “do not own the funds that the Act requires to be transferred” such that the Takings Clause is not implicated.

Because this Court has specifically stated that the Pension Protection Clause is to be interpreted broadly and extend its protections to “**all of the benefits that flow from the contractual relationship** arising from membership in a public retirement system,” (*Williamson Cty Bd. Of Comm’rs v. Bd. Of Trs. of the Ill. Mun. Ret. Fund*, 2020 IL 125330, ¶27, 52 (emphasis added)) and that the Pension Protection Clause “includes those benefits **attendant to membership** in the State’s retirement system” (*Carmichael v. Laborers’ & Retirement Board Employees’ Annuity & Benefit Fund of Chicago*, 2018 IL 122793, ¶26) (emphasis added), Plaintiffs contend that voting rights are a “benefit” protected by the clause and that the Act significantly impairs and diminishes that benefit.

Additionally, Plaintiffs have demonstrated that because the Act forces Plaintiffs’ funds to pay “costs and expenses incurred in the operation and

administration” of the consolidated funds, including the administrative and start-up costs, with loans of up to \$15,000,000, Plaintiffs have demonstrated that the Act “impairs or diminishes” Plaintiffs’ funds.

Finally, Plaintiffs “own” their funds such that the Takings Clause is implicated. Illinois law is clear that “pension benefits are property interests,” such that the Second District erred in finding that Plaintiffs do not “own” their funds.

### **I. Amicus Briefs and the Purported Efficacy of the Act**

As a preliminary matter, the Amicus Briefs filed by the Illinois Municipal League and the Associated Firefighters of Illinois, and a portion of Defendants’ Brief, focus upon the alleged efficacy of the consolidated funds. They argue and proclaim that “pension consolidation is working,” that the Act was necessary due to “increasingly underfunded individual pension funds,” and that the consolidated funds have “achieved, and will continue to achieve, a better rate of return on its investments than the downstate funds.” The Amicus Briefs argue in support of the Act by claiming that the Act “strengthens the financial condition” of the State and pensions funds.

This argument, however, has repeatedly been rejected by this Court, as it is completely irrelevant to a Pension Protection Clause and/or Takings Clause analysis. This Court has repeatedly held that the efficacy of the challenged Act, general economic concerns within the state, and the overall state of pension funding (including claims that the Act is good for taxpayers

and/or the State of Illinois) does not factor into a Pension Protection Clause analysis. See, e.g., *In re Pension Reform Litigation*, 2015 IL 118585 (rejecting a claim that the Act was “necessary and reasonable to secure the State’s fiscal health and the well being of its citizens”); see also *Jorgensen v. Blagojevich*, 211 Ill.2d 286 (2004) (reiterating that arguments concerning the financial health or necessity of the reform does not avoid the Pension Protection Clause); see also *People ex rel. Lyle v. City of Chicago*, 360 Ill. 25 (1935) (rejecting the City’s claim that the Act was necessary because of a budgetary shortfall, which it claimed would curtail the essential functions of government including prevention of crime, fire, and the spread of disease).

Accordingly, the arguments made regarding the State’s financial need for the Act (and/or the consolidated funds’ alleged performance) are misplaced, irrelevant to the Pension Protection Clause and Takings Clause analysis, and should not be considered by this Court, as they have nothing to do with the three questions actually before it.

## **II. Voting Rights are a “Benefit” – the Pension Protection Clause is Not Limited to “Financial Benefits”**

In their Brief, Defendants claim “The Court’s precedent makes clear in multiple ways that the ‘benefits’ protected by the Clause are the financial benefits that members of a public pension fund are entitled to receive as a result of that membership.” (Brief, p. 24). In support of this claim, Defendants cite to *People ex rel. Sklodowski v. State* and *Envirite Corp v. Ill. E.P.A.* (Brief, p. 24). However, neither *Sklodowski* nor *Envirite* discuss voting rights; in fact,

*Envirite* does not involve pensions at all. Rather, this Court in *Envirite Corp. v. Illinois E.P.A.* specifically stated: “The question presented for review is whether the producer of hazardous waste in this case, who sent the waste to a treatment and disposal facility, was required to obtain authorization from the Illinois Environmental Protection Agency for disposal of the waste in Illinois, separate and apart from the treater's authorization. We hold that the Illinois Environmental Protection Act did not require the producer to obtain such authorization.” *Envirite Corp. v. Illinois E.P.A.*, 158 Ill.2d 210 (1994).

*People ex rel. Sklodowski v. State* likewise does not stand for the proposition that the Pension Protection Clause’s protection is limited to “financial benefits,” as this Court only held that beneficiaries of a pension system could not use the Pension Protection Clause to force the state and its officials to appropriate funding to their pensions. 182 Ill.2d 220 (1998). Specifically, this Court stated: “allegations of underfunding are insufficient as a matter of law to constitute an impairment of benefits.” *People ex rel. Sklodowski v. State*, 182 Ill.2d 220, 223 (1998).

Next, Defendants claim that this Court has “uniformly used the term ‘benefits’ to mean monetary benefits received by retirement system members, not something else.” (Brief, p. 25). In support of this argument, Defendants cite to *McNamee v. State* and *Sklodowski*. However, in *McNamee v. State*, the plaintiffs were challenging a change to the funding mechanism for their pensions. *McNamee v. State*, 173 Ill.2d 433 (1996). Specifically, “This

amendment changed the funding of police pensions in two ways. First, the amendment changed the beginning date of the 40-year amortization period from January 1, 1980, to July 1, 1993. Second, the amendment changed the method of computing the annual amount required to amortize the unfunded accrued liability from a level dollar amount to a percentage of payroll.” *Id.* at 436. *McNamee* is nothing new because this Court has consistently held that the Pension Protection Clause does not protect the “funding” of retirement system payments. On the other hand, the “benefits” have always been protected. *McNamee* did not address the question of what constitutes a “benefit.”

Likewise, while Defendants cite to *People ex rel. Sklodowski v. State*, *Jones v. Municipal Employees’ Annuity and Ben. Fund of Chicago*, and *McNamee v. State* as standing for the proposition that voting rights are not a “benefit,” none of those cases actually discuss voting. *People ex rel. Illinois Federation of Teachers, AFT, AFL-CIO v. Lindberg* is likewise unavailing, as this Court merely held that members of teachers’ pension funds could not use the Pension Protection Clause to “enforce a specific level of funding to the plans.” 60 Ill.2d 266, 273 (1975).

In *Jones v. Municipal Employees Annuity and Ben. Fund of Chicago*, this Court held that “the provisions of the Act that enhance the City’s funding obligation or change the method of funding to fully fund the pensions” are not “benefits,” stating “legislative funding choices, however, remain outside the



protections of article XIII, section 5,” and that “the method of funding” is not considered a “benefit” entitled to constitutional protection. 2016 IL 119618. In fact, this Court’s opinions in *Lindberg* and *Jones* rejects the same claim Defendants make in this case – that the public act “rescues the Funds from insolvency and guarantees that the pensions will be paid.” *Jones v. Municipal Employees’ Annuity and Ben. Fund of Chicago*, 2016 IL 119618, ¶35 (“Distilled to its essence, defendants’ argument is that the Act’s new promise of financial stability offsets the diminishment of benefits, thereby conferring a benefit when viewed as a whole.”); *People ex rel. Illinois Federation of Teachers, AFT, AFL-CIO v. Lindberg*, 60 Ill.2d 266, 277 (“Plaintiffs have asserted that the respective pension systems are inadequately funded. The question of the specific fiscal appropriations necessary to meet these deficiencies is one which, at this time, should be directed to the legislature.”)

Unlike *Sklodowski*, *Lindberg*, *Jones*, and *McNamee*, Plaintiffs in this case are **not** arguing that “certain statutory pension funding schemes or appropriations of pension funding were to be treated as enforceable contractual rights,” nor are Plaintiffs arguing that they have a right to control the **funding** of their pensions. Plaintiffs do assert, however, that they had a right to control the **management** of their pension funds which flowed from and/or was attendant to the contractual relationship they formed with the State when these pension systems began.

In their Brief, Defendants cite to an excerpt from Webster's Third New International Dictionary and claim that the term "benefit" is limited to monetary benefits. (Brief, p. 33). Defendants exclude, however, many other definitions of "benefit" in that same dictionary, one of which is: "a service (such as health insurance) **or a right** (as to take vacation time) provided by an employer **in addition to wages or salary.**" (See "Benefit." *Merriam-Webster.com* Dictionary, Merriam-Webster New International Dictionary). (emphasis added).

Perhaps more relevant to this legal analysis is Black's Law Dictionary, which defines "benefit" as: "1. The advantage or privilege something gives; the helpful or useful effect something has. 2. Profit or gain, especially the consideration that moves to the promisee. 3. Financial assistance that is received from an employer, insurance, or a public program (such as social security) in time of sickness, disability, or unemployment. 4. A privilege or dispensation that the state is not constitutionally required to provide, especially one offered in conditions that raise difficult constitutional questions under the unconstitutional-conditions doctrine." Black's Law Dictionary (11<sup>th</sup> ed. 2019), benefit.

Defendants do not dispute that the Illinois Supreme Court specifically stated that the Pension Protection Clause protects "**any benefit** of the enforceable contractual relationship arising from membership in or of the pension or retirement systems of the State." *Williamson Cty Bd. Of Comm'rs*

*v. Bd. Of Trs. of the Ill. Mun. Ret. Fund*, 2020 IL 125330, ¶27, 52 (emphasis added). Likewise, Defendants do not dispute that the Illinois Supreme Court decreed that the “[t]he **constitutional protection is broad** because it protects **all of the benefits that flow from the contractual relationship** arising from membership in a public retirement system.” *Williamson Cty Bd. Of Comm’rs v. Bd. Of Trs. of the Ill. Mun. Ret. Fund*, 2020 IL 125330, ¶27, 52 (emphasis added).

Instead, Defendants argue that *Williamson* and *Kanerva* are distinguishable because those cases effectively “reduced pension fund system members’ monetary benefit” – *Williamson* in changing the ability to accrue future service credits, and *Kanerva* in increasing the members’ health insurance premiums. (Brief, p. 38-40).

Contrary to Defendants’ contention, nothing in *Williamson* states that a “reduced **monetary benefit** to fund members” is the test for determining whether the Pension Protection Clause applies. To the contrary, this Court has stated that the protections are broad and that “all benefits” which flow from and/or are “attendant to” the relationship are protected. *Williamson Cty Bd. Of Comm’rs v. Bd. Of Trs. of the Ill. Mun. Ret. Fund*, 2020 IL 125330, ¶27, 52; *Carmichael v. Laborers’ & Retirement Board Employees’ Annuity & Benefit Fund of Chicago*, 2018 IL 122793, ¶26 (“The benefits protected by the pension protection clause **include those benefits attendant to membership in the State’s retirement system**, such as subsidized health care, disability and life insurance

coverage, and eligibility to receive a retirement annuity and survivor benefits, along with the right to purchase optional service credit in the state pension system for past military service.”) (emphasis added).

It is axiomatic that any contractual relationship requires consideration, which is defined as “**some benefit to the promisor** or detriment to the promise.” *Burke v. Burke*, 89 Ill.App.3d 826 (2d Dist. 1980) (emphasis added). Just as non-monetary benefit can be consideration to establish a contract, a non-monetary benefit attendant to and/or “flowing from” that contractual relationship (such as voting) is protected by the Pension Protection Clause.

While Defendants want to limit the definition of “benefit” to only “monetary benefits,” this Court has repeatedly held that the legislature did not make any such limitation: “*Kanerva* held that **the text of the pension clause places no limits on the kind of ‘benefit’ that is protected by the clause so long as the benefit is part of the contractual relationship ‘derived from membership’ in the retirement system.**” *Carmichael v. Laborers’ & Retirement Board Employees’ Annuity & Benefit Fund of Chicago*, 2018 IL 122793 ¶29 (emphasis added). Indeed, this Court noted: “[T]he drafters chose expansive language that goes beyond annuities and the terms of the Pension Code, defining the range of protected benefits broadly to encompass those attendant to membership in the State's retirement systems.” *Kanerva v. Weems*, 2014 IL 115811, ¶41.

In this case, prior to the Act, the individual Plaintiffs had substantial voting rights and could determine who could serve on their local pension funds' boards and manage their funds. (C87-88). Defendants contend that the Act “does not change Plaintiffs’ ability to select a majority of their local boards” and “gives all local fund members an equal right to select a majority of the members of the Investment Funds,” (Brief, p. 47). Defendants ignore the mathematical reality that after the Act, these individual Plaintiffs went from having a 1 out of 28 or 1 out of 37 vote to having a 1 out of 13,804 vote – with the individual Plaintiff’s votes representing a 0.0013-0.0036% say regarding the Permanent Board’s selection of investment managers or advisors. This change is not only dramatic, it effectively eliminated a right Plaintiffs enjoyed of having a meaningful right and ability to locally control those who manage their funds. This right/benefit is recognized under the principle of subsidiarity, which holds that decisions involving a certain community should be made as close as possible to the citizens within the community, as opposed to a universal power making remote decisions. Here, the Plaintiffs, police officers and firefighters, want a say in a fundamentally personal decision regarding their retirement funds.

If the legislature intended to only protect “monetary benefits,” the drafters could have so specified, but they did not. As this Court stated, “We may not rewrite the pension protection clause to include restrictions and limitations that the drafters did not express and the citizens of Illinois did not

approve.” *Kanerva v. Weems*, 2014 IL 115811, ¶41. Accordingly, the Pension Protection Clause should **not** be interpreted to only protect “monetary benefits.” Rather, the Pension Protection Clause should have been read to extend to all of the benefits which flowed from the contractual relationship, including the ability to vote and control the boards and management of the Plaintiffs’ investment funds. Accordingly, Plaintiffs respectfully request this Court reverse the Second District’s opinion and the trial court’s Order and instead find that the Act violates the Pension Protection Clause.

**III. Local Funds are Impaired by Bearing the Cost of Transition, Startup, and Administration – The Act Violates the Pension Protection Clause**

Defendants acknowledge that the Act requires the local funds to incur administrative costs and extend startup loans to the consolidated funds but claim that these expenses are “an extremely small share of local fund assets” and that the Act is “designed to generate a much higher long-term cost savings and investment returns.” (Brief, p. 50). Defendants’ self-serving categorization is without merit – the loans that will encumber Plaintiffs’ funds as a result of the Act total approximately \$15,000,000, plus interest. (C248; C262; see also March 20, 2020 Firefighters’ Pension Investment Fund Loan Agreement, <https://ifpif.org/wp-content/uploads/2021/09/IFA-Loan-Agreement-with-FPIF.pdf>, Last accessed October 17, 2022; and June 23, 2020 Police Officers’ Pension Investment Fund Loan Agreement, <https://www.ipopif.org/Resources/54fc0d0a-d9a8-4040-8b0a->

[1dc5b413f9d9/01.%20Loan%20Agreement.pdf](#), Last accessed October 17, 2022).

Defendants do not address the trial court's finding that the Act "diminishes and impairs the pension benefits to which each Plaintiff is entitled, including but not limited to ultimately bear all costs of transition up to \$15,000,000, plus interest." (C620). Nor do Defendants dispute that prior to the Act, Plaintiffs enjoyed the benefit of having their funds be unencumbered by the liabilities posed by the new Pension Investment Funds.

Moreover, the Act results in Plaintiffs' funds being subject to be used for the payment of the "costs and expenses incurred in the operation and administration of the [Pension Investment Funds]." 40 ILCS 5/22B-118; 40 ILCS 5/22C-118. Defendants' claim that the Act will "generate much higher long-term costs savings and investment returns" is speculative at best. (Brief, p. 50). In reality, the Act impairs Plaintiffs' pension benefits vis-à-vis loans, operational costs, and administration costs of which Plaintiffs did not approve and over which they have little to no control due to their voting rights being virtually eliminated. (See *supra*, Part I).

Accordingly, Plaintiffs respectfully request this Court reverse the Appellate Court's decision and the trial court's Order and find that the Act violates the Pension Protection Clause because it impairs their benefits by placing liabilities and encumbrances upon them that did not exist prior to the Act.

#### IV. The Act Violates the Takings Clause

In their Brief, Defendants state: “Plaintiffs’ Takings Clause claim thus fails at the outset, for they have no property right under Illinois law that is affected by the Act.” (Brief, p. 52). Tellingly, Defendants do not cite to any Illinois case law in support of this contention. Instead, Defendants rely upon federal cases from Texas, California, and the U.S. Virgin Islands. (Brief, p. 52).

As a preliminary matter, while Defendants posit that the Takings Clause in the Illinois Constitution is identical to its federal counterpart and is given the same meaning, (and therefore rely upon federal cases), Defendants fail to note that this Court expressly stated that **“the Illinois Takings Clause provides protection greater than that provided by its federal counterpart...the greater protection provided by the Illinois Takings Clause stems from the fact that the clause not only guards against a governmental taking of private property but also guards against the governmental ‘damage’ to private property.”** *Hampton v. Metropolitan Water Reclamation Dist. Of Greater Chicago*, 2016 IL 119861, ¶16 (emphasis added).

Defendants previously acknowledged that state law determines what constitutes “property” for purposes of the Takings Clause. In Illinois, “Pension benefits are property interests.” *In re Marriage of Richardson*, 381 Ill.App.3d 47, 57 (1<sup>st</sup> Dist. 2008).

The Second District erred in finding that Plaintiffs “do not own the funds that the Act requires to be transferred.” It is undisputed that, in the context of



dissolution proceedings, Illinois Courts have held that the parties have a property interest not only in the pension benefits but in their growth in value. *Id.*, (“At dissolution, respondent obtained an actual co-ownership interest in the benefits as marital property; she became a co-owner of the pension benefits accrued during the marriage. Freezing respondent's interest in the pension as of the date of dissolution denies her the growth in the value of the marital share occurring during the period between dissolution and petitioner's retirement, a growth in value that petitioner, the co-owner holding an identical share, will collect.”) Likewise, when an individual decides to leave one municipality and/or transfer to another municipality, that individual can receive all of his/her contributions in cash, roll them over into a qualified retirement plan, or transfer his/her service time – such that his/her contributions, interest, and the former municipality's contributions are transferred to the new municipality. It does not follow that individuals have property rights in their pension funds (and the growth of those funds) for purposes of job changes, transfers, and dissolution of marriage proceedings but not property rights subject to protection under the Illinois Constitution.

Here, it is undisputed that the Act requires the Plaintiffs to fully transfer all of their private property, comprised of their securities, funds, assets, monies, and cash reserves to the Pension Investment Funds. It is likewise undisputed that the Act requires Plaintiffs to bear the full financial burden of the costs of transition (up to \$15,000,000, plus interest), as well as

to “pay the costs and expenses incurred in the operation and administration of the [Pension Investment] Fund[s].” 40 ILCS 5/22B-118(e), 40 ILCS 5/22C-118(e). This is sufficient to show that Plaintiffs’ private property has been taken and/or damaged (i.e., encumbered by debt and additional expenses) without the State providing any compensation to Plaintiffs.

While Defendants argue (for the first time) that the Act does not constitute a “taking” because it does not appropriate the funds for the government’s use, Defendants do concede that the Act “transferred the custody and management of those assets.” (Brief, p. 55). Likewise, while Defendants claim that the Act “maintains the same use” of the benefits, Defendants fail to address the fact that their own Task Force Report specifically noted that suburban and downstate funds (such as Plaintiffs’ funds) were better funded and performed better than Chicago and Cook County funds. Indeed, despite noting that the suburban and downstate funds faced systematic disparities because of their limited sizes and statutory constraints, the Task Force conceded that these suburban and downstate pension funds were 55% funded on average, whereas the much larger Chicago and Cook County plans were only 42.4% funded on average. (C133; C135). Moreover, the Task Force found that other statewide plans averaged only a 48.75% funding level - despite those funds being unencumbered by the “the systematic limitations” claimed to be depressing the performance of the suburban and downstate police and fire funds. (C136). The Task Force concluded: “When IMRF is excluded, the

statewide systems averaged a 39.18% funded ratio in FY 2016, which is below the average of all Illinois pension plans. This makes Illinois one of the most underfunded for state pension systems in the country.” (C136).

Contrary to Defendants’ argument, the Act does not, in fact “maintain the same use.” Rather, the “use” has changed: instead of using local funds to fund local plans, the Act requires local funds to be used for other, underfunded, plans throughout the state.

Finally, Defendants’ argument that the Act “preserves the use of local fund assets to pay member benefits and simply changes the custody and administration of those assets to better accomplish that use,” Defendants fail to acknowledge that the local suburban and downstate funds were already outperforming the larger Chicago and Cook County funds. In fact, the Task Force Report analyzed investment returns for Chicago/Cook County and statewide plans from 2012 to 2016 and compared it with the investment returns for the suburban and downstate funds from 2004 to 2013. (C132; C136). This analysis therefore **omitted the losses** experienced by the Chicago/Cook County and statewide plans due to the 2007-2009 Great Recession following the burst of the U.S. housing bubble and subsequent global financial crisis. Likewise, this analysis **omitted the gains** made by the suburban and downstate funds during 2013-2016 period of economic growth, where real GDP grew over 2%, the unemployment rate fell 2.5%, and median family income grew over 10 percent. (C132; C136). Even so, under this analysis, the Task Force conceded that that

the five state-funded plans' 6.18% investment return during this time period was only "slightly" better than the average of all state and local funds. (C136).

Plaintiffs' funds are already being properly managed and administered. Forcing Plaintiffs to relinquish custody of their funds, eliminating Plaintiffs' meaningful ability to vote on the management of those funds, incur the costs and expenses of setting up a new administration for consolidated funds, and using Plaintiffs' funds for other, underfunded plans is a taking such that the Act should be held to violate the Takings Clause.

For all of these reasons, Plaintiffs respectfully request this Court reverse the Appellate Court and the trial court's Order and instead find that Public Act 101-0610 violates the Pension Protection Clause and/or the Takings Clause of the Illinois Constitution.

**WHEREFORE**, for the foregoing reasons, Plaintiffs-Appellants, ARLINGTON HEIGHTS PPF; AURORA PPF, CHAMPAIGN PPF, CHICAGO HEIGHTS PPF, CHICAGO RIDGE PPF, DeKALB PPF, ELGIN PPF, ELMHURST PPF, EVANSTON PPF, MOKENA PPF, PALOS HEIGHTS PPF, RANTOUL PPF, VILLA PARK PPF, WOOD DALE PPF, WOODRIDGE PPF, MAYWOOD FFPF, PLEASANTVIEW FFPF, THOMAS HENDERSON, SCOTT MAY, LAWRENCE SUTTLE, DANIEL HOFFMAN, GENE KEELER, STEVEN ANKARLO, PATRICK SIMONS, PATRICK KELLY, LEE MORRIS, DEAN MANN, PAUL MOTT, JIM KAYES, JAMES ROSCHER, THOMAS QUIGLEY, VICTOR VALDEZ, THOMAS TUREK, WILLIAM CZAJKOWSKI,

DAVID DELANEY, RICHARD WEIKAL, DAVID FLOWERS, SR., ROBERT MILLER, DAN RANKOVICH, AARON WERNICK, TIMOTHY SCHOOLMASTER DAVE LOEHAM, MIKE HERBERT, MATTHEW BROSS, MICHAEL TITTLE, SCOTT SHROEDER, BENJAMIN DEFILIPPIS, JORDAN ANDERSON, DENNIS KOLETOS, WILLIAM BODNER, and FRED MALAYTER, respectfully request that this Honorable Court REVERSE the Second District Appellate Court's February 7, 2023 Opinion, and award Plaintiffs all such other relief as this Court deems just and fair.

Daniel F. Konicek (6205408)  
Amanda J. Hamilton (6306098)  
KONICEK & DILLON, P.C.  
21 W. State St.  
Geneva, IL 60134  
630.262.9655  
[dan@konicekdillonlaw.com](mailto:dan@konicekdillonlaw.com)  
[amanda@konicekdillonlaw.com](mailto:amanda@konicekdillonlaw.com)

Respectfully submitted,

/s/ Amanda J. Hamilton  
Attorney for Plaintiffs-Appellants

No. 129471

---

**IN THE SUPREME COURT OF ILLINOIS**


---

ARLINGTON HEIGHTS POLICE; ) On Petition for Leave to Appeal  
PENSION FUND, et al., ) from the Appellate Court of Illinois  
) Second District, No. 2-22-0198  
) )  
Plaintiffs-Petitioners, ) There Heard on Appeal from the  
v. ) Circuit Court of Kane County,  
) Illinois, Case No. 2021 CH 55  
JAY ROBERT "J.B." PRITZKER, et al.) Honorable Robert K. Villa  
) Judge Presiding  
Defendants-Respondents.)

---

**CERTIFICATE OF COMPLIANCE**


---

I certify that this Reply Brief conforms to the requirements of Rules 341(a), (b) and 367. The length of this Brief, excluding the pages or words contained in the Rule 341(d) cover, the Rule 341(h)(1) table of contents and statement of points and authorities, the Rule 341(c) certificate of compliance, the certificate of service, and those matters to be appended to the Brief under Rule 342(a), is eighteen (18) pages.

/s/ Amanda J. Hamilton

Amanda J. Hamilton (#6306098)  
KONICEK & DILLON, P.C.  
21 W. State St.  
Geneva, IL 60134  
P: 630.262.9655

No. 129471

---

**IN THE SUPREME COURT OF ILLINOIS**


---

ARLINGTON HEIGHTS POLICE; PENSION FUND, et al.,  <p style="text-align: center;">Plaintiffs-Appellants,</p> v.  JAY ROBERT "J.B." PRITZKER, et al.  <p style="text-align: center;">Defendants-Appellees.</p>	) On Petition for Leave to Appeal ) from the Appellate Court of Illinois ) Second District, No. 2-22-0198 ) ) There Heard on Appeal from the ) Circuit Court of Kane County, ) Illinois, Case No. 2021 CH 55 ) Honorable Robert K. Villa ) Judge Presiding )
--	---

---

**NOTICE OF FILING**

TO: See attached Service List.

***PLEASE TAKE NOTICE*** that on **October 11, 2023**, we electronically filed with the Illinois Supreme Court Clerk, the **REPLY BRIEF OF PLAINTIFFS-APPELLANTS** on behalf of Plaintiffs-Appellants, and hereby served the attorneys of record with one copy of the same.

Daniel F. Konicek, #6205408  
 Amanda J. Hamilton, #6306098  
 KONICEK & DILLON, P.C.  
 21 W. State St.  
 Geneva, IL 60134/630.262.9655  
[dan@konicekdillonlaw.com](mailto:dan@konicekdillonlaw.com)  
[amanda@konicekdillonlaw.com](mailto:amanda@konicekdillonlaw.com)

/s/ Amanda J. Hamilton  
 Attorneys for Plaintiffs-Appellants

STATE OF ILLINOIS                    )  
  )  
COUNTY OF KANE                    )        SS

**CERTIFICATE OF SERVICE**

I, the undersigned attorney for Plaintiffs-Appellants, after being first duly sworn on oath, depose and certify that a copy of the foregoing **Notice** and **Reply Brief** were served on the attorneys of record **via Microsoft Outlook e-mail transmission as set forth on the attached Service List**, on **October 11, 2023**.

/s/ Amanda J. Hamilton

[X]     Under penalties as provided by law pursuant to 735 ILCS 5/1-109, I certify that the statements set forth herein are true and correct.



No. 129471

---

**IN THE SUPREME COURT OF ILLINOIS**


---

ARLINGTON HEIGHTS POLICE; PENSION FUND, et al.,  <p style="text-align: center;">Plaintiffs-Appellants,</p> v.  JAY ROBERT "J.B." PRITZKER, et al.  <p style="text-align: center;">Defendants-Appellees.</p>	) On Petition for Leave to Appeal ) from the Appellate Court of Illinois ) Second District, No. 2-22-0198 ) ) There Heard on Appeal from the ) Circuit Court of Kane County, ) Illinois, Case No. 2021 CH 55 ) Honorable Robert K. Villa ) Judge Presiding )
--	---

**SERVICE LIST**

Richard S. Huszagh [Richard.huszagh@ilag.gov](mailto:Richard.huszagh@ilag.gov)  
 Assistant Attorney General  
 Office of the Illinois Attorney General  
 100 W. Randolph Street, 12th Floor  
 Chicago, Illinois 60601  
 (312) 814-2587/3672  
[CivilAppeals@ilag.gov](mailto:CivilAppeals@ilag.gov)  
*Attorneys for Pritzker, IDOI and Severinghaus*

Richard F. Friedman <a href="mailto:rfriedman@nealandleroy.com">rfriedman@nealandleroy.com</a> Langdon D. Neal <a href="mailto:lneal@nealandleroy.com">lneal@nealandleroy.com</a> NEAL & LEROY, LLC 20 S. Clark Street, Suite 2050 Chicago, Illinois 60603 (312) 641-7144 <i>Attorneys for Meister</i>	Elizabeth Weber <a href="mailto:eweber@il-fa.com">eweber@il-fa.com</a> Illinois Finance Authority 160 N. LaSalle Street, Suite S-1000 Chicago, Illinois 60601 <i>Additional Attorney for Meister</i>
--	--

Michael A. Scodro [mscodro@mayerbrown.com](mailto:mscodro@mayerbrown.com)  
 Brett E. Legner, [blegner@mayerbrown.com](mailto:blegner@mayerbrown.com)  
 MAYER BROWN LLP  
 71 South Wacker Drive  
 Chicago, IL 60606  
 (312) 701-8886  
*Attorney for Bd. of Trustees of Illinois Firefighters Pension Inv. Fund*

Joseph M. Burns [jburns@jbosh.com](mailto:jburns@jbosh.com)  
Taylor E. Muzzy [tmuzzy@jbosh.com](mailto:tmuzzy@jbosh.com)  
David Huffman-Gottschling [davidhg@jbosh.com](mailto:davidhg@jbosh.com)  
Jacobs, Burns, Orlove & Hernandez  
One North LaSalle Street, Suite 1620  
Chicago, IL 60601  
(312) 327-3443  
*Attorneys for Bd. Of Trustees of Illinois Police Officers Pension Inv. Fund*

Paul Denham  
Jill D. Leka  
Clark Baird Smith LLP  
6133 North River Road, Suite 1120  
Rosemont, IL 60018  
[jleka@cbslawyers.com](mailto:jleka@cbslawyers.com)  
[pdenham@cbslawyers.com](mailto:pdenham@cbslawyers.com)  
*Attorneys for Illinois Municipal League*

Margaret Angelucci, [maa@ulaw.com](mailto:maa@ulaw.com)  
Joseph Weishampel, [jw@ulaw.com](mailto:jw@ulaw.com)  
Jerry Marzullo, [jjm@ulaw.com](mailto:jjm@ulaw.com)  
Asher, Gittler & D'Alba, Ltd.  
200 West Jackson Boulevard, Suite 720  
Chicago, IL 60606  
*Attorneys for Amicus Curiae – Associated Firefighters of Illinois*