

RESOLUTION 2010-107

INITIATING THE SUBMISSION OF A PUBLIC QUESTION TO SUPPORT REGIONAL ACTIONS TO ATTAIN LONG-TERM PENSION SUSTAINABILITY

WHEREAS, preserving the public safety, health and welfare of its citizens is a critical priority and of paramount concern of the Village of Vernon Hills; and

WHEREAS, the Village of Vernon Hills, like many communities across the State of Illinois, has been experiencing an exponential increase in required contributions to fund the pension of eligible municipal employees; and

WHEREAS, the actuarially determined contribution for the Village of Vernon Hills Police Pension Fund has increased by \$232,451 or 25 percent from the 2007 required Police pension contribution amount to the 2009 required Police pension contribution amount; the 2009 required Police pension contribution equalling approximately \$1,172,743 or 26 percent of salary per plan member; and

WHEREAS, a combination of factors including legislatively-mandated pension benefit increases, investment losses, cumulative wage increases and others have contributed to this situation; and

WHEREAS, these steadily escalating pension costs have created a fiscal crisis that is consuming an ever increasing portion of the Village of Vernon Hills's municipal budget and threatens the long-term sustainability of the pension funds and the continuation of existing levels of public safety services; and

WHEREAS, while the Village of Vernon Hills recognizes that offering a quality pension program is vital for the recruitment and retention of quality public employees, it also recognizes that increasing public safety pension costs place local pension funds in financial jeopardy; and

WHEREAS, the General Assembly reformed the pension systems for all public employees in the spring 2010 session with the exception of police officers, firefighters and sheriffs; and

WHEREAS, without both immediate and long-term legislative relief from these escalating pension costs, the Village of Vernon Hills and many other communities across the state are faced with complex choices, including budget cuts that reduce or eliminate vital services; compromise public safety service levels; defer critical infrastructure maintenance and repairs; and/or increase the burden on local taxpayers; and

WHEREAS, because Article XIII, Section 5 of the Illinois Constitution does not allow earned pension benefits to be diminished or impaired, the General Assembly must exercise extreme care in any pension enhancements that may cripple governments' ability to fund both pension and other essential operations, especially in times of economic hardship.

NOW, THEREFORE, BE IT RESOLVED by the President and the Village Board of the Village of Vernon Hills, Lake County, State of Illinois, that:

SECTION ONE: *Incorporation of Recitals.* The foregoing recitals are by this reference incorporated into and made a part of the resolution as if fully set forth.

SECTION TWO: *Public Question on Pension Sustainability.* A public question shall be submitted to the voters of the Village of Vernon Hills, Lake County, State of Illinois, at the November 2, 2010 general election (or at the next available election permitted by the general election law) as follows:

Shall the Illinois General Assembly and Governor take immediate steps to implement meaningful public safety pension reform which will relieve the extensive burden on local taxpayers now that the General Assembly and Governor have reformed the pension systems for all other public employees?

Yes

No

SECTION THREE: Publication: Filing. The Village Clerk is hereby authorized and directed to publish this authorizing resolution within ten days after passage in a newspaper of general circulation within the Village of Vernon Hills and to file this authorizing resolution or other related matters with the appropriate election officials in accordance with applicable law.

SECTION FOUR: Effective Date: This Resolution shall be in full force and effect from and after its passage, approval, and publication in the manner provided by law.

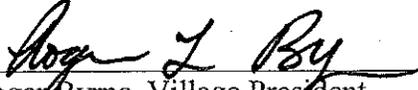
Dated the 3rd of August, 2010

Adopted by roll call votes as follows:

AYES: 5 - Koch, Marquardt, Schultz, Schwartz, Williams

NAYS: 0 - None

ABSENT AND NOT VOTING: 1 - Hebda



Roger Byrne, Village President

PASSED: 8/03/2010

APPROVED: 8/03/2010

ATTEST: 8/03/2010



Michael S. Allison, Village Manager Clerk

