



VILLAGE OF
BURR RIDGE
A VERY SPECIAL PLACE

M E M O

TO: Mayor, Trustees, Village Attorneys and Village Clerk
FROM: Village Administrator Steve Stricker and Staff
DATE: November 6, 2015
SUBJECT: Administration Weekly Memo

Trinity Lutheran 150th Anniversary Celebration – Sunday, November 8, 5:00 p.m.

Please be reminded that Trinity Lutheran's 150th Anniversary Celebration is on Sunday, November 8, beginning at 5:00 p.m.

Stormwater Committee Meeting – Tuesday, November 10, 7:00 p.m.

The next Stormwater Committee meeting is scheduled on Tuesday, November 10, at 7:00 p.m. at the Public Works facility. Attached is the agenda for this meeting.

Chamber After Hours – Tuesday, November 10, 4:30-7:00 p.m.

The next WB/BR Chamber of Commerce Business After Hours event is on Tuesday, November 10, from 4:30 to 7:00 p.m. The business networking event will be held at Madisons Pub & Grill, 7611 S. Madison Street, Willowbrook.

BFPC Meeting Cancelled

The Board of Fire and Police Commissioners meeting scheduled on November 11 has been cancelled.

Anthem Memory Care Introduction – Wednesday, November 11, 4:00-6:00 p.m.

Attached please find an invitation to an introduction to Harvester Place, an Anthem Memory Care Community that will be opening in Burr Ridge. The event will be held in their temporary marketing office at 200 South Frontage Road, Suite 212, Burr Ridge. If you plan to attend, please RSVP directly to Lain Hammack at (630) 230-5153 by November 9.

Pathway Commission Meeting – Thursday, November 12, 7:00 p.m.

The next Pathway Commission meeting is scheduled on Thursday, November 12, at 7:00 p.m.

Jingle Mingle – Saturday, November 14, 4:30-7:30 p.m.

Please be reminded that the annual “grand opening” of the holiday season known as Jingle Mingle will be held on Saturday, November 14, from 4:30-7:30 p.m. at the Burr Ridge Village Center. As in years past, the event will include a parade with local businesses, schools, both Fire Districts, pompom squads, floats, and more. For family fun, there will be children’s crafts, make a card for the military, story time, hot chocolate, train rides, horse drawn carriage rides and, of course, the arrival of Santa to light the Holiday Tree at the Village Center.

Plan Commission Meeting – Monday, November 16, 7:30 p.m.

The next Plan Commission meeting is scheduled on Monday, November 16, at 7:30 p.m.

EDC Meeting – Tuesday, November 17, 7:00 p.m.

The next Economic Development Committee meeting is scheduled on Tuesday, November 17, at 7:00 p.m.

Secretary of State MDSF – Wednesday, November 18, 2015, 9:00 a.m.-3:00 p.m.

The Secretary of State will once again be at the Village Hall with its Mobile Driver Services Facility on Wednesday, November 18, from 9:00 a.m. to 3:00 p.m. At the mobile facility any Illinois resident can renew his/her license or ID up to one year in advance. The facility also offers vision screening, duplicate and/or corrected drivers’ licenses, new ID cards and vehicle renewal stickers. Anyone over the age of 65 can obtain a free state ID that is good for life. Standard fees apply. The Mobile Facility does not offer road tests; anyone over the age of 75 is required to take a road test when renewing a drivers’ license. To learn more about identification requirements, fees and services, visit the Secretary of State’s web site at www.cyberdriveillinois.com.

Village Hall Closed for Thanksgiving

Please be reminded that the Village Hall will be closed on Thursday, November 26, and Friday, November 27, for the Thanksgiving holidays.

Hotel Marketing Committee Meeting – Wednesday, December 2, 2:00 p.m.

The next Hotel Marketing Committee meeting is scheduled on Wednesday, December 2, at 2:00 p.m.

IDOT Approves Request for “BR/Leaf” Logo Sign on Bridge Landscape Walls

The Village Board will recall that, in early October, right after the County Line Road Bridge dedication ceremony, I sent a letter to John Fortmann, Region One Engineer for IDOT, requesting that, in lieu of a Burr Ridge sign located on the terrace walls, as originally proposed and ultimately rejected by IDOT, the Village would like to pursue the idea of installing a sign with the Village’s “BR” and “leaf” logos (see attached). I am pleased to announce that IDOT has approved our request (see attached letter from Mr. Fortmann) and I have directed our landscape architect, Tim King, of Hitchcock Design Group, to draw up the necessary plans and specifications for this new sign.

Pension Board Funding Request

The Police Pension Board has submitted a memo to the Board (see attached) requesting \$852,927 as this year’s pension contribution. This is \$155,143 more than the Actuarial requirement, as prepared by the Pension Board’s Actuary. Also attached please find this year’s Actuarial Report prepared by Sandor Goldstein. This issue will be discussed at the Board meeting on Monday evening.

IML Statehouse Briefing

Attached please find the Illinois Municipal League’s Statehouse Briefing dated November 4, 2015.

SS:bp
encl

ec: Department Heads

DISTRIBUTION:

Trustee Guy Franzese,
Chairperson
Trustee Al Paveza
Trustee Tony Schiappa
Wayne Mrjenovich
William Wilcox
Nancy Montelbano
Alice Krampits
Steve Stricker
David Preissig

AGENDA

STORMWATER COMMITTEE

Tuesday, November 10th, 2015

7:00 p.m.

Department of Public Works

451 Commerce Street

- 1) **CALL TO ORDER**
- 2) **ROLL CALL**
- 3) **APPROVAL OF FEBRUARY 10, 2015 MINUTES**
- 4) **CONCERNS AND COORDINATION WITH PINE TREE LANE RESIDENTS RELATED TO ST. MARK COPTIC CHURCH EXPANSION**
- 5) **CONCERNS OF SHAGBARK COURT RESIDENT RELATED TO PROPOSED BUCKTRAIL ESTATES SUBDIVISION**
- 6) **CONCERNS OF PEPPERMILL COURT RESIDENTS**
- 7) **CONCERNS OF COMMUNITY DEVELOPMENT DEPARMENT IN REAR YARDS AT 8600 BLOCK OF HEATHER DRIVE & WEDGEWOOD DRIVE**
- 8) **UPDATE REGARDING DRAINAGE CONCERNS BETWEEN CARRIAGE WAY CONDOMINIUMS AND TOWER DRIVE**
- 9) **UPDATE REGARDING NPDES GENERAL STORM WATER PERMIT FOR MS4'S**
- 10) **UPDATE REGARDING INTERGOVERNMENTAL AGREEMENT FOR AUTHORIZATION TO ADMINISTER THE WATERSHED MANAGEMENT ORDINANCE (COOK COUNTY)**
- 11) **ADJOURNMENT**



GETTING TO KNOW US
HARVESTER PLACE
AN ANTHEM MEMORY CARE
COMMUNITY

NOVEMBER 11, 2015

4P - 6P

HELD IN OUR TEMPORARY MARKETING OFFICE AT
200 S. FRONTAGE ROAD, SUITE 212, BURR RIDGE, IL

We would love to make your acquaintance and introduce you to Anthem Memory Care and their first Community in Illinois.

Stop in for appetizers and libations.

Please RSVP to Lain Hammack, at 630-230-5153 by November 9, 2015.



VILLAGE OF
BURR RIDGE
A VERY SPECIAL PLACE

7660 County Line Rd. • Burr Ridge, IL 60527
(630) 654-8181 • Fax (630) 654-8269 • www.burr-ridge.gov

Mickey Straub
Mayor

Karen J. Thomas
Village Clerk

Steven S. Stricker
Village Administrator

October 8, 2015

Mr. John Fortmann, P.E.
Deputy Director of Highways
Region One Engineer
Illinois Department of Transportation
201 West Center Court
Schaumburg IL 60196-1096

Dear John,

Once again, thank you for attending our Bridge Dedication Ceremony on Saturday, October 3. As we discussed at that event, in lieu of a sign with the name "Burr Ridge" located on the terrace wall, as originally proposed and ultimately rejected by IDOT, the Village would like to pursue the idea of installing a sign with the Village's "BR" and "leaf" logos. Attached please find a rendering of what the sign would look like. Since the State has already approved the leaf on the bridge and the "BR" logo on the columns, it is our hope that you will be able to approve this request.

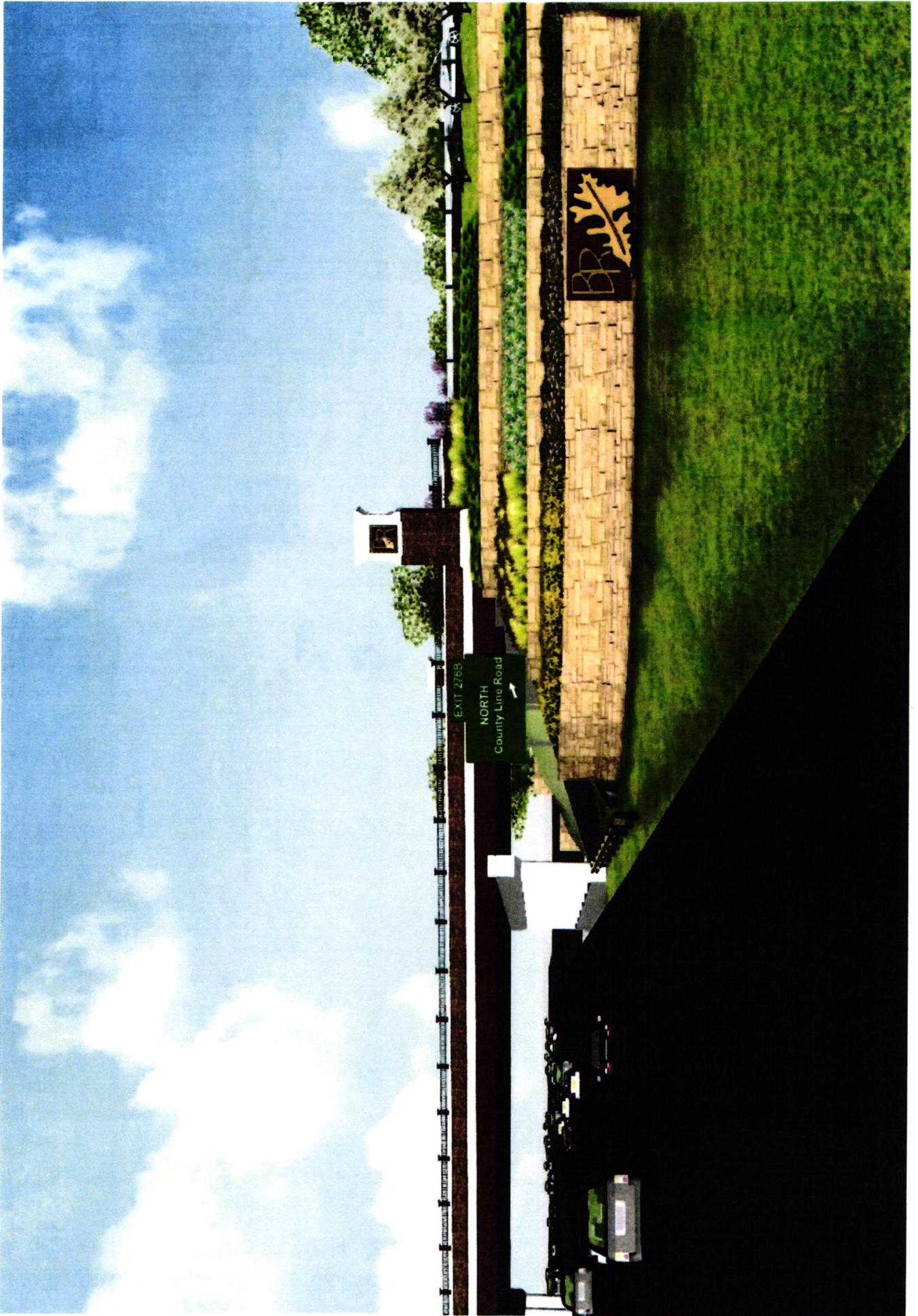
We look forward to your positive response. In the meantime, if you have any questions, please contact me at (630) 654-8181, ext. 2000.

Very truly yours,

Steve Stricker
Village Administrator

SS:bp
encl

cc: Mayor and Board of Trustees
Public Works Director





Illinois Department of Transportation

Division of Highways / Region 1 / District 1
201 West Center Court / Schaumburg, Illinois 60196-1096

Local: Burr Ridge

November 2, 2015

Mr. Steve Stricker
Village Administrator
Village of Burr Ridge
7660 County Line Rd
Burr Ridge, IL 60527

Dear Mr. Stricker:

This is in response to your letter of October 8, 2015 proposing additional aesthetic improvements to the Interstate 55 at County Line Road interchange.

After review of the request and rendering provided, the Department is in agreement with the concept provided with the following comments. A detail site plan shall be submitted to IDOT District 1 Traffic Permit Section for review and approval. The submittal shall include detail drawings of the sign panel to be installed, including sign panel size, size of the graphics on the sign panel, color, and all other pertinent information related to this proposal. The proposed sign panel can be no larger than 6 feet wide by 3 feet 6 inches tall. All existing guide, regulatory, warning and other signs needed for the safe operation of Interstate 55 may not be moved or adjusted in any way. The Department reserves the right to modify or remove all aesthetic treatments for any cause including, but not limited to, planned highway improvements and other safety considerations which would require the removal of any permitted aesthetic item.

Please submit a permit application for review and approval to Mr. Thomas Gallenbach at:

Illinois Department of Transportation
Attn: Thomas Gallenbach
201 West Center Court
Schaumburg, IL 60196

Please contact Matthew Daeda, Expressway Traffic Operations Engineer at (847) 705-4157 should you wish to discuss this matter further.

If you have any questions or need additional information, please contact me or Mr. Matt Daeda, Traffic Operations Engineer, at (847) 705-4381.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'John Fortmann'.

John Fortmann, P.E.
Deputy Director of Highways,
Region One Engineer

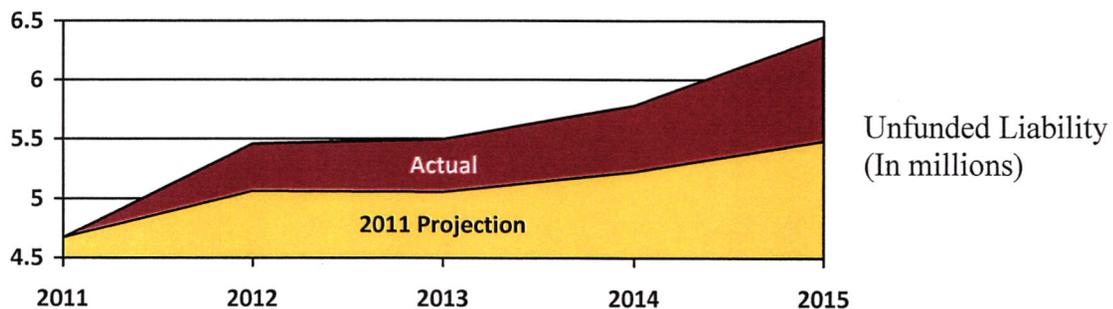
Burr Ridge Police Pension Board Memorandum

To: Mickey Straub, Mayor
Steven Stricker, Village Administrator
Village of Burr Ridge Trustees
From: Burr Ridge Police Pension Fund (BRPPF) Trustees
Re: 2015-2016 Burr Ridge Police Pension Fund Contribution
Date: November 1, 2014

Goldstein & Associates has completed the Burr Ridge Police Pension Fund's (BRPPF) Actuarial Report. Based upon this report of April 30, 2015, our **recommendation for the 2014-2015 tax levy is \$852,927**. This is the amount of employer contributions needed to stabilize the unfunded liability, as opposed to continuing to grow the BRPPF's debt.

The 2015 actuarial report lists our current Unfunded Liability as \$6.3 million. By contributing only the minimum required amount, this already intimidating number is projected to grow until it reaches over \$8.7 million in 2029.

This is, obviously, an estimation. The \$8.7 million we are projected to owe in 2029 could actually be much worse if we don't make the assumed 7% yearly interest through investments. We've already seen how this can happen: Our 2011 actuarial report projected our unfunded liability to be \$5.4 million in 2015. Instead, it's \$6.3 million. We already owe about \$900,000 more than was estimated just four years ago.



This chart shows how quickly liability can compound if we don't meet our expected interest. To mitigate the risk, we think it's far more prudent to contribute more money now and keep the amount of Unfunded Liability lower and steadier. For this reason, we recommend the village contribute \$852,927 for the 2015-16 pension fund contribution.

Thank you for your consideration,

Ryan Husarik, President
Brandon T. Valentino, Secretary
Hal Paradis, Jr., Assistant Secretary & Annuitant Trustee
Joe Patyk, Appointed Trustee
Vasanthi Seeras, Appointed Trustee

A. PURPOSE AND SUMMARY

We have carried out an actuarial valuation of the Village of Burr Ridge Police Pension Fund as of April 30, 2015. The purpose of the valuation was to determine the financial position and the annual actuarial requirements of the pension fund. This report is intended to present the results of the valuation. The results of the valuation are summarized below:

1. Total Actuarial Liability	\$ 21,715,442
2. Actuarial Value of Assets	\$ 15,349,262
3. Unfunded Actuarial Liability	\$ 6,366,180
4. Funded Ratio	70.7%
5. Employer's Normal Cost For Year Beginning May 1, 2015	\$ 418,155
6. Employer's Normal Cost as a Percent of Payroll	18.58%
7. Annual Actuarial Requirement For Year Beginning May 1, 2015	\$ 697,784
8. Annual Required Contribution For GASB Statement No. 25	\$ 798,544
9. Employer's Normal Cost Plus Interest on Unfunded Liability ¹	\$ 852,927

¹Employer Normal Cost Plus Interest on the Unfunded Liability: This is the level of employer contributions that is required to keep the unfunded liability constant, if all other aspects of the Fund's experience are in line with the actuarial assumptions.

B. DATA USED FOR THE VALUATION

Participation Data. The participant data required to carry out the valuation was supplied by the pension fund. The participant data for the pension fund as of April 30, 2015, on which the valuation is based, is summarized in Exhibit 1. It can be seen that there were 27 active members, 4 inactive members and 16 members receiving benefits. The total active payroll as of April 30, 2015 was \$2,250,817.

VILLAGE OF BURR RIDGE
POLICE PENSION FUND

ACTUARIAL VALUATION
AS OF APRIL 30, 2015

October 1, 2015

Board of Trustees
Village of Burr Ridge
Police Pension Fund
7660 South County Line Road
Burr Ridge, Illinois 60521

Re: **Actuarial Valuation of the Village of Burr Ridge Police Pension Fund**

Dear Board Members:

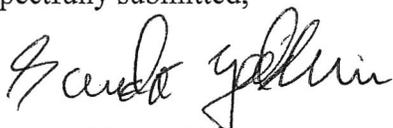
I am pleased to submit our actuarial report based on an actuarial valuation of the Village of Burr Ridge Police Pension Fund as of April 30, 2015.

The report consists of 11 Sections and 2 Appendices as follows:

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I would be pleased to discuss any aspects of this report with you and other interested persons.

Respectfully submitted,



Sandor Goldstein, F.S.A.
Consulting Actuary

A. PURPOSE AND SUMMARY

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Exhibit 1

Summary of Participant Data

1. Number of Members		
(a) Active Members		
(i) Vested		18
(ii) Non-vested		9
(b) Inactive Members		4
(c) Members Receiving		
(i) Retirement Pensions		10
(ii) Survivor Pensions		1
(iii) Disability Pensions		<u>5</u>
(d) Total		<u>47</u>
2. Annual Salaries		
(a) Total Salary	\$	2,250,817
(b) Average Salary		83,364
3. Total Accumulated Contributions of Active Members	\$	2,067,353
4. Annual Benefit Payments Currently Being Made		
(a) Retirement Pensions	\$	574,889
(b) Survivor Pensions		47,202
(c) Disability Pensions		210,017

Assets. In November of 1994, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 25, which establishes standards of financial reporting for governmental pension plans. Under GASB Statement No. 25, the actuarial value of assets to be used for determining a plan's funded status and annual required contribution needs to be **market related**.

However, GASB has indicated that current market values should not be used if those values would result in unnecessary fluctuation in the funded status and the annual required contribution. Thus, in determining the actuarial value of assets, smoothing changes in the market value of assets over a period of three to five years is desirable.

The asset values used for the actuarial valuation were based on the asset information provided for the fund as of April 30, 2015. The actuarial value of assets was determined by smoothing unexpected gains or losses from the investment return over a four-year period. The resulting actuarial value of assets is \$15,349,262. The development of this value is outlined in Exhibit 2.

Exhibit 2

Actuarial Value of Assets

A. Development of Investment Gain/(Loss) for Fiscal Year 2015

1. Actuarial Value of Assets as of April 30, 2014	\$ 14,341,334
2. Contributions	763,251
3. Benefit Payments and Expenses	834,034
4. Expected Investment Income	1,037,226
5. Actual Investment Income	1,058,987
6. Investment Gain/(Loss) (5 - 4)	\$ 21,761

B. Development of Actuarial Value of Assets

7. Expected Value of Assets as of April 30, 2015 (1 + 2 - 3 + 4)	\$ 15,307,777
8. Investment Gain/(Loss) for Fiscal Year 2012	(247,394)
9. 25% of Gain/(Loss) for Fiscal Year 2012	(61,849)
10. Investment Gain/(Loss) for Fiscal Year 2013	270,357
11. 25% of Gain/(Loss) for 2013	67,589
12. Investment Gain/(Loss) for Fiscal Year 2014	121,220
13. 25% of Gain/(Loss) for Fiscal Year 2014	30,305
14. Investment Gain/(Loss) for Fiscal Year 2015	21,761
15. 25% of Gain/(Loss) for Fiscal Year 2015	<u>5,440</u>
16. Actuarial Value of Assets as of April 30, 2015 (7 + 9 + 11 + 13+ 15)	<u>\$ 15,349,262</u>

C. FUND PROVISIONS

Our valuation was based on the provisions of the fund in effect as of April 30, 2015 as provided in Article 3 of the Illinois Pension Code. A summary of the principal provisions of the fund is provided in Appendix 1.

D. ACTUARIAL ASSUMPTIONS AND COST METHOD

For the April 30, 2015 actuarial valuation we have lowered the interest rate assumption from 7.25% to 7% and the salary increase assumption from 5% to 4.5%. The other actuarial assumptions used for the April 30, 2015 actuarial valuation are the same as those used for the April 30, 2014 actuarial valuation. The actuarial assumptions used for the April 30, 2015 actuarial valuation are summarized below:

Mortality Rates. The RP-2000 Mortality Table with Blue Collar Adjustment for Males and Females, projected to 2015, was used for active employees and pensioners. The RP-2000 Disabled Mortality Table, projected to 2015, was used for disabled police officers.

Termination Rates. Termination rates are used to estimate the probability that an employee will terminate employment at a given age. The following is a sample of the termination rates that were used:

<u>Age</u>	<u>Rate of Termination</u>
25	.0750
30	.0500
35	.0300
40	.0200
45	.0200
50 and above	.0350

Disability Rates. Disability rates are used to estimate the probability that an employee will become disabled at a given age. The following is a sample of the disability rates that were used:

<u>Age</u>	<u>Rate of Disability</u>
25	.0005
30	.0022
35	.0026
40	.0040
45	.0065
50	.0095
55	.0130
60	.0165
65 and over	.0200

Retirement Rates. Retirement rates are used to estimate the probability that an employee will retire at each age at which a retirement benefit is available. Rates of retirement for each age from 50 to 70 were used. The following is a sample of the retirement rates that were used for the valuation:

<u>Age</u>	<u>Rate of Retirement</u>
50	.2000
55	.2500
60	.3300
65	.5000
70	1.0000

Salary Progression. A salary increase assumption of 4.5% per year was used.

Investment Return Rate. An investment return assumption of 7.0% per year was used.

Marital Status. 80% of participants were assumed to be married.

Spouse's Age. The age of the spouse was assumed to be 3 years younger than the age of the employee.

Actuarial Value of Assets. The actuarial value of assets was determined by smoothing unexpected gains or losses from investment return over a period of 4 years.

Actuarial Cost Method. Based on the requirements of Public Act 96-1495, the actuarial cost method used for the determination of the annual actuarial requirements for the year beginning May 1, 2015 is the projected unit credit cost method. This is the same cost method that was used for the May 1, 2014 actuarial valuation.

E. ACTUARIAL LIABILITY

The actuarial liability as determined under the valuation for the various classes of members is summarized in Exhibit 3. The total actuarial liability is then compared with the actuarial value of assets in order to arrive at the unfunded actuarial liability. (The actuarial terms used in this report are defined in Appendix 2.)

As of April 30, 2015 the total actuarial liability is \$21,715,442, the actuarial value of assets is \$15,349,262, and the unfunded actuarial liability is \$6,366,180. The ratio of the actuarial value of assets to the actuarial liability, or funded ratio, is 70.7%.

Exhibit 3

Actuarial Liability as of April 30, 2015

1. Actuarial Liability For Members Receiving Benefits	
(a) Retirement Pensions	\$ 8,068,458
(b) Survivor Pensions	374,818
(c) Disability Pensions	<u>3,143,270</u>
(d) Total	\$ 11,586,546
2. Actuarial Liability For Inactive Members	49,128
3. Actuarial Liability For Active Members	<u>10,079,768</u>
4. Total Actuarial Liability	<u>\$ 21,715,442</u>
5. Actuarial Value of Assets	<u>15,349,262</u>
6. Unfunded Actuarial Liability	<u>\$ 6,366,180</u>
7. Funded Ratio	70.7%

F. RECONCILIATION OF CHANGE IN UNFUNDED LIABILITY

The net actuarial experience during the period May 1, 2014 to April 30, 2015 resulted in an increase in the fund's unfunded liability of \$583,463. This increase in the unfunded liability is a result of several kinds of gains and losses. The financial effect of the most significant gains and losses is illustrated in Exhibit 4.

For the year ending April 30, 2015, the employer's normal cost plus interest on the unfunded liability amounted to \$804,132. This is the level of employer contributions that would have been required to keep the unfunded liability constant if all other aspects of the fund's experience had been in line with the actuarial assumptions. Total employer contributions to the fund amounted to \$543,678. Thus, employer contributions less than the normal cost plus interest on the unfunded liability resulted in an increase in the unfunded liability of \$260,454.

The net rate of investment return earned by the assets of the fund based on actuarial value of assets for the year was approximately 7.54%, in comparison to the expected rate of investment return of 7.25% for the same period. This resulted in a decrease in the unfunded liability of \$41,485.

Salaries increased at an average rate of approximately 4.1% during the year, in comparison to the assumed rate of 5.0%. This resulted in a decrease in the unfunded liability of \$82,522.

The changes in the assumptions used for the April 30, 2015 actuarial valuation resulted in an increase in the unfunded liability of \$423,392.

The various other aspects of the fund's experience results in a net increase in the unfunded liability of \$23,624. The aggregate financial experience of the fund resulted in an increase in the unfunded liability of \$583,463.

Exhibit 4

Reconciliation of Change in Unfunded Liability
Over the Period May 1, 2014 to April 30, 2015

1. Unfunded Liability as of May 1, 2014	\$ 5,782,717
2. Increase in Unfunded Liability Due to Employer Contribution Less Than the Employer Contribution Requirement	260,454
3. (Decrease) in Unfunded Liability Due to Investment Return Higher Than Assumed	(41,485)
4. (Decrease) in Unfunded Liability Due to Salary Increases Lower Than Assumed	(82,522)
5. Increase in Unfunded Liability Due to Changes in Assumptions	423,392
6. Increase in Unfunded Liability Due to Other Sources	<u>23,624</u>
7. Net Increase in Unfunded Liability for the Year (2 + 3 + 4 + 5 + 6)	<u>\$ 583,463</u>
8. Unfunded Liability as of April 30, 2015 (1 + 7)	<u>\$ 6,366,180</u>

G. EMPLOYER'S NORMAL COST

The employer's share of the normal cost for the year beginning May 1, 2015 is developed in Exhibit 5. The total normal cost is \$641,211, employee contributions are estimated to be \$223,056, resulting in the employer's share of the normal cost of \$418,155. Based on a payroll of \$2,250,817 as of April 30, 2015, the employer's share of the normal cost can be expressed as 18.58% of payroll.

Exhibit 5

Normal Cost For Year Beginning May 1, 2015

	<u>Dollar Amount</u>	<u>Percent of Payroll</u>
1. Basic Retirement Pension	\$ 378,481	16.82%
2. Annual Increases in Pension	106,551	4.74
3. Survivor's Pension	59,010	2.62
4. Disability Pension	75,220	3.34
5. Refunds	9,071	.40
6. Administrative Expenses	12,878	.57
7. Total Normal Cost	\$ 641,211	24.83%
8. Employee Contributions	223,056	9.91
9. Employer's Share of Normal Cost	<u>\$ 418,155</u>	<u>18.58%</u>

Note. The above normal cost figures are based on a total active payroll of \$2,250,817 as of April 30, 2015.

H. ANNUAL ACTUARIAL REQUIREMENTS FOR YEAR BEGINNING MAY 1, 2015

According to Section 5/3-125 of the Illinois Pension Code, the village council shall annually levy a tax which, when added to employee contributions, will produce an amount sufficient to meet the annual actuarial requirements of the pension fund.

Senate Bill 3538, which was signed into law as Public Act 96-1495 and became effective on January 1, 2011, made significant changes in the determination of the annual actuarial requirements of the pension fund. Under Public Act 96-1495, the annual requirements of the pension fund are to be determined as a level percent of payroll sufficient to bring the total assets of the pension fund up to 90% of the total actuarial liabilities determined under the projected unit credit actuarial cost method by the year 2040.

Based on the April 30, 2015 actuarial valuation and the funding provisions of Public Act 96-1495, we have performed funding projections through 2040 in order to determine the required employer contribution for the fiscal year 2016 which begins May 1, 2015. We have also estimated the required employer contributions for fiscal years 2016 through 2020. These required employer contributions are as follows:

<u>Fiscal Year</u>	<u>Projected Payroll</u>	<u>Required Employer Contribution as a Percent of Payroll</u>	<u>Required Employer Contribution as a Dollar Amount</u>
2016	\$ 2,250,817	31.00%	\$ 697,784
2017	2,310,329	31.00	716,234
2018	2,366,966	31.00	733,792
2019	2,431,017	31.00	753,649
2020	2,483,078	31.00	769,788
2021	2,533,759	31.00	785,500

Method of Calculation

The employer contribution requirements shown above have been determined using the actuarial assumptions, membership data and benefit provisions that were used for the regular actuarial valuation. However, in order to determine the contribution requirements, certain calculations needed to be made that are not normally required in a regular actuarial valuation. Benefit payout requirements, normal costs, and payroll were estimated over the 25-year period from 2016 through 2040 by projecting the membership of the system over the 25-year period, taking into account the impact of new entrants to the fund over the 25-year period.

In order to make the required projections, assumptions needed to be made regarding the age and salary distribution of new entrants as well as the size of the active membership of the fund. The assumptions regarding the profile of new entrants to the fund was based on the recent experience of the fund with regard to new entrants. The size of the active membership of the fund was assumed to remain constant over the 25-year projection period.

The year by year results of our funding projections are shown in Exhibit 6 below:

Exhibit 6

Burr Ridge Police Pension Fund

Funding Projections to End of 2040

**Based on Reduced Benefits for Employees Hired after January 1, 2011
and Changes in the Funding Provisions Provided Under Public Act 96-1495**

	<u>Fiscal Year</u>	<u>Annual Payroll</u>	<u>Total Payout</u>	<u>Employers' Contribution</u>	<u>Employers' Contribution as Percent of Payroll</u>	<u>Actuarial Liability</u>	<u>Assets</u>	<u>Unfunded Liability</u>	<u>Funded Ratio</u>
	2015					\$21,715,442	\$15,349,262	\$6,366,180	70.7%
11	2016	\$2,250,817	\$1,047,205	\$697,784	31.00%	23,716,333	16,396,331	7,320,002	69.1%
	2017	2,310,329	1,096,881	716,234	31.00%	24,884,669	17,422,907	7,461,762	70.0%
	2018	2,366,966	1,167,778	733,792	31.00%	26,079,761	18,441,669	7,638,092	70.7%
	2019	2,431,017	1,240,881	753,649	31.00%	27,283,449	19,477,793	7,805,656	71.4%
	2020	2,483,078	1,319,851	769,788	31.00%	28,488,363	20,526,789	7,961,574	72.1%
	2021	2,533,759	1,422,009	785,500	31.00%	29,659,162	21,564,990	8,094,172	72.7%
	2022	2,575,447	1,503,319	798,424	31.00%	30,824,435	22,609,399	8,215,036	73.3%
	2023	2,627,137	1,582,983	814,448	31.00%	31,993,808	23,666,385	8,327,423	74.0%
	2024	2,688,291	1,652,588	833,407	31.00%	33,175,899	24,751,241	8,424,658	74.6%
	2025	2,752,936	1,751,886	853,448	31.00%	34,345,856	25,836,679	8,509,177	75.2%
	2026	2,826,079	1,845,116	876,123	31.00%	35,513,049	26,932,613	8,580,436	75.8%
	2027	2,906,997	1,891,546	901,209	31.00%	36,733,362	28,091,479	8,641,883	76.5%

Exhibit 6

Burr Ridge Police Pension Fund

Funding Projections to End of 2040

**Based on Reduced Benefits for Employees Hired after January 1, 2011
and Changes in the Funding Provisions Provided Under Public Act 96-1495**

	<u>Fiscal</u> <u>Year</u>	<u>Annual</u> <u>Payroll</u>	<u>Total</u> <u>Payout</u>	<u>Employers'</u> <u>Contribution</u>	<u>Employers'</u> <u>Contribution</u> <u>as Percent</u> <u>of Payroll</u>	<u>Actuarial</u> <u>Liability</u>	<u>Assets</u>	<u>Unfunded</u> <u>Liability</u>	<u>Funded</u> <u>Ratio</u>
12	2028	2,998,184	1,952,151	929,478	31.00%	37,991,237	29,307,365	8,683,872	77.1%
	2029	3,089,360	2,031,171	957,744	31.00%	39,265,266	30,565,209	8,700,057	77.8%
	2030	3,179,725	2,147,228	985,758	31.00%	40,493,165	31,829,293	8,663,872	78.6%
	2031	3,248,356	2,293,784	1,007,035	31.00%	41,621,827	33,059,308	8,562,519	79.4%
	2032	3,305,512	2,404,369	1,024,754	31.00%	42,695,453	34,285,222	8,410,231	80.3%
	2033	3,376,862	2,505,207	1,046,873	31.00%	43,730,892	35,522,837	8,208,055	81.2%
	2034	3,461,185	2,620,486	1,073,015	31.00%	44,704,838	36,763,524	7,941,314	82.2%
	2035	3,547,187	2,733,262	1,099,677	31.00%	45,620,159	38,008,905	7,611,254	83.3%
	2036	3,643,742	2,847,699	1,129,610	31.00%	46,475,447	39,259,485	7,215,962	84.5%
	2037	3,748,258	2,940,810	1,162,011	31.00%	47,295,041	40,538,118	6,756,923	85.7%
	2038	3,864,147	3,048,419	1,197,939	31.00%	48,065,761	41,834,776	6,230,985	87.0%
	2039	3,988,509	3,174,723	1,236,492	31.00%	48,757,544	43,131,820	5,625,724	88.5%
	2040	4,111,362	3,348,431	1,274,579	31.00%	49,314,882	44,383,395	4,931,487	90.0%

I. ANNUAL REQUIRED CONTRIBUTION FOR GASB STATEMENT NO. 25

GASB Statement No. 25 requires the disclosure of the annual required contribution (ARC), calculated in accordance with certain parameters. Based on the results of the April 30, 2015 actuarial valuation, we have therefore calculated the annual required contribution for the fiscal year beginning May 1, 2015. In accordance with the parameters prescribed in GASB Statement No. 25, in calculating the annual required contribution, we have used smoothed market value for the actuarial value of assets, and have amortized the unfunded liability over 29 years from May 1, 2011 as a level percent of payroll. On this basis, the annual required contribution for the year beginning May 1, 2015 has been determined to be as \$798,544, as shown in Exhibit 7 below:

Exhibit 7

Annual Required Contribution for Year Beginning May 1, 2015

	<u>Dollar Amount</u>	<u>Percent of Payroll</u>
1. Employer's Share of Normal Cost	\$ 418,155	18.58%
2. Annual Amount Required to Amortize Unfunded Liability Over 29 Years Subsequent to May 1, 2011 as a Level Percent of Payroll	<u>380,389</u>	<u>16.90</u>
3. Annual Required Contribution for Year Beginning May 1, 2015 (1 + 2)	<u>\$ 798,544</u>	<u>35.48%</u>

Note. The above figures are based on a total active payroll of \$2,250,817 as of April 30, 2015.

J. NET PENSION OBLIGATION AND OTHER GASB DISCLOSURE

As requested, we have made calculations to determine the Net Pension Obligation as of April 30, 2015 for the Village of Burr Ridge Police Pension Fund. The Net Pension Obligation that we have calculated represents the cumulative difference between the annual pension cost and the employer's contribution. The results of our NPO calculations are shown in Exhibit 8.

The Schedule of Funding Progress and Five-Year Trend Information, as required under GASB Statements No. 25 and 27 are shown in Exhibits 9 and 10.

Exhibit 8

Net Pension Obligation as of April 30, 2015

Date	Annual Required Contribution	Interest on NPO	Adjustment to ARC	Annual Pension Cost	Employer Contribution	Percentage of APC Contributed	Change in NPO	Net Pension Obligation
4/30/90	111,825	0	0	111,825	97,660	87.33%	14,165	14,165
4/30/91	104,550	1,062	1,157	104,455	103,045	98.65%	1,410	15,575
4/30/92	131,279	1,168	1,285	131,162	135,994	103.68%	(4,832)	10,743
4/30/93	123,341	806	896	123,251	128,987	104.65%	(5,736)	5,007
4/30/94	125,694	376	422	125,648	125,228	99.67%	420	5,427
4/30/95	190,661	407	251	190,817	192,122	100.68%	(1,305)	4,122
4/30/96	192,407	309	193	192,523	217,659	113.06%	(25,136)	(21,014)
4/30/97	188,427	(1,576)	(999)	187,850	186,452	99.26%	1,398	1,398
4/30/98	186,582	105	67	186,620	196,884	105.50%	(10,264)	(8,866)
4/30/99	213,623	(665)	(434)	213,392	182,205	85.39%	31,187	22,321
4/30/00	236,946	1,674	1,109	237,511	181,938	76.60%	55,573	77,894
4/30/01	234,954	5,842	3,933	236,863	248,331	104.84%	(11,468)	66,426
4/30/02	273,605	4,982	3,412	275,175	225,151	81.82%	50,024	116,450
4/30/03	301,103	8,734	6,089	303,748	252,692	83.19%	51,056	167,506
4/30/04	382,847	12,563	8,925	386,485	299,068	77.38%	87,417	254,923
4/30/05	386,711	19,119	13,854	391,976	400,688	102.22%	(8,712)	246,211
4/30/06	461,362	18,466	13,663	466,165	390,658	83.80%	75,507	321,718
4/30/07	459,630	24,129	18,253	465,506	458,763	98.55%	6,743	328,461
4/30/08	505,521	24,635	19,076	511,080	366,376	71.69%	144,704	473,165
4/30/09	515,891	35,487	28,167	523,211	468,730	89.59%	54,481	527,646
4/30/10	597,123	39,573	32,245	604,451	463,791	76.73%	140,660	668,306
4/30/11	704,238	50,123	41,995	712,366	570,105	80.03%	142,261	810,567
4/30/12	660,788	60,793	43,324	678,257	553,333	81.58%	124,924	935,491
4/30/13	713,135	67,823	53,529	727,429	484,639	66.62%	242,790	1,178,281
4/30/14	689,133	85,425	68,883	705,675	555,623	78.74%	150,052	1,328,333
4/30/15	730,706	96,304	79,438	747,572	543,678	72.73%	203,894	1,532,227

Exhibit 9

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b)-(a))/(c)
04/30/02	6,384,025	6,799,172	415,147	93.9%	1,339,593	30.99%
04/30/03	6,505,604	7,593,741	1,088,137	85.7%	1,578,168	68.95%
04/30/04	7,348,593	8,150,996	802,403	90.2%	1,652,585	48.55%
04/30/05	7,550,897	9,367,823	1,816,926	80.6%	1,687,777	107.65%
04/30/06	8,233,557	9,952,551	1,718,994	82.7%	1,706,363	100.74%
04/30/07	9,224,393	11,250,382	2,025,989	82.0%	1,823,982	111.08%
04/30/08	9,337,970	12,530,879	3,192,909	74.5%	1,864,068	171.29%
04/30/09	9,825,170	13,375,000	3,549,830	73.5%	1,972,195	179.99%
04/30/10	10,513,849	15,017,269	4,503,420	70.0%	2,086,282	215.86%
04/30/11	11,428,082	16,096,932	4,668,850	71.0%	2,128,445	219.35%
04/30/12	12,131,012	17,591,245	5,460,233	69.0%	2,024,827	269.66%
04/30/13	13,291,568	18,789,814	5,498,246	70.7%	2,066,534	266.06%
04/30/14	14,341,334	20,124,051	5,782,717	71.3%	2,121,877	272.53%
04/30/15	15,349,262	21,715,442	6,366,180	70.7%	2,250,817	282.84%

Exhibit 10

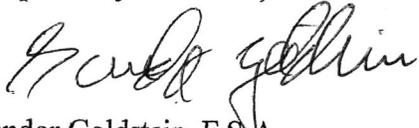
Five-year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Total Employer Contribution	Percentage of APC Contributed
04/30/11	712,366	570,105	80.03%
04/30/12	678,257	553,333	81.58%
04/30/13	727,429	484,639	66.62%
04/30/14	705,675	555,623	78.74%
04/30/15	747,572	543,678	72.73%

K. CERTIFICATION

This actuarial report has been prepared in accordance with generally accepted actuarial principles and practices and to the best of our knowledge, fairly represents the financial condition of the Village of Burr Ridge Police Pension Fund as of April 30, 2015.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sandor Goldstein", written in a cursive style.

Sandor Goldstein, F.S.A.
Consulting Actuary

Appendix 1

Summary of Principal Provisions

Pension Benefits

A police officer age 50 or over who has at least 20 years of creditable service and is no longer in service as a police officer is entitled to a pension of 1/2 of the salary attached to the rank held on the last day of service. The pension is increased by 2.5% of such salary for each additional year over 20 years of service through 30 years of service.

Separation Benefits

A police officer who is separated from service having at least 8 years but less than 20 years of creditable service is entitled upon attainment of age 60 to a pension of 2.5% of the salary attached to the rank held on the last day of service by the officer for each year of creditable service.

Annual Increases In Pension

The monthly pension of a police officer who retires after January 1, 1977, shall, upon either the first of the month following the first anniversary of the date of retirement, if 55 years of age or over at retirement date, or upon the first day of the month following attainment of age 55 if it occurs after the first anniversary of retirement, be increased by 1/12 of 3% of the originally granted monthly pension for each full month that has elapsed since the pension began, and by 3% of the current amount of pension in each January thereafter.

The monthly pension of a police officer who is receiving a disability pension shall be increased in January of the year following the year the officer attains age 60 by 3% of the originally granted monthly pension for each year that pension payments have been made. In each January thereafter, the officer shall receive an additional increase of 3% of the original monthly pension.

Disability Pension

If a police officer, as a result of an act of duty, is found to be disabled for service in the police department, the officer shall be granted a disability pension of the greater of 65% of the salary attached to the rank held by the officer at the date of suspension of duty or the retirement pension to which the police officer would be entitled. If the disability is the result of any cause other than an act of duty, the disability pension is 50% of salary.

Pension To Survivors

(a) Upon the death of a police officer in receipt of a pension, the surviving spouse of the police officer is entitled to the pension that the police officer was receiving as of the time of death.

(b) Upon the death of a police officer while in service, having at least 20 years of creditable service, the surviving spouse shall be entitled to the pension earned by the police officer as of the date of death.

(c) Upon the death of a police officer while in service, having at least 10 but less than 20 years of service, the surviving spouse shall be entitled to a pension of 1/2 of the salary attached to the rank held by the officer for one year immediately prior to the date of death. If death occurs as a result of the performance of duty, the 10-year requirement shall not apply.

Contributions By Police Officers

Police officers are required to contribute 9.91% of their salary to the pension fund as a condition of participation in the pension fund.

Persons Who First Become Participants On or After January 1, 2011

The following changes to the above provisions apply to persons who first become participants on or after January 1, 2011:

1. The highest salary for annuity purposes is equal to the average monthly salary obtained by dividing the participant's total salary during the 96 consecutive months of service within the last 120 months of service in which the total compensation was the highest by the number of months in that period.
2. For 2011, the final average salary is limited to the Social Security wage base of \$106,800. Limitations for future years shall automatically be increased by the lesser of 3% or one-half of percentage change in the Consumer Price Index-U during the preceding month calendar year.
3. A participant is eligible to retire with unreduced benefits after attainment of age 55 with at least 10 years of service credit. However, a participant may elect to retire at age 50 with at least 10 years of service credit and receive a retirement annuity reduced by one-half of 1% for each month that his or her age is under 55.
4. The initial survivor's annuity is equal to 66 2/3% of the participant's earned retirement annuity at the date of death, subject to automatic annual increases of the lesser of 3% or one-half of the increase in the Consumer Price Index-U during the preceding calendar year, based on the originally granted survivor's annuity.
5. Automatic annual increases in the retirement annuity then being paid are equal to the lesser of 3% or one-half the annual change in the Consumer Price Index for all Urban Consumers, whichever is less, based on the originally granted retirement annuity.

Appendix 2

Glossary of Terms used in Report

1. Actuarial Present Value. The value of an amount or series of amounts payable at various times, determined as of a given date by the application of a particular set of actuarial assumptions.
2. Actuarial Cost Method or Funding Method. A procedure for determining the actuarial present value of pension plan benefits and for determining an actuarially equivalent allocation of such value to time periods. Usually in the form of a normal cost and an actuarial accrued liability.
3. Normal Cost. That portion of the actuarial present value of pension plan benefits which is allocated to a valuation year by the actuarial cost method.
4. Actuarial Accrued Liability or Accrued Liability. That portion, as determined by a particular actuarial cost method, of the actuarial present value of pension benefits which is not provided for by future normal costs.
5. Actuarial Value of Assets. The value assigned by the actuary to the assets of the pension plan for purposes of an actuarial valuation.
6. Unfunded Actuarial Liability. The excess of the actuarial liability over the actuarial value of assets.
7. Projected Unit Credit Actuarial Cost Method. A cost method under which the projected benefits of each individual included in an actuarial valuation are allocated by a consistent formula to valuation years. The actuarial present value of benefit allocated to a valuation year is called the normal cost. The actuarial present value of benefits allocated to all periods prior to a valuation year is called the actuarial liability.
8. Actuarial Assumptions. Assumptions as to future events affecting pension costs.
9. Actuarial Valuation. The determination, as of a valuation date, of the normal cost, actuarial liability, actuarial value of assets, and related actuarial present values for the pension plan.
10. Accrued Benefit or Accumulated Plan Benefits. The amount of an individual's benefit as of a specific date determined in accordance with the terms of a pension plan and based on compensation and service to that date.
11. Vested Benefits. Benefits that are not contingent on an employee's future service.

IML Statehouse Briefing



On the ground news and insider information!

November 4, 2015

Municipalities Urged to Contact State Legislators – Ask For Support of HB 4305

On Tuesday, November 10, the Illinois House will vote on a bill of critical importance to municipalities.

[HB 4305](#) (Rep. Moylan, D-Des Plaines) would restore FY2016 appropriation authority for Motor Fuel Tax (MFT), casino gaming, video gaming, and 9-1-1 revenue distributions. The bill also includes funding for other, non-municipal purposes. These revenues, which are collected by the state for purposes of distributing the money to local governments, are being withheld as a result of the state budget impasse.

The IML requests that our members **call their state legislators at their district offices** and urge that they support the immediate restoration of these local fund distributions by voting for HB 4305.

Contact information for [House members is available here](#).

Contact information for [Senate members is available here](#).

The IML has also made a model letter and resolution available for municipalities to send to state leaders. These documents are [available on our website](#).

It is important to convey to legislators that the monies being withheld are non-general revenue funds. In other words, **voting to support HB 4305 will not affect the state budget**, or add to the state's debt. Enactment of the bill will, however, ensure that cities, villages, and towns continue to receive funding for important public purposes.

We have been asked by some members if coming to Springfield on November 10 would increase the likelihood that the bill would pass. We believe that personal phone calls to legislators will be just as meaningful as having municipal officials in town that day. That said, we would certainly welcome any municipal officials that would like to be in Springfield on November 10.