



Actuary

To: Ms. Deb Freischlag

Comments:

Re: Police & Firefighter Pension Funds

Deb:

Recall, over the past two years as a result of PA 096-1495 many changes were made including the actuarial method (Projected Unit Credit), 30-year amortization period, 90% amortization target and asset smoothing (5-year average market value). This year we will look at using the RP2000 Mortality Table. The smoothed values exceed the straight market values (\$484K Police, \$322K Fire). The investment returns were a little more than assumed and salaries increased about as assumed. Police has 2 fewer active members. Fire has 1 more active member. Thus, the Tax Levy has increased and the Percent Funded has decreased slightly.

Highlights:

1. Investment returns: Police 8.19%; Fire 7.68%.
2. Annual payroll increases: Police 0.3%, Fire 4.4%;
Average salary increases: Police 6.4%, Fire 4.8%.
3. New Members: Police 1, Fire 2; Terminations: Police 1, Fire 0;
Retirements: Police 1, Fire 1; Incidents of Disability: Police 1, Fire 0.
4. Percent Funded: Police decreased slightly from 38.2% to 37.6%;
Fire decreased slightly from 58.4% to 57.5%.
5. Tax Levy: Police increased from \$1,955,290 to \$2,148,485 (9.9%);
Fire increased from \$1,319,515 to \$1,480,436 (12.2%).

As Always,

T. Sharpe

Timothy W. Sharpe, Actuary, Geneva, IL (630) 262-0600

December 6, 2013

VILLAGE OF ALSIP
Actuarial Valuation Results

POLICE	<u>5/1/12</u>	<u>5/1/13</u>		
	Int: 7.00%	Int: 7.00%	Int: 7.00%	Int: 7.00%
	<u>Sal: 5.50%</u>	<u>Sal: 5.50%¹</u>	<u>Sal: 5.50%²</u>	<u>Sal: 5.50%³</u>
1. Village Normal Cost	426,099	423,120	445,774	488,917
2. Accrued Liability	41,470,346	42,923,223	43,899,360	42,404,309
3. Assets	15,824,603	16,487,088	16,487,088	16,487,088
4. Unfunded Liability/(Surplus)	25,645,743	26,436,135	27,412,272	25,917,221
5. Amortization of UL	1,401,275	1,506,529	1,562,156	930,656
6. Interest for One Year	127,916	135,075	140,555	99,370
7. Tax Levy Requirement (1+5+6)	<u>1,955,290</u>	<u>2,064,724</u>	<u>2,148,485</u>	<u>1,518,943</u>
8. Payroll	2,921,239	2,930,511	2,930,511	2,930,511
9. Percent Funded (3/2)	38.2%	38.4%	37.6%	38.9%

¹ Reflects Entry Age, 20-year, 100% Amortization, Smoothed Market, 1971GA Mortality

² Reflects Entry Age, 20-year, 100% Amortization, Smoothed Market, RP2000 Mortality

³ Reflects PA 096-1495, PUC, 28-year, 90% Amortization, Smoothed Market, RP2000 Mortality

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**VILLAGE OF ALSIP
Firefighter Pension Fund**

Investment Performance 2008-2013

	FYE 08	FYE 09	FYE 10	FYE 11	FYE 12	FYE 13
BOY Assets	15,253,135		14,655,392	16,451,411	17,994,677	18,590,714
Village Contribution	735,091		1,059,651	1,203,145	1,272,947	1,222,157
Firefighter Contribution	255,897		256,330	262,218	253,254	255,960
Pension Payments	854,032		1,161,533	1,352,047	1,398,872	1,515,507
Expenses	89,423		82,681	85,997	88,855	98,802
Income	798,757		1,724,209	1,515,946	557,562	1,421,803
EOY Assets	16,099,425		16,451,367	17,994,677	18,590,714	19,876,326
Annual Yield	5.23%		11.74%	9.21%	3.10%	7.68%
5-Year Yield (2009-13)	7.93%					
6-Year Yield (2008-13)	7.39%					

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VILLAGE OF ALSIP POLICE PENSION FUND SALARY HISTORY

Name	2009 Salary	Increase	2010 Salary	Increase	2011 Salary	Increase	2012 Salary	Increase	2013 Salary
Bires, Nicole V	61,885	11.3%	68,676	0.0%	68,676	5.0%	72,130	4.1%	75,067
Brongell, James J	68,366	2.0%	69,710	0.0%	69,710	5.0%	73,165	4.0%	76,107
Delia, Cynthia M	68,366	2.0%	69,710	-1.5%	68,676	5.0%	72,130	4.1%	75,067
Dollar, Michael W	69,400	1.9%	70,745	0.0%	70,745	4.9%	74,198	4.0%	77,147
Durkin, Anne C	79,205	2.0%	80,756	0.0%	80,756	5.0%	84,790	3.3%	87,568
Emlch, Valerie L	76,744	3.9%	79,743	1.3%	80,756	5.0%	84,790	3.3%	87,568
Gutierrez, Jairo	68,366	2.0%	69,710	0.0%	69,710	5.0%	73,165	4.0%	76,107
Gutkowski, Todd	69,400	1.9%	70,745	0.0%	70,745	3.4%	73,165	5.4%	77,147
Kane, Johnathan	57,940	5.1%	60,898	3.3%	62,905	14.7%	72,130	4.1%	75,067
Kelly, James	68,366	2.0%	69,710	0.0%	69,710	5.0%	73,165	4.0%	76,107
Kleina, Scott	67,332	2.0%	68,676	0.0%	68,676	5.0%	72,130	4.1%	75,067
McKinney, Lemuel L	57,940	5.1%	60,898	3.3%	62,905	16.3%	73,165	5.4%	77,147
Merlo, JohnRocco M	57,940	5.1%	60,898	3.3%	62,905	16.3%	73,165	4.0%	76,107
Mikos, Kevin	78,812	3.8%	81,812	1.2%	82,825	3.6%	85,824	3.2%	88,608
Miller Jr, Jerald	74,220	10.5%	81,994	0.0%	81,994	2.4%	83,990	12.0%	94,037
Miller, Mark	69,400	1.9%	70,745	0.0%	70,745	4.9%	74,199	2.6%	76,107
Oganovich, Ryan	76,744	3.9%	79,743	1.3%	80,757	5.0%	84,790	3.3%	87,568
Pantoja, Michael A	57,940	5.1%	60,898	3.3%	62,905	14.7%	72,130	4.1%	75,067
Paulmeyer, Robert	89,155	0.6%	89,648	0.0%	89,648	0.0%	89,648	4.9%	94,037
Puente, Hector S	57,940	6.9%	61,933	1.6%	62,905	14.7%	72,130	4.1%	75,067
Radz, Christopher	94,719	0.6%	95,243	0.0%	95,243	2.1%	97,240	3.0%	100,157
Raney, Curtis	68,366	2.0%	69,710	0.0%	69,710	5.0%	73,165	5.4%	77,147
Reilly, Justin	69,400	1.9%	70,745	0.0%	70,745	4.9%	74,199	4.0%	77,147
Renzy, Chad	67,332	3.5%	69,710	0.0%	69,710	5.0%	73,165	4.0%	76,107
Saele, Michael	66,140	5.3%	59,099	3.0%	60,898	8.5%	66,090	15.2%	76,107
Schmidt, Shawn	69,400	1.9%	70,745	0.0%	70,745	16.8%	82,518	5.2%	86,823
Spencer, Joshua	68,366	2.0%	69,710	0.0%	69,710	5.0%	73,165	4.0%	76,107
Tyszko, James	68,366	2.0%	69,710	0.0%	69,710	5.0%	73,165	4.0%	76,107
Wolfe, David	98,284	-17.8%	80,757	0.0%	80,757	5.0%	84,790	3.3%	87,568
Zablony, Scott	79,205	3.5%	81,994	0.0%	81,994	2.4%	83,990	12.0%	94,036
Slaweck, Jason M	46,542	23.0%	57,258	3.2%	59,099	10.0%	65,015	7.4%	69,825
Emanuel, Gonzalez j					59,326	8.1%	64,146	0.7%	64,604
Kociolek, Edward					57,258	8.4%	62,078	4.1%	64,605
Fallucca, Antonino							49,852	25.6%	62,608
McIntyre, Brian							49,852	25.6%	62,608
Villegas, Allan							49,852	25.6%	62,608
Heimerdinger, Daniel							49,852	25.6%	62,608
Hayes, Kevin									51,875
Average Increase		2.8%		0.7%		5.5%		6.4%	