



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

FIRE	<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	487,373	505,005	531,124	756,584
2. Accrued Liability	32,803,218	34,327,931	35,156,942	33,058,937
3. Assets	19,153,444	20,198,197	20,198,197	20,198,197
4. Unfunded Liability/(Surplus)	13,649,774	14,129,734	14,958,745	12,860,740
5. Amortization of UL	745,819	805,218	852,461	410,221
6. Interest for One Year	86,323	91,716	96,851	81,676
7. Tax Levy Requirement (1+5+6)	<u>1,319,515</u>	<u>1,401,939</u>	<u>1,480,436</u>	<u>1,248,481</u>
8. Payroll	2,653,763	2,770,376	2,770,376	2,770,376
9. Percent Funded (3/2)	58.4%	58.8%	57.5%	61.1%

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

**VILLAGE OF ALSIP
Police Pension Fund**

Investment Performance 2008-2013

	FYE 08	FYE 09	FYE 10	FYE 11	FYE 12	FYE 13
BOY Assets	14,790,406	14,442,626	12,073,668	13,897,458	15,120,768	15,198,174
Village Contribution	863,954	1,121,895	1,864,246	1,731,455	1,774,722	1,716,750
Officer Contribution	268,855	282,146	266,794	268,253	280,863	285,568
Pension Payments	1,783,893	1,925,387	2,090,339	2,056,405	2,160,693	2,318,212
Expenses	82,087	70,276	68,724	66,922	86,207	106,362
Income	385,392	(1,777,337)	1,851,814	1,346,929	268,722	1,227,332
EOY Assets	14,442,628	12,073,668	13,897,458	15,120,768	15,198,174	16,003,250
Annual Yield	2.67%	-12.56%	15.36%	9.74%	1.79%	8.19%
5-Year Yield (2009-13)	4.50%					
6-Year Yield (2008-13)	4.20%					

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VILLAGE OF ALSIP FIREFIGHTERS PENSION FUND SALARY HISTORY

<u>Name</u>	<u>2008 Salary</u>	<u>Increase</u>	<u>2010 Salary</u>	<u>Increase</u>	<u>2011 Salary</u>	<u>Increase</u>	<u>2012 Salary</u>	<u>Increase</u>	<u>2013 Salary</u>
Bodoni, Reka	67,560	6.3%	71,835	3.4%	74,296	3.0%	76,530	3.1%	78,897
Bruder, Gregory	67,560	6.8%	72,123	3.0%	74,296	3.0%	76,530	3.3%	79,092
Cortese, William	67,560	7.1%	72,339	3.3%	74,743	2.7%	76,740	3.3%	79,287
Cortilet, John	67,560	6.8%	72,123	3.0%	74,296	3.3%	76,740	3.1%	79,092
Cullen, Vincent M	55,198	13.6%	62,726	9.7%	68,803	4.4%	71,799	4.5%	75,013
Davies, Carl	55,198	13.6%	62,726	9.7%	68,803	4.4%	71,799	4.5%	75,013
Faruzzi, Jerry	76,323	7.4%	81,976	3.0%	84,440	3.0%	86,963	3.0%	89,585
Freitag, Chad M	55,198	13.6%	62,726	9.7%	68,803	4.4%	71,799	4.5%	75,013
Fuerst, David	67,560	17.1%	79,109	6.7%	84,440	3.0%	86,963	3.0%	89,585
Gruzzius, Timothy	76,323	7.1%	81,733	3.0%	84,177	3.0%	86,726	3.0%	89,364
Haehnlein, Richard	67,560	6.8%	72,123	3.0%	74,296	3.3%	76,740	3.1%	79,092
Hulnagel, Andrew	72,035	13.1%	81,488	3.0%	83,941	3.0%	86,464	3.4%	89,364
Kraus, Richard	67,560	6.8%	72,123	3.0%	74,296	3.0%	76,530	3.1%	78,897
Marotzke, Kenneth	67,560	6.8%	72,123	3.0%	74,296	3.3%	76,740	3.1%	79,092
McCarthy, Matthew	57,196	16.6%	66,787	4.4%	69,697	5.0%	73,192	6.7%	78,118
McEvilly, Robert	67,560	7.1%	72,338	3.0%	74,506	3.3%	76,976	3.0%	79,268
McNamee, Sean	64,868	10.7%	71,835	0.0%	71,835	6.1%	76,214	3.5%	78,897
McNellis, Michael	67,560	6.8%	72,123	12.6%	81,234	6.4%	86,463	3.1%	89,143
McNellis, Robert	67,560	7.4%	72,554	3.0%	74,743	3.0%	76,976	3.3%	79,483
Miller, Christopher	67,560	6.3%	71,835	3.0%	73,980	3.4%	76,529	3.1%	78,897
Monnett, Greg	67,560	6.8%	72,123	5.3%	74,506	3.0%	76,740	3.1%	79,092
Patterson, William	67,560	6.8%	72,123	5.0%	74,296	3.0%	76,529	3.3%	79,092
Pickar, Kevin	76,323	22.5%	93,515	0.0%	93,517	2.1%	95,514	2.5%	97,905
Pinto, Gary	67,560	7.4%	72,554	3.0%	74,743	3.0%	76,976	3.0%	79,288
Rachan, Michael	67,560	6.8%	72,123	3.0%	74,296	3.0%	76,529	3.1%	78,897
Ricker, Robert	67,560	16.7%	78,872	6.4%	83,941	3.0%	86,463	14.2%	98,716
Rummery, Daniel	58,981	18.2%	69,695	2.0%	71,063	7.2%	76,214	2.5%	78,116
Scott, Patrick	67,560	7.1%	72,338	3.0%	74,506	3.0%	76,740	12.7%	86,494
Strand, Nicholas	67,560	6.8%	72,123	3.0%	74,296	3.0%	76,530	3.1%	78,897
Styczynski, Thomas	67,560	6.8%	72,123	29.7%	93,517	2.1%	95,514	8.8%	103,917
Teggelaar, Fred			84,607	-0.0%	64,598	9.7%	70,853	3.8%	73,580
Harding, Charles							48,803	19.0%	58,066
Freed, Scott							48,803	19.0%	58,066
Smith, Jason									50,021
Terasi, Daniel									50,021
Average Increase		9.7%		4.7%		3.7%		4.8%	