



Actuary

To: Ms. Deb Freischlag

Comments:

Re: Police & Firefighter Pension Funds

Deb:

Recall, over the past three 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, asset smoothing (5-year average market value) and the RP2000 Mortality Table. This year, the smoothed values are less than the straight market values, thus both Funds have deferred gains (\$63K Police, \$159K Fire). The investment returns were more than assumed and salaries increased as assumed. Police has 2 more active members, a previously reported deferred pensioner was converted to a disability pension and its annual payroll increased 8.7%. Fire has the same number of active members. Thus, the Tax Levy has increased and the Percent Funded has decreased slightly for Police and increased slightly for Fire.

Highlights:

1. Investment returns: Police 9.13%; Fire 9.30%.
2. Annual payroll increases: Police 8.7%, Fire 2.8%;  
Average salary increases: Police 5.0%, Fire 4.6%.
3. New Members: Police 2, Fire 1; Terminations: Police 0, Fire 0;  
Retirements: Police 0, Fire 1; Incidents of Disability: Police 0, Fire 0;  
Conversion to Disability from Deferred Pensioner: Police 1, Fire 0.
4. Percent Funded: Police decreased slightly from 37.6% to 36.7%;  
Fire increased slightly from 57.5% to 58.1%.
5. Tax Levy: Police increased from \$2,148,485 to \$2,333,349 (8.6%);  
Fire increased from \$1,480,436 to \$1,538,355 (3.9%).

As Always,

T. Sharpe

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

October 30, 2014

**VILLAGE OF ALSIP**  
**Actuarial Valuation Results**

<b>POLICE</b>	<u>5/1/13</u>	<u>5/1/14</u>			
	Int: 7.00%	Int: 7.00%	Int: 6.75%	Int: 6.75%	Int: 7.00%
	<u>Sal: 5.50%</u>	<u>Sal: 5.50%<sup>1</sup></u>	<u>Sal: 5.50%<sup>1</sup></u>	<u>Sal: 5.00%<sup>1</sup></u>	<u>Sal: 5.50%<sup>2</sup></u>
1. Village Normal Cost	445,774	438,953	487,802	436,487	535,672
2. Accrued Liability	43,899,360	46,191,707	47,531,527	47,055,781	44,563,312
3. Assets	16,487,088	16,959,987	16,959,987	16,959,987	16,959,987
4. Unfunded Liability/(Surplus)	27,412,272	29,231,720	30,571,540	30,095,794	27,603,325
5. Amortization of UL	1,562,156	1,741,747	1,785,250	1,830,548	1,023,801
6. Interest for One Year	140,555	152,649	153,431	153,025	109,163
7. Tax Levy Requirement (1+5+6)	<u>2,148,485</u>	<u>2,333,349</u>	<u>2,426,483</u>	<u>2,420,060</u>	<u>1,668,636</u>
8. Payroll	2,930,511	3,184,560	3,184,560	3,184,560	3,184,560
9. Percent Funded (3/2)	37.6%	36.7%	35.7%	36.0%	38.1%

<sup>1</sup> Reflects Entry Age, 19-year, 100% Amortization, Smoothed Market

<sup>2</sup> Reflects PA 096-1495, PUC, 27-year, 90% Amortization, Smoothed Market

October 30, 2014

**VILLAGE OF ALSIP**  
**Actuarial Valuation Results**

<b>FIRE</b>	<u>5/1/13</u>	<u>5/1/14</u>			
	Int: 7.00%	Int: 7.00%	Int: 6.75%	Int: 6.75%	Int: 7.00%
	<u>Sal: 5.50%</u>	<u>Sal: 5.50%<sup>1</sup></u>	<u>Sal: 5.50%<sup>1</sup></u>	<u>Sal: 5.00%<sup>1</sup></u>	<u>Sal: 5.50%<sup>2</sup></u>
1. Village Normal Cost	531,124	516,850	564,929	513,256	791,940
2. Accrued Liability	35,156,942	36,893,013	37,939,124	37,591,975	34,853,290
3. Assets	20,198,197	21,438,140	21,438,140	21,438,140	21,438,140
4. Unfunded Liability/(Surplus)	14,958,745	15,454,873	16,500,984	16,153,835	13,415,150
5. Amortization of UL	852,461	920,865	963,589	982,542	439,200
6. Interest for One Year	96,851	100,640	103,175	100,966	86,180
7. Tax Levy Requirement (1+5+6)	<u>1,480,436</u>	<u>1,538,355</u>	<u>1,631,693</u>	<u>1,596,764</u>	<u>1,317,320</u>
8. Payroll	2,770,376	2,847,052	2,847,052	2,847,052	2,847,052
9. Percent Funded (3/2)	57.5%	58.1%	56.5%	57.0%	61.5%

<sup>1</sup> Reflects Entry Age, 19-year, 100% Amortization, Smoothed Market

<sup>2</sup> Reflects PA 096-1495, PUC, 27-year, 90% Amortization, Smoothed Market

**VILLAGE OF ALSIP  
Police Pension Fund**

**Investment Performance 2008-2014**

	FYE 08	FYE 09	FYE 10	FYE 11	FYE 12	FYE 13	FYE 14
BOY Assets	14,790,406	14,442,626	12,073,668	13,897,458	15,120,768	15,198,174	16,003,250
Village Contribution	863,954	1,121,895	1,864,246	1,731,455	1,774,722	1,716,750	1,973,625
Officer Contribution	268,855	282,146	266,794	268,253	280,863	285,568	332,713
Pension Payments	1,783,893	1,925,387	2,090,339	2,056,405	2,160,693	2,318,212	2,599,730
Expenses	82,087	70,276	68,724	66,922	86,207	106,362	128,902
Income	385,392	(1,777,337)	1,851,814	1,346,929	268,722	1,227,332	1,442,011
EOY Assets	14,442,628	12,073,668	13,897,458	15,120,768	15,198,174	16,003,250	17,022,967
Annual Yield	2.67%	-12.56%	15.36%	9.74%	1.79%	8.19%	9.13%
5-Year Yield (2010-14)	8.84%						
7-Year Yield (2008-14)	4.90%						

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**VILLAGE OF ALSIP  
Firefighter Pension Fund**

**Investment Performance 2008-2014**

	FYE 08	FYE 09	FYE 10	FYE 11	FYE 12	FYE 13	FYE 14
BOY Assets	15,253,135		14,655,392	16,451,411	17,994,677	18,590,714	19,876,326
Village Contribution	735,091		1,059,651	1,203,145	1,272,947	1,222,157	1,301,138
Firefighter Contribution	255,897		256,330	262,218	253,254	255,960	287,254
Pension Payments	854,032		1,161,533	1,352,047	1,398,872	1,515,507	1,609,559
Expenses	89,423		82,681	85,997	88,855	98,802	101,556
Income	798,757		1,724,209	1,515,946	557,562	1,421,803	1,843,329
EOY Assets	16,099,425		16,451,367	17,994,677	18,590,714	19,876,326	21,596,932
Annual Yield	5.23%		11.74%	9.21%	3.10%	7.68%	9.30%
5-Year Yield (2010-14)	8.20%						
7-Year Yield (2008-14)	7.71%						

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VILLAGE OF ALSIP FIREFIGHTERS PENSION FUND SALARY HISTORY

Name	2010 Salary	Increase	2011 Salary	Increase	2012 Salary	Increase	2013 Salary	Increase	2014 Salary
Bodoni, Reka	71,835	3.4%	74,296	3.0%	76,530	3.1%	78,897	2.5%	80,866
Bruder, Gregory	72,123	3.0%	74,296	3.0%	76,530	3.3%	79,092	2.5%	81,076
Cortese, William	72,339	3.3%	74,743	2.7%	76,740	3.3%	79,287	2.5%	81,260
Cortilet, John	72,123	3.0%	74,296	3.3%	76,740	3.1%	79,092	2.5%	81,076
Cullen, Vincent M	62,726	9.7%	68,803	4.4%	71,799	4.5%	75,013	6.8%	80,077
Davies, Carl	62,726	9.7%	68,803	4.4%	71,799	4.5%	75,013	6.8%	80,077
Faruzzi, Jerry	81,976	3.0%	84,440	3.0%	86,963	3.0%	89,585	2.8%	92,061
Freitag, Chad M	62,726	9.7%	68,803	4.4%	71,799	4.5%	75,013	6.8%	80,077
Fuerst, David	79,108	6.7%	84,440	3.0%	86,963	3.0%	89,585	2.5%	91,825
Gruzzius, Timothy	81,733	3.0%	84,177	3.0%	86,726	3.0%	89,364	2.5%	91,588
Haehnlein, Richard	72,123	3.0%	74,296	3.3%	76,740	3.1%	79,092	2.5%	81,076
Hufnagl, Andrew	81,489	3.0%	83,941	3.0%	86,464	3.4%	89,364	2.5%	91,588
Kraus, Richard	72,123	3.0%	74,296	3.0%	76,530	3.1%	78,897	2.5%	80,866
Marotzke, Kenneth	72,123	3.0%	74,296	3.3%	76,740	3.1%	79,092	2.5%	81,076
McCarthy, Matthew	66,787	4.4%	69,697	5.0%	73,192	6.7%	78,116	2.5%	80,077
McEvelly, Robert	72,338	3.0%	74,506	3.3%	76,976	3.0%	79,288	2.5%	81,260
McNamee, Sean	71,835	0.0%	71,835	6.1%	76,214	3.5%	78,897	2.5%	80,866
McNellis, Michael	72,123	12.6%	81,234	6.4%	86,463	3.1%	89,143	2.7%	91,588
McNellis, Robert	72,554	3.0%	74,743	3.0%	76,976	3.3%	79,483	2.5%	81,470
Miller, Christopher	71,835	3.0%	73,980	3.4%	76,529	3.1%	78,897	2.5%	80,866
Monnett, Greg	72,123	3.3%	74,506	3.0%	76,740	3.1%	79,092	2.5%	81,076
Patterson, William	72,123	3.0%	74,296	3.0%	76,529	3.3%	79,092	2.5%	81,076
Pinto, Gary	72,554	3.0%	74,743	3.0%	76,976	3.0%	79,288	2.5%	81,260
Rachan, Michael	72,123	3.0%	74,296	3.0%	76,529	3.1%	78,897	2.5%	80,866
Ricker, Robert	78,872	6.4%	83,941	3.0%	86,463	14.2%	98,716	6.9%	105,575
Rummery, Daniel	69,695	2.0%	71,063	7.2%	76,214	2.5%	78,116	2.5%	80,077
Scott, Patrick	72,338	3.0%	74,506	3.0%	76,740	12.7%	86,494	6.2%	91,825
Strand, Nicholas	72,123	3.0%	74,296	3.0%	76,530	3.1%	78,897	2.5%	80,866
Styczynski, Thomas	72,123	29.7%	93,517	2.1%	95,514	8.8%	103,917	9.8%	114,091
Teggelaar, Fred	64,607	-0.0%	64,598	9.7%	70,853	3.8%	73,580	4.5%	76,897
Freed, Scott					48,803	19.0%	58,066	14.0%	66,201
Harding, Charles					48,803	19.0%	58,066	14.0%	66,201
Teresi, Daniel							50,021	19.0%	59,526
Smith, Jason							50,021	19.0%	59,526
Davis, Daniel M									51,273
Average Increase		4.9%		3.7%		4.9%		4.6%	

VILLAGE OF ALSIP POLICE PENSION FUND SALARY HISTORY

Name	2010 Salary	Increase	2011 Salary	Increase	2012 Salary	Increase	2013 Salary	Increase	2014 Salary
Bires, Nicole V	68,676	0.0%	68,676	5.0%	72,130	4.1%	75,067	3.5%	77,688
Brongeil, James J	69,710	0.0%	69,710	5.0%	73,165	4.0%	76,107	3.4%	78,728
Delia, Cynthia M	69,710	-1.5%	68,676	5.0%	72,130	4.1%	75,067	3.5%	77,688
Dollear, Michael W	70,745	0.0%	70,745	4.9%	74,199	4.0%	77,147	3.4%	79,768
Durkin, Anne C	80,756	0.0%	80,756	5.0%	84,790	3.3%	87,568	2.7%	89,960
Emich, Valarie L	79,743	1.3%	80,756	5.0%	84,790	3.3%	87,568	2.7%	89,960
Gutierrez, Jairo	69,710	0.0%	69,710	5.0%	73,165	4.0%	76,107	3.4%	78,728
Gutkowski, Todd	70,745	0.0%	70,745	3.4%	73,165	5.4%	77,147	6.9%	82,493
Kane, Johnathan	60,898	3.3%	62,905	14.7%	72,130	4.1%	75,067	3.5%	77,688
Kelly, James	69,710	0.0%	69,710	5.0%	73,165	4.0%	76,107	3.4%	78,728
Kleina, Scott	68,676	0.0%	68,676	5.0%	72,130	4.1%	75,067	3.5%	77,688
McKinney, Lemuel L	60,898	3.3%	62,905	16.3%	73,165	5.4%	77,147	3.4%	79,768
Merlo, JohnRocco M	60,898	3.3%	62,905	16.3%	73,165	4.0%	76,107	3.4%	78,728
Mikos, Kevin	81,812	1.2%	82,825	3.6%	85,824	3.2%	88,608	1.5%	89,960
Miller Jr, Jerald	81,994	0.0%	81,994	2.4%	83,990	12.0%	94,037	4.2%	97,988
Miller, Mark	70,745	0.0%	70,745	4.9%	74,199	2.6%	76,107	3.4%	78,728
Oganovich, Ryan	79,743	1.3%	80,757	5.0%	84,790	3.3%	87,568	2.7%	89,960
Pantoja, Michael A	60,898	3.3%	62,905	14.7%	72,130	4.1%	75,067	3.5%	77,688
Paulmeyer, Robert	89,648	0.0%	89,648	0.0%	89,648	4.9%	94,037	4.2%	97,988
Puente, Hector S	61,933	1.6%	62,905	14.7%	72,130	4.1%	75,067	4.9%	78,728
Radz, Christopher	95,243	0.0%	95,243	2.1%	97,240	3.0%	100,157	11.8%	111,988
Raney, Curtis	69,710	0.0%	69,710	5.0%	73,165	5.4%	77,147	3.4%	79,768
Reilly, Justin	70,745	0.0%	70,745	4.9%	74,199	4.0%	77,147	3.4%	79,768
Renzy, Chad	69,710	0.0%	69,710	5.0%	73,165	4.0%	76,107	3.4%	78,728
Saele, Michael	59,099	3.0%	60,898	8.5%	66,090	15.2%	76,107	3.4%	78,728
Schuldt, Shawn	70,745	0.0%	70,745	16.8%	82,618	5.2%	86,923	3.4%	89,856
Spencer, Joshua	69,710	0.0%	69,710	5.0%	73,165	4.0%	76,107	3.4%	78,728
Tyszko, James	69,710	0.0%	69,710	5.0%	73,165	4.0%	76,107	3.4%	78,728
Wolfe, David	80,757	0.0%	80,757	5.0%	84,790	3.3%	87,568	2.7%	89,960
Zablotny, Scott	81,994	0.0%	81,994	2.4%	83,990	12.0%	94,036	4.2%	97,988
Slawecki, Jason M	57,258	3.2%	59,099	10.0%	65,015	7.4%	69,825	12.8%	78,728
Kociolek, Edward			57,258	8.4%	62,078	4.1%	64,605	11.8%	72,238
Emanuel, Gonzalez j			59,326	8.1%	64,146	0.7%	64,604	8.3%	69,971
McIntyre, Brian					49,852	25.6%	62,608	6.8%	66,872
Villegas, Allan					49,852	25.6%	62,608	8.5%	67,912
Heimerdinger, Daniel					49,852	25.6%	62,608	6.8%	66,872
Fallucca, Antonino					49,852	25.6%	62,608	6.8%	66,872
Hayes, Kevin							51,875	24.9%	64,792
Latham, Benjamin									53,705
Yodelis, Nicholas J									53,705
Average Increase		0.7%		6.5%		6.4%		5.0%	