

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

DISTRICT #

Resolution or Ordinance (Blue) Waiver of First Requested
 Recommendations of Boards, Commissions & Committees (Green)
 Other Business (Pink)

TO : PRESIDENT AND BOARD OF TRUSTEES

FROM : Scott R. Niehaus, Village Manager

DATE : July 28, 2020 **B of T** August 20, 2020

SUBJECT: Fire Pension Fund Municipal Compliance Report

SUBMITTED BY: Terry Davis, Secretary, Lombard Firefighters' Pension Fund

BACKGROUND/POLICY IMPLICATIONS:

Attached is the Lombard Fire Pension Fund's Municipal Compliance Report for the year ended December 31, 2019. The Village of Lombard utilizes an actuarial service to assist in determining the Fire Pension tax levy for the year for which the report is made.

We ask that the Village Board accept and file the report.

Fiscal Impact/Funding Source:

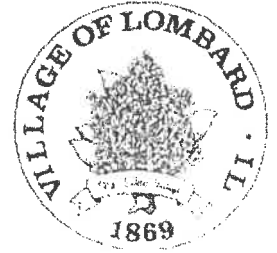
Review (as necessary):

Finance Director _____ Date _____
Village Manager Scott Niehaus _____ Date 7/28/20

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda distribution.



LOMBARD FIREFIGHTERS' PENSION FUND



George Seagraves – President Thomas Willis – Vice President
Terry Davis – Secretary Joseph Shark – Assistant Secretary
Ronald Rakosnik – Trustee

August 3, 2020

Board of Trustees
Village of Lombard
255 E. Wilson Avenue
Lombard, Illinois 60148

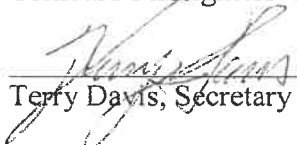
Trustees:

Based on the Actuarial Report prepared by Nyhart for the fiscal year ending December 31, 2019, the Lombard Firefighters' Pension Board requests the recommended contribution amount of \$2,525,706 be levied for the Lombard Firefighters' Pension Fund. A copy of the Actuarial Valuation and Municipal Compliance Report are attached.

If you have any questions, or need anything additional information, please contact me.

Sincerely,

Lombard Firefighters' Pension Fund



Terry Davis, Secretary

Enclosures

**THE VILLAGE OF LOMBARD, ILLINOIS
FIREFIGHTERS' PENSION FUND**

**PUBLIC ACT 95-0950 - MUNICIPAL COMPLIANCE
REPORT**

**FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2019**

**THE VILLAGE OF LOMBARD, ILLINOIS
FIREFIGHTERS' PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending December 31, 2019**

The Pension Board certifies to the Board of Trustees of the Village of Lombard, Illinois on the condition of the Pension Fund at the end of its most recently completed fiscal year the following information:

- 1) The total cash and investments, including accrued interest, of the fund at market value and the total net position of the Pension Fund:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Total Cash and Investments (including accrued interest)	<u>\$68,285,665</u>	<u>\$58,752,916</u>
Total Net Position	<u>\$68,242,673</u>	<u>\$58,711,050</u>

- 2) The estimated receipts during the next succeeding fiscal year from deductions from the salaries of firefighters' and from other sources:

Estimated Receipts - Employee Contributions	<u>\$659,600</u>
Estimated Receipts - All Other Sources	
Investment Earnings	<u>\$4,780,000</u>
Municipal Contributions	<u>\$2,525,706</u>

- 3) The estimated amount necessary during the fiscal year to meet the annual actuarial requirements of the pension fund as provided in Sections 4-118 and 4-120:

Annual Requirement of the Fund as Determined by:

Illinois Department of Insurance	<u>N/A</u>
Private Actuary - Nyhart	
Recommended Municipal Contribution	<u>\$2,525,706</u>
Statutory Municipal Contribution	<u>\$1,849,105</u>

**THE VILLAGE OF LOMBARD, ILLINOIS
FIREFIGHTERS' PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending December 31, 2019**

8) The funded ratio of the fund:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Illinois Department of Insurance	<u>N/A</u>	<u>70.64%</u>
Private Actuary - Nyhart	<u>76.73%</u>	<u>76.07%</u>

9) The unfunded liability carried by the fund, along with an actuarial explanation of the unfunded liability:

Unfunded Liability:

Illinois Department of Insurance	<u>N/A</u>
Private Actuary - Nyhart	<u>\$20,125,056</u>

The accrued liability is the actuarial present value of the portion of the projected benefits that has been accrued as of the valuation date based upon the actuarial valuation method and the actuarial assumptions employed in the valuation. The unfunded accrued liability is the excess of the accrued liability over the actuarial value of assets.

10) The investment policy of the Pension Board under the statutory investment restrictions imposed on the fund.

Investment Policy - See Attached.

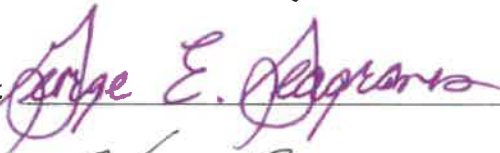
Please see Notes Page attached.

CERTIFICATION OF MUNICIPAL FIREFIGHTERS'
PENSION FUND COMPLIANCE REPORT

The Board of Trustees of the Pension Fund, based upon information and belief, and to the best of our knowledge, hereby certify pursuant to §4-134 of the Illinois Pension Code 40 ILCS 5/4-134, that the preceding report is true and accurate.

Adopted this 22nd day of July, 2020

President



Date

07/22/20

Secretary



Date

7/22/20

**THE VILLAGE OF LOMBARD, ILLINOIS
FIREFIGHTERS' PENSION FUND**

**Public Act 95-950 - Municipal Compliance Report
For the Fiscal Year Ending December 31, 2019**

INDEX OF ASSUMPTIONS - Continued

- 4) Net Income Received from Investment of Assets - Investment Income (Loss) net of Investment Expense, as Reported in the Audited Financial Statements for the Years Ended December 31, 2019 and 2018.

Assumed Investment Return:

Illinois Department of Insurance - Current and Preceding Fiscal Year Interest Rate Assumption as Reported in the December 31, 2019 and 2018 Actuarial Valuations.

Private Actuary - Current and Preceding Fiscal Year Interest Rate Assumption as Reported in the Nyhart, December 31, 2019 and 2018 Actuarial Valuations.

Actual Investment Return - Net Income Received from Investments as Reported Above as a Percentage of the Average of the Beginning balance of the Cash and Investments and the Ending balance of the Cash and Investments, excluding the fiscal year net investment income, as Reported in the Audited Financial Statements for the Fiscal Years Ended December 31, 2019 and 2018.

- 5) Illinois Department of Insurance - Amount of total suggested tax levy to be excluded from the property tax extension limitation law as contemplated by 35 ILCS 200/18-185.

Private Actuary - No Private Actuarial Valuation amount available at the time of this report.

- 6) Number of Active Members - Illinois Department of Insurance Annual Statement for December 31, 2019 - Schedule P.

- 7) (i) Regular Retirement Pension - Illinois Department of Insurance Annual Statement for December 31, 2019 - Schedule P for Number of Participants and Expense page 1 for Total Amount Disbursed.

(ii) Disability Pension - Same as above.

(iii) Survivors and Child Benefits - Same as above.