

CITY OF OLNEY  
FIRE PENSION BOARD  
MARCH 19, 2015

AGENDA #1 “CALL TO ORDER” The City of Olney Fire Pension Board met in the Fire Station at 9:00 a.m. on March 19, 2015, with Firefighter Mike Hill presiding.

AGENDA #2 “ROLL CALL” The following members were present: City Treasurer Charles Sanders, Retired Firefighter Clarence Smith, Dave Lobacz and Firefighter Mike Hill. Firefighter Taylor Akers was absent.

AGENDA #3 “PRESENTATION: PROPOSED 2015/2016 FIRE PENSION BUDGET” The Board was provided with a proposed Fire Pension Budget for the 2015/2016 fiscal year. Mr. Sanders wished to present the proposed budget to the Fire Pension Board for their approval before the proposed budget was heard by the City Council.

Proposed revenue totaled \$218,542.00. As a reminder, Mr. Sanders noted that the \$151,735.00 in Fire Pension Tax revenue was based the Actuarial Valuation Report from the Illinois Department of Insurance that recommended \$122,673.00. Mr. Sanders then handed out the Actuarial Valuation Report from the Illinois Department of Insurance. Amounts were added to the \$122,673.00 for items such as fiduciary liability insurance, a third party actuarial service, and contributions to underfunding in order to total the \$151,735.00. The current funded ratio is at 56%.

In the Expenditures portion, Mr. Sanders explained that the \$177,457.00 listed for Pension Payments was a defined calculation. Miscellaneous Charges would include annual fees and other minor charges. Total anticipated disbursements came to a total of \$190,207.00. Revenues should exceed expenditures by \$28,335.00.

Mr. Lobacz wondered if any projections were made for future retirements to help get to the suggested total contributions from the State. Mr. Sanders replied that the Illinois Department of Insurance’s actuarials view the annual report, and take into account each active employee and each active retiree. Those factors are contributed into their calculations, but the actuarials do also make some assumptions.

Mr. Sanders handed out the last document which was a copy of Art Tepfer’s Actuarial Report as created for the Police Pension Board. Mr. Sanders told the Board that Mr. Tepfer would be in Olney in late April or early May of 2015. A full day of meetings with Mr. Tepfer was anticipated. After the meetings, the Fire Pension Board should decide if they wanted to engage in Mr. Tepfer’s services.

Firefighter Hill asked how Mr. Tepfer's numbers compared to what the Illinois Department of Insurance recommended. Mr. Sanders replied that Mr. Tepfer recommended \$437,000.00 which was higher than the State's recommendation.

Mr. Lobacz wondered who determined percentages of underfunding. Mr. Sanders said that the Illinois Department of Insurance engages an outside actuarial service to come up with the percentage. Additionally, the State indicates that most municipalities utilize a third party because the third party's actuarial principles and assumptions could be fine tuned to fit the municipality's particular plan.

Mr. Lobacz moved to approve the proposed 2015/2015 Fire Pension budget as presented, seconded by Firefighter Hill. A majority affirmative voice vote was received.

AGENDA #4 "SCHEDULING OF NEXT MEETING" The next meeting of the Fire Pension Board would be determined at a later time.

AGENDA #5 "ADJOURN" Mr. Lobacz moved to adjourn, seconded by Mr. Sanders. A majority affirmative voice vote was received.

The Fire Pension meeting adjourned at 9:19 a.m.

Clarence Smith  
Secretary