

SPECIAL COMMITTEE OF THE WHOLE MINUTES
August 12, 2019

ELECTED/APPOINTED OFFICIALS PRESENT	ELECTED/APPOINTED OFFICIALS ABSENT	STAFF PRESENT
Burns Bruno Burghart Clements Hruby Kilburg Maladra Marks McGowan Swanson Olson Affrunti Nash Carbray Yates	Kaven McQueeny	Dawkins McCready Antenore Kruse Fornari

Mayor Burns called the meeting to order at 7:00 PM at the Geneva Fire Station No. 1 and welcomed the members of the Fire and Police Pension boards. City Admin. Dawkins stated the purpose of the meeting was to provide background and current information on the makeup of these boards, how they are funded, advised, and what role the City has in these areas.

- a. Presentation and Policy Discussion on City of Geneva Police and Firefighters' Actuarial Reports.

Finance Manager Kruse presented information related to state pension laws, board composition, responsibilities, fund assets, actuarial valuations, contributions from the City, and liabilities.

Jason Franken, FSA with Foster & Foster Actuaries and Consultants, then gave a lengthy presentation the basic funding concepts for the boards. He explained the role of the actuarial service in relation to determining contribution levels and overall health of the funds; the basics of how these funds are managed; how they make determinations based on member data, cost allocation and amortization methods; liability calculations, and assumption settings that are sufficient and attainable.

Franken and staff elicited ideas on the ideal amortization method for Geneva i.e. length of the amortization period, open or closed amortization, level dollar or level percentage of payroll basis.

Franken then took questions from the committee and boards. Franken explained how benefits are distributed if a member worked for multiple districts and how that process differs between fire and police pension statutes.

Philosophies and tactics for realistic assumptions were discussed including the age of the current workforce and retirees, and investment strategies to lessen the burden on the municipality. The question on whether the City was too conservative in its current numbers was heard. Franken noted that a plan should consider demographics of the current pool. They look at ratio of active employees and non-active. The police pension board is more aggressive with their investments than fire pension – police also has more active participants than fire. The actuaries also look at current cash flow. Franken also noted the Tier 1 and Tier 2 pension membership and how that affects savings.

Admin. Dawkins stated that there are bills under review in Springfield that involve consolidation of the pension programs to form something similar to the IMRF model. She urged the elected officials to contact the local representatives to support these measures.

The council members thanked Franken and staff for providing the information and stated that it would prove useful in their understanding of next fiscal year's budget development plans regarding pension funding.

3. NEW BUSINESS / PUBLIC COMMENT

4. ADJOURNMENT

On a motion by Ald. Marks, the meeting was adjourned by unanimous voice vote at 9:00 PM.
V/V: 9-0 Motion carried.

- *Submitted by Recording Secretary Fornari*