

CITY OF PEORIA, IL  
FIREFIGHTERS' PENSION FUND

HOUSE BILL 5088 - MUNICIPAL COMPLIANCE REPORT

FOR THE FISCAL YEAR ENDED

DECEMBER 31, 2014



August 14, 2015

Members of the Pension Board of Trustees  
Firemen's Pension Fund of Peoria  
Peoria, IL

Enclosed please find a copy of your Municipal Compliance Report for the Fireman's Pension Fund of Peoria, for the year ended December 31, 2014. We have prepared the report with the most recent information available at our office. Should you have more current information, or notice any inaccuracies, we are prepared to make any necessary revisions and return them to you.

The President and Secretary of the Pension Fund are required to sign the report on page 3. If not already included with the enclosed report, please also include a copy of the Pension Fund's most recent investment policy.

The signed House Bill 5088 - Municipal Compliance Report must be provided to the Municipality before the tax levy is filed on the last Tuesday in December. We are sending the report via email to promote an environmentally-friendly work atmosphere.

Please do not hesitate to contact me at (630) 393-1483 should you have any questions.

Respectfully submitted,

A handwritten signature in black ink that reads "Lauterbach &amp; Amen, LLP".

Lauterbach & Amen, LLP

**CITY OF PEORIA, IL  
FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2014**

The Pension Board certifies to the Board of Trustees of the City of Peoria, IL 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 of the fund and their current market value of those assets:

|                            | <u>Current<br/>Fiscal Year</u> | <u>Preceding<br/>Fiscal Year</u> |
|----------------------------|--------------------------------|----------------------------------|
| Total Cash and Investments | <u>\$ 126,518,382</u>          | <u>\$ 124,751,374</u>            |
| Total Net Position         | <u>\$ 132,530,444</u>          | <u>\$ 131,204,498</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>\$ 1,637,800</u> |
| Estimated Receipts - All Other Sources      |                     |
| Investment Earnings                         | <u>\$ 8,540,000</u> |
| Municipal Contributions                     | <u>\$ 9,790,315</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>\$ 7,703,279</u> |
| Private Actuary - Foster & Foster  |                     |
| Recommended Municipal Contribution | <u>\$ 9,790,315</u> |
| Statutory Municipal Contribution   | <u>\$ N/A</u>       |

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FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2014**

- 4) The total net income received from investment of assets along with the assumed investment return and actual investment return received by the fund during its most recently completed fiscal year compared to the total net income, assumed investment return, and actual investment return received during the preceding fiscal year:

|   | <u>Current<br/>Fiscal Year</u> | <u>Preceding<br/>Fiscal Year</u> |
|---|--------------------------------|----------------------------------|
| Net Income Received from Investment of Assets | \$ 5,283,414                   | \$ 14,304,983                    |
| Assumed Investment Return                     |                                |                                  |
| Illinois Department of Insurance              | 6.75%                          | 6.75%                            |
| Private Actuary - Foster & Foster             | 6.75%                          | 7.00%                            |
| Actual Investment Return                      | 4.30%                          | 12.81%                           |

- 5) The increase in employer pension contributions that results from the implementation of the provisions of P.A. 93-0689:

|   |        |
|---|--------|
| Illinois Department of Insurance - Actuarial Report | \$ N/A |
| Private Actuary - Foster & Foster                   | \$ N/A |

- 6) The total number of active employees who are financially contributing to the fund:

|                          |     |
|--------------------------|-----|
| Number of Active Members | 202 |
|--------------------------|-----|

- 7) The total amount that was disbursed in benefits during the fiscal year, including the number of and total amount disbursed to (i) annuitants in receipt of a regular retirement pension, (ii) recipients being paid a disability pension, and (iii) survivors and children in receipt of benefits:

|                                    | <u>Number of</u> | <u>Total Amount<br/>Disbursed</u> |
|------------------------------------|------------------|-----------------------------------|
| (i) Regular Retirement Pension     | 111              | \$ 6,764,882                      |
| (ii) Disability Pension            | 41               | \$ 2,482,313                      |
| (iii) Survivors and Child Benefits | 57               | \$ 2,203,918                      |
| Totals                             | 209              | \$ 11,451,113                     |

**CITY OF PEORIA, IL  
FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2014**

8) The funded ratio of the fund:

|                                   | <u>Current<br/>Fiscal Year</u> | <u>Preceding<br/>Fiscal Year</u> |
|-----------------------------------|--------------------------------|----------------------------------|
| Illinois Department of Insurance  | <u>57.96%</u>                  | <u>57.68%</u>                    |
| Private Actuary - Foster & Foster | <u>56.01%</u>                  | <u>58.21%</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>\$ 96,522,260</u>  |
| Private Actuary - Foster & Foster | <u>\$ 104,252,516</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 \_\_\_\_\_ day of \_\_\_\_\_, 2015

President \_\_\_\_\_ Date \_\_\_\_\_

Secretary \_\_\_\_\_ Date \_\_\_\_\_

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FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2014**

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INDEX OF ASSUMPTIONS

- 1) Total Cash and Investments - as Reported at Market Value in the Audited Financial Statements for the Years Ended December 31, 2014 and 2013.

Total Net Position - as Reported at Market Value in the Audited Financial Statements for the Years Ended December 31, 2014 and 2013.

- 2) Estimated Receipts - Employee Contributions as Reported in the Audited Financial Statements for the Year Ended December 31, 2014 plus 4% Increase (Actuarial Salary Increase Assumption) Rounded to the Nearest \$100.

Estimated Receipts - All Other Sources

Investment Earnings - Cash and Investments as Reported in the Audited Financial Statements for the Year Ended December 31, 2014, times 6.75% (Actuarial Investment Return Assumption) Rounded to the Nearest \$100.

Municipal Contributions - Recommended Tax Levy Requirement as Reported by Foster & Foster, Actuarial Valuation for the Year Ended December 31, 2014.

- 3) Annual Requirement of the Fund as Determined by:

Illinois Department of Insurance - Suggested Amount of Tax Levy as Reported in the December 31, 2014 Actuarial Valuation.

Private Actuary - Foster & Foster

Recommended Amount of Tax Levy as Reported by Foster & Foster in the December 31, 2014 Actuarial Valuation.

Statutorily Required Amount of Tax Levy - No statutorily required amount has been provided in a December 31, 2014 Private Actuarial Valuation, at the time of this report.

**CITY OF PEORIA, IL  
FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2014**

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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, 2014 and 2013.

Assumed Investment Return

Illinois Department of Insurance - Current and Preceding Fiscal Year Interest Rate Assumption as Reported in the December 31, 2014 and 2013 Actuarial Valuations.

Private Actuary - Current and Preceding Fiscal Year Interest Rate Assumption as Reported in the Foster & Foster, December 31, 2014 and 2013 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 Fiscal Year Cash and Investments and Ending Balance of the Fiscal Year Cash and Investments, excluding the fiscal year net investment income, as Reported in the Audited Financial Statements for the Fiscal Years Ended December 31, 2014, 2013 and 2012.

- 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, 2014 - Schedule P.

(i) Regular Retirement Pension - Illinois Department of Insurance Annual Statement for December 31, 2014 - 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.

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FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending December 31, 2014**

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INDEX OF ASSUMPTIONS - Continued

7) The funded ratio of the fund:

Illinois Department of Insurance - Current and Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the December 31, 2014 and 2013 Actuarial Valuations.

Private Actuary - Current and Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the Foster & Foster, December 31, 2014 and December 31, 2013 Actuarial Valuations.

8) Unfunded Liability:

Illinois Department of Insurance - Deferred Asset (Unfunded Accrued Liability) as Reported in the December 31, 2014 Actuarial Valuation.

Private Actuary - Deferred Asset (Unfunded Accrued Liability) as Reported by Foster & Foster in the December 31, 2014 Actuarial Valuation.