



## City of Rochelle Administrative Services

### Memo

**To:** David Plyman, City Manager  
**From:** Chris Frye, Finance Manager  
**Date:** February 11, 2014  
**Re:** Pension Funding Policies

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At the November 25, 2013 City Council meeting, we discussed the new pension accounting standards issued by the Governmental Accounting Standards Board (GASB). One of the requirements is that the City must establish funding policies for its Police Pension Fund and Fire Pension Fund. The policies are important because they:

- Lay out a plan for fund pensions
- Provide guidance in making annual budget decisions
- Demonstrate prudent financial management practices
- Reassure bond rating agencies, and
- Show the employees and public how the pensions will be funded.

Please consider the attached Police Pension Funding Policy and the Fire Pension Funding Policy for approval at the next City Council meeting.