

**CITY OF ROCHELLE, ILLINOIS
FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report
For the Year Ended December 31, 2018**

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

1. The total assets of the fund in its custody at the end of the fiscal year and the current market value of those assets:

Total Net Assets (at Market Value)	<u>\$8,495,037</u>
Actuarial Value of Assets (see item 8 for explanation)	<u>\$9,104,647</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>\$96,293</u>
Estimated Receipts - All Other Sources	
Investment Earnings	<u>N/A</u>
Municipal Contributions	<u>\$583,754</u>

3. The estimated amount required during the next succeeding fiscal year to (a) pay all pensions and other obligations provided in Article 4 of the Illinois Pension Code, and (b) to meet the annual requirements of the fund as provided in Sections 4-118 and 4-120 and (c) the increase in employer pension contributions resulting from the implementation of P.A. 93-0689:

(a) Pay all Pensions and Other Obligations	<u>N/A</u>
(b) Annual Requirement of the Fund as Determined by: Illinois Department of Insurance Report	<u>\$467,883</u>
Private Actuary - Report Dated August 1, 2019 (Entry Age Normal - Level Percent)	<u>\$583,754</u>
Private Actuary - Report Dated August 1, 2019 (PA096-1495)	<u>\$463,414</u>
(c) Annual Requirement of the Fund as Determined by: Illinois Department of Insurance	<u>N/A</u>
Private Actuary - Report Dated August 1, 2019	<u>\$29,188</u>

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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 Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Net Income Received from Investment of Assets	-\$250,637	\$870,746
Assumed Investment Return		
Illinois Department of Insurance	6.25%	6.25%
Private Actuary - Report Dated August 1, 2019	6.50%	6.50%
Actual Investment Return	-2.83%	10.74%

5. The total number of active employees who are financially contributing to the fund:

Number of Active Members	<u>13</u>
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6. 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 Disbursed*</u>
(i) Regular Retirement Pension	10	\$623,549
(ii) Disability Pension	1	\$32,594
(iii) Survivors and Child Benefits	0	\$0

* The total amount disbursed during the year was \$737,152.

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7. The funded ratio of the fund:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Illinois Department of Insurance	62.0%	64.0%
Private Actuary - Report Dated August 1, 2019	60.9%	63.4%

8. The unfunded liability carried by the fund, along with an actuarial explanation of the unfunded liability:

Unfunded Liability:	
Illinois Department of Insurance	<u>\$5,662,963</u>
Private Actuary - Report Dated August 1, 2019	<u>\$5,855,525</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. The actuarial value of assets is the asset value derived by using the plan's asset valuation method which is a method designed to smooth random fluctuations in asset values. The objective underlying the use of asset valuation method is to provide for the long-term stability of municipality contributions.

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

Investment Policy - See Attached

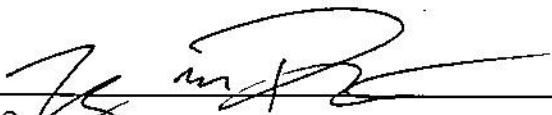
*Illinois Department of Insurance information is based on data as of December 31, 2018 from the August 16, 2019 report.

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CERTIFICATION OF MUNICIPAL FIRE
PENSION PLAN COMPLIANCE REPORT

We, the undersigned Trustees of the City of Rochelle Firefighters' Pension Fund, based upon information and belief, and to the best of our knowledge, certify pursuant to §5/4-134 of the Illinois Pension Code, that the preceding report is true and accurate.



President



Secretary

Dated: 10/22/2019