



## OAK PARK FIREFIGHTERS' PENSION FUND

September 7, 2018

Anan Abu-Taleb, President  
Village of Oak Park  
123 Madison Street  
Oak Park, Illinois 60302-4272

**RE: Tax Levy Request from the Oak Park Firefighters' Pension Fund**

Dear President Abu-Taleb:

Section 4-118 of the Illinois Pension Code provides that the Village of Oak Park shall annually levy a tax to meet the annual actuarial requirements of the Village's firefighters' pension fund (40 ILCS 5/4-118). At its recent meeting, the Board of Trustees of the Oak Park Firefighters' Pension Fund reviewed the actuarial valuation prepared by Todd Schroeder of Lauterbach & Amen for purposes of this year's tax levy. The Pension Board is grateful to the Village for the shared actuarial process this year.

The Pension Board voted to request that the Village levy and contribute at a minimum the recommended actuarial amount of \$5,158,133 for the Fund in December 2018. This amount is based on a calculation based on a policy of 100% funding, using an investment return assumption of 6.75% under the entry age normal actuarial method. Note the following highlights from the actuarial valuation:

- The recommended contribution decreased \$43,564 from the prior year, which is a 0.8% reduction.
- The funded status has improved to 42.25% on the actuarial value of assets, a 2.66% increase.
- Demographic changes accounted for a large portion of the reduction in actuarial liability, as well as contribution recommendation for this year. Several retirees and surviving spouse passed away this year, which resulted in a net decrease in the recommended contribution by approximately \$133,000.
- The return on investments was 13.9%, net of all administrative expenses. When smoothed over a five-year period, the return on the actuarial value of assets was 8%, net of all administrative expenses.
- Last year, the Fund paid out over \$6.5 million in benefits to its retired and beneficiary members.

Thank you for your ongoing commitment to properly funding the Oak Park Firefighters' Pension Fund and to take steps to reduce the unfunded liability through higher employer contributions. The Pension Board looks forward to our continued collaboration on improving the funded status. Enclosed is the Fund's municipal compliance report, along with the Pension Board's investment policy, for your review. If you have any questions regarding the Board's request, please let us know.

Sincerely,

**Oak Park Firefighters' Pension Fund**

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Jake Haag, President

Enclosures – Actuarial valuation prepared by Todd Schroeder, Lauterbach & Amen, Municipal Compliance Report, Fund's Investment Policy