Minutes
Village of Glen Ellyn
Special Workshop Meeting
Monday, October 22, 2018
6:30 PM
Glen Ellyn Civic Center, Room 301

A. Call to Order

Attendee Name	Title	Status
Diane McGinley	Village President	Present
Bill Enright	Village Trustee	Present
Gary Fasules	Village Trustee	Present
John Kenwood	Village Trustee	Late
Pete Ladesic	Village Trustee	Present
Craig R. Pryde	Village Trustee	Present
Mark Senak	Village Trustee	Present
John Chereskin	Village Clerk	Present
Mark Franz	Village Manager	Present
Greg Mathews	Village Attorney	Present
William Holmer	Assistant Village Manager	Present
Christina Coyle	Finance Director	Present
Julius Hansen	Public Works Director	Present
Kurt Vavra	Deputy Chief	Present
Adam Kirk	Intern	Present

B. Pledge of Allegiance

C. Roll Call

D. Audience Participation

None

E. Police Pension Fund (Finance Director Coyle) (Discussion Only)

1. Finance Director Christina Coyle and Actuary Jason Franken from Foster & Foster will present recommendations for the funding model for the Glen Ellyn Police Pension Fund.

Finance Director Coyle presented background on the recommendations for the funding model for the Police Pension Fund. Finance Director Coyle stated the staff would like to recommend a transition from a closed model to the proposed 15 year open amortization model. Finance Director Coyle stated the Finance Commission and the Police Pension have both reviewed this proposed model and do recommend this.

Jason Franken, Actuary with Foster and Foster, Inc., stated the current model is a contribution designed to increase as payroll increases and be 100% contribution-funded by 2040; however, this does not account for fluctuations in the market. Mr. Franken stated the amortization method proposed tells how much unfunded liability the Village has. Mr. Franken stated the payroll growth assumption determines how the unfunded liabilities are paid off. Mr. Franken showed an example grid of a 30 year amortization model as well as a graph of the change in amortization payments.

Mr. Franken stated they are recommending going to a 15 year amortization model where the principal is always being paid down in part, and this is a short enough period where there is no negative amortization in the model. Mr. Franken stated this proposed model is more front-loaded and then goes down over time.

Trustee Kenwood asked if this is based on what percentage of funding. Mr. Franken stated when the payment is calculated, this is a 15 year rolling and based on 100% funded. Mr. Franken stated the contribution will go up, but by a manageable amount. Mr. Franken stated doing a closed model is not sound financially.

Trustee Kenwood stated with the proposed model, the Village will be compliant as well as fiscally responsible and manage the obligation with more control over the long-term.

Trustee Enright asked about possible fluctuations in the market. Mr. Franken stated this is why they do the 15 year model as it is recalculated each year.

Finance Director Coyle stated the current 2019 budget was prepared recommending the Village transition into the 15 year open model by keeping the contribution to the Police Pension Fund flat at $1.959 million. Finance Director Coyle stated under the 2040 model, the contribution for 2019 would be $1.771 million. Finance Director Coyle stated if the Village Board keeps the 2019 contribution flat, they will get toward this at some level.

Finance Commission Chairman Matt Halkyard stated the Finance Commission feels this proposed model makes the most sense as there is a reset that is not dramatic. Finance Commission Chairman Halkyard stated the Finance Commission suggests easing into this proposed model.

Trustee Enright asked about Tier 2 police officers. Mr. Franken stated for the Tier 2 officers, the Village is responsible for 5% of the pay while the officers are responsible for roughly 15% of the pay.

Trustee Senak asked if the Village could buy their own bonds for the pension program. Mr. Franken stated the Village could issue a bond and invest the money; however, the goal is to get 6.5%, but in the long-term, you could earn more than you are paying out on the bond. Mr. Franken stated the pension payment will increase over time if you do not get the 6.5%.

RESULT:	**DISCUSSION ONLY**

F. Bond Updates (Finance Director Coyle) (Discussion Only)

1. Finance Director Coyle will brief the Village Board on the schedule for the upcoming bond issuance.

President McGinley stated due to the time, this topic would be discussed during the Village Board Meeting instead.

RESULT:	**DISCUSSION ONLY**

G. Other Items

H. Adjournment

RESULT:	**APPROVED [6 TO 0]**
MOVER:	John Kenwood, Village Trustee
SECONDER:	Gary Fasules, Village Trustee
AYES:	Enright, Fasules, Kenwood, Ladesic, Pryde, Senak
PRESENT:	McGinley

Respectfully submitted Debbie Solomon, Recording Secretary

Reviewed and approved John A. Chereskin, Village Clerk