

# Village of La Grange



**VILLAGE BOARD MEETING**

**MONDAY, OCTOBER 10, 2011**

**7:30 p.m.**

Village Hall Auditorium

53 S. La Grange Road

La Grange, IL 60525

Elizabeth M. Asperger  
Village President

Thomas Morsch  
Village Clerk

VILLAGE OF LA GRANGE  
BOARD OF TRUSTEES REGULAR MEETING

Village Hall Auditorium  
53 South La Grange Road  
La Grange, IL 60525

AGENDA

Monday, October 10, 2011 – 7:30 p.m.

1. CALL TO ORDER AND ROLL CALL
  - Trustee Holder*
  - Trustee Horvath*
  - Trustee Kuchler*
  - Trustee Langan*
  - Trustee Nowak*
  - Trustee Palermo*
  - President Asperger*
  
2. PRESIDENT'S REPORT
  - This is an opportunity for the Village President to report on matters of interest or concern to the Village.*
  
3. PUBLIC COMMENTS REGARDING AGENDA ITEMS
  - This is the opportunity for members of the audience to speak about matters that are included on this Agenda.*
  
4. OMNIBUS AGENDA AND VOTE
  - Matters on the Omnibus Agenda will be considered by a single motion and vote because they already have been considered fully by the Board at a previous meeting or have been determined to be of a routine nature. Any member of the Board of Trustees may request that an item be moved from the Omnibus Agenda to Current Business for separate consideration.*
  
  - A. Intergovernmental Agreement – Automatic Aid in Responding for Fire Protection Alarms Between the Village of McCook and the Village of La Grange
  
  - B. Materials Purchase – Public Works Department / Fire Hydrants
  
  - C. Equipment Purchase – Public Works Department / Trench Shoring Equipment
  
  - D. Minutes of the Village of La Grange Board of Trustees Regular Meeting Monday, September 26, 2011
  
  - E. Consolidated Voucher 111010
  
5. CURRENT BUSINESS
  - This agenda item includes consideration of matters being presented to the Board of Trustees for action.*

6. MANAGER'S REPORT

*This is an opportunity for the Village Manager to report on behalf of the Village Staff about matters of interest to the Village.*

A. Pension Funding Workshop

7. PUBLIC COMMENTS REGARDING MATTERS NOT ON AGENDA

*This is an opportunity for members of the audience to speak about Village related matters that are not listed on this Agenda.*

8. EXECUTIVE SESSION

*The Board of Trustees may decide, by a roll call vote, to convene in executive session if there are matters to discuss confidentially, in accordance with the Open Meetings Act.*

9. TRUSTEE COMMENTS

*The Board of Trustees may wish to comment on any matters.*

10. ADJOURNMENT

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The Village of La Grange is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations so that they can observe and/or participate in this meeting, or who have questions, regarding the accessibility of the meeting or the Village's facilities, should contact the Village's ADA Coordinator at (708) 579-2315 promptly to allow the Village to make reasonable accommodations for those persons.

**OMNIBUS VOTE**

VILLAGE OF LA GRANGE  
Fire Department

**BOARD REPORT**

TO: Village President, Village Clerk, and  
Board of Trustees and Village Attorney

FROM: Robert J. Pilipiszyn, Village Manager and  
William J. Bryzgalski, Fire Chief

DATE: October 10, 2011

RE: **INTERGOVERNMENTAL AGREEMENT – AUTOMATIC AID IN  
RESPONDING FOR FIRE PROTECTION ALARMS BETWEEN THE  
VILLAGE OF McCOOK AND THE VILLAGE OF LAGRANGE**

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Today in the fire service, sharing of services for major incidents allows fire departments to provide apparatus, manpower and resources to assist each other in a time of an emergency. The two primary forms of resource sharing in the fire service are mutual aid and automatic aid.

The Mutual Aid Box Alarm System (MABAS) is a regional mutual aid system, which has been in existence since late 1960. Pre September 11th, MABAS was heavily rooted throughout northern Illinois. Since September 11th, MABAS has rapidly grown throughout the State of Illinois and Wisconsin, and parts of Indiana, Iowa and Missouri. Day-to-day MABAS extra alarms are systematically designed to provide speed of response of emergency resources to the stricken community during an ongoing emergency. MABAS responses are activated only when a member jurisdiction affirmatively requests such aid.

In contrast, automatic aid agreements are generally between neighboring communities that border each other. An affirmative request is not needed. Through a shared radio frequency, when an incident occurs in one jurisdiction, the adjacent jurisdiction responds automatically to that call with a pre-planned amount of manpower and equipment needed specific to the nature and property involved. The Village of La Grange Fire Department responds automatically to the municipalities of Brookfield, La Grange Park, Western Springs, McCook and Pleasantview. In a reciprocal fashion the municipalities of Brookfield, Pleasantview, Western Springs and McCook respond to the Village of La Grange. If the alarm needs to be elevated to the next level, then that would trigger the MABAS Box Alarm System.

Attached for your consideration is an Intergovernmental Agreement between the Village of McCook and the Village of La Grange for the provision of automatic aid. While we have had an operational understanding by verbal agreements, we now feel it is important to clarify the provisions with a written agreement. Chief Bryzgalski has initiated the process to formalize all of our auto aid agreements beginning with the Village of McCook.

4-A

Intergovernmental Agreement – Automatic Aid in Responding for Fire Protection Alarms  
Between The Village of McCook and the Village of La Grange  
Board Report – October 10, 2011 – Page 2

The principal reasons to adopt such an agreement are to clarify the span of authority of the “stricken unit”, rights of the “aiding unit”, and assignment of liability. Lesser, but still important provisions include that automatic aid will be provided at no charge and that any expenses recoverable from third parties shall be equitably distributed between the Member Units.

The level of participation on the part of any member is at the discretion of the Fire Chief, or designee and is strictly on a voluntary basis. If we would desire to terminate this agreement in the future, a 90 calendar day written notice is required.

The agreement has been reviewed by the Village Attorney.

It is our recommendation that the agreement be approved.

4-A-1

**INTERGOVERNMENTAL AGREEMENT BETWEEN THE VILLAGE OF  
McCOOK AND THE VILLAGE OF LA GRANGE PROVIDING FOR  
AUTOMATIC AID IN RESPONDING TO FIRE PROTECTION ALARMS**

This Intergovernmental Agreement (“Agreement”) made and entered into the date set forth next to the signature of the respective parties, by and between the Village of McCook, an Illinois municipal corporation, Cook County, Illinois (hereinafter referred to as “McCook”), and the Village of La Grange, an Illinois municipal corporation, Cook County, Illinois (hereinafter referred to as “La Grange”), having approved this Agreement and adopted the same as provided by law.

**WHEREAS**, Article VII, Section 10 of the Constitution of the State of Illinois, 1970, authorizes units of local government to contract or otherwise associate among themselves in any manner not prohibited by law or ordinance; and

**WHEREAS**, the *Intergovernmental Cooperation Act*, 5 ILCS 220/1 *et seq.*, provides that any power or powers, privileges or authority exercised or which may be exercised by a unit of local government may be exercised and enjoyed jointly with any other unit of local government; and

**WHEREAS**, Section 5 of the *Intergovernmental Cooperation Act*, 5 ILCS 220/5, provides that any one or more public agencies may contract with any one or more public agencies to perform any governmental service, activity or undertaking which any of the public agencies entering into the contract is authorized by law to perform, provided that such contract shall be authorized by the governing body of each party to the contract; and

**WHEREAS**, the parties hereto have determined that it is in their best interests to enter into this Agreement to secure to each the benefits of automatic aid in fire protection, firefighting and the protection of life and property from an emergency or disaster; and

**WHEREAS**, the parties hereto have determined that it is in their best interests to form an association to provide for communications procedures, training and other necessary functions to further the provision of said protection of life and property from an emergency or disaster.

**NOW, THEREFORE**, in consideration of the foregoing recitals, McCook and La Grange agree as follows:

**SECTION ONE**  
**Purpose**

It is recognized and acknowledged that in certain situations, such as, but not limited to, emergencies, natural disasters and man-made catastrophes, the use of an individual Member Unit's personnel and equipment to perform functions outside the territorial limits of the Member Unit is desirable and necessary to preserve and protect the health, safety and welfare of the public. It is further expressly acknowledged that in certain situations, such as the aforementioned, the use of other Member Unit's personnel and equipment to perform functions within the territorial limits of a Member Unit is desirable and necessary to preserve and protect the health, safety and welfare of the public. Further, it is acknowledged that coordination of mutual aid through this Agreement is desirable for the effective and efficient provision of automatic aid.

**SECTION TWO**  
**Definitions**

For the purpose of this Agreement, the following terms as used in this Agreement shall be defined as follows:

- A. "Member Units": McCook and La Grange;
- B. "Stricken Unit": A Member Unit which requests aid in the event of an emergency;
- C. "Aiding Unit": A Member Unit furnishing equipment, personnel, and/or services to a Stricken Unit;
- D. "Emergency": An occurrence or condition in a Member Unit's territorial jurisdiction which results in a situation of such magnitude and/or consequence that it cannot be

adequately handled by the Stricken Unit and such that a Member Unit determines the necessity and advisability of requesting aid;

**SECTION THREE**  
**Authority and Action to Effect Automatic Aid**

- A. The following Automatic Aid Agreement shall apply to fire calls in McCook and La Grange, subject to discretion allowed of each Member Unit's respective Fire Chief, or his designee, as set forth in Paragraph B of this Section and Section Eight of this Agreement:
1. In the event La Grange is a stricken unit, McCook, as Aiding Unit, shall send an engine (pumper) to fire calls in La Grange, located South of 47<sup>th</sup> Street, between East Avenue and Willow Springs Road.
  2. In the event McCook is a stricken unit, La Grange, as Aiding Unit, shall send an engine (pumper) to fire calls in McCook.
- B. The Member Units hereby authorize and direct their respective Fire Chief, or his designee, to take necessary and proper action to render and/or request automatic aid from the other Member Units in accordance with the policies and procedures established and maintained by the parties of this Agreement. The aid rendered shall be to the extent of available personnel and equipment not required for adequate protection of the territorial limits of the Aiding Unit. The judgment of the Fire Chief, or his designee, of the Aiding Unit shall be final as to the personnel and equipment available to render aid.
- C. Whenever an emergency occurs and conditions are such that the Fire Chief, or his designee, of the Stricken Unit determines it advisable to request aid pursuant to this Agreement he shall notify the Aiding Unit of the nature and location of the emergency and the type and amount of equipment and personnel and/or services requested from the Aiding Unit.
- D. The Fire Chief, or his designee, of the Aiding Unit shall take the following action immediately upon being requested for aid:
1. Determine what equipment, personnel and/or services is requested according to this Agreement;
  2. Determine if the requested equipment, personnel, and/or services can be committed in response to the request from the Stricken Unit;
  3. Dispatch immediately the requested equipment, personnel and/or services, to the extent available, to the location of the emergency reported by the

Stricken Unit in accordance with the procedures of the parties of this Agreement;

4. Notify the Stricken Unit if any or all of the requested equipment, personnel and/or services cannot be provided.

#### **SECTION FOUR** **Jurisdiction over Personnel and Equipment**

Personnel of the Aiding Unit dispatched to aid the Stricken Unit shall remain employees of the Aiding Unit. Personnel rendering aid shall report for direction and assignment at the scene of the emergency to the Fire Chief or Senior Officer of the Stricken Unit. The Aiding Unit shall at all times have the right to withdraw any and all aid upon the order of its Fire Chief or his designee; provided, however, that the Aiding Unit shall notify the Fire Chief or Senior Officer of the Stricken Unit of the withdrawal of such aid and the extent of such withdrawal.

#### **SECTION FIVE** **Compensation for Aid**

Equipment, personnel, and/or services provided by the Aiding Unit shall be at no charge to the Stricken Unit; however, any expenses recoverable from third parties shall be equitably distributed between the Member Units . Nothing herein shall operate to bar any recovery of funds from any state or federal agency under any existing statutes.

#### **SECTION SIX** **Insurance**

Each party hereto shall maintain liability insurance coverage through its self-insured pool of municipalities or liability insurance company, licensed by the State of Illinois.

#### **SECTION SEVEN** **Indemnification**

Each party hereto agrees to waive any and all claims, costs, causes, actions, and expenses, including, but not limited to, attorney's fees, against the other party hereto for any loss, damage, personal injury or death occurring in consequence of the performance or non-

performance of this Agreement; provided, however, that such claim is not a result of negligence or misconduct by the other party.

Each party requesting aid pursuant to this Agreement hereby expressly agrees to hold harmless, indemnify and defend the party rendering aid and its personnel from any and all claims, demands, liability, losses, suits in law or in equity which are made by a third party, unless such claims made by a third party are based on the gross negligence or willful misconduct on the part of the party rendering aid. This indemnity shall include, but is not limited to, attorney's fees and costs that may arise from providing aid pursuant to this Agreement. All employee benefits, wage and disability payments, pensions, worker's compensation claims, damage to or destruction of equipment and clothing, and medical expenses of the party rendering aid shall be the sole and exclusive responsibility of the respective party for its employees.

**SECTION EIGHT**  
**Non-Liability for Failure to Render Aid**

The rendering of assistance under the terms of this Agreement shall not be mandatory if local conditions of the Aiding Unit prohibit response. It is the responsibility of the Aiding Unit to immediately notify the Stricken Unit of the Aiding Unit's inability to respond; however, failure to immediately notify the Stricken Unit of such inability to respond shall not constitute evidence of noncompliance with the terms of this section and no liability may be assigned.

No liability of any kind or nature shall be attributed to or be assumed, whether expressly or implied, by a party hereto, its duly authorized agents and personnel, for failure or refusal to render aid. Nor shall there be any liability of a party for withdrawal of aid once provided pursuant to the terms of this Agreement.

## **SECTION NINE**

### **Term**

This Agreement shall be in effect for a term of one year from the date of signature hereof and shall automatically renew for successive one year terms unless terminated in accordance with this Section.

Any party hereto may terminate its participation in this Agreement at any time, provided that the party wishing to terminate its participation in this Agreement shall give written notice to the other Member Units of this Agreement through the Office of the Fire Chief of each Member Unit specifying the date of termination, such notice to be given at least 90 calendar days prior to the specified date of termination of participation. The written notice provided herein shall be given by personal delivery, registered mail or certified mail.

## **SECTION TEN**

### **Effectiveness**

This Agreement shall be in full force and effect upon approval by the parties hereto in the manner provided by law and upon proper execution hereof.

## **SECTION ELEVEN**

### **Binding Effect**

This Agreement shall be binding upon and inure to the benefit of any successor entity which may assume the obligations of any party hereto. Provided, however, that this Agreement may not be assigned by a Member Unit without prior written consent of the other Member Unit.

## **SECTION TWELVE**

### **Validity**

The invalidity of any provision of this Agreement shall not render invalid any other provision. If, for any reason, any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, that provision shall be deemed severable and this Agreement may be enforced with that provision severed or modified by court order.

**SECTION THIRTEEN**  
**Notices**

All notices hereunder shall be in writing and shall be served personally, by registered mail, or by certified mail to the parties at such addresses as may be designated from time to time by the parties of this Agreement or, to other such addresses as shall be agreed upon.

**SECTION FOURTEEN**  
**Governing Law**

This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of Illinois.

**SECTION FIFTEEN**  
**Execution in Counterparts**

This Agreement may be executed in multiple counterparts or duplicate originals, each of which shall constitute and be deemed as one and the same document.

**SECTION SIXTEEN**  
**Amendments**

This Agreement may only be amended by written consent of all the parties hereto.

IN WITNESS WHEREOF, the parties have adopted, and subscribe to, and approve this Agreement.

**VILLAGE OF McCOOK**  
5000 Glencoe Avenue  
McCook, IL 60525

**VILLAGE OF LA GRANGE**  
53 South La Grange Avenue  
La Grange, IL 60525

By: \_\_\_\_\_  
Its: Village President or Mayor

By: \_\_\_\_\_  
Its: Village President or Mayor

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**ATTEST:**

**ATTEST:**

By: \_\_\_\_\_  
Its: Village Clerk

By: \_\_\_\_\_  
Its: Village Clerk

VILLAGE OF LA GRANGE  
Department of Public Works

**BOARD REPORT**

TO: Village President, Village Clerk, Board of Trustees, and Village Attorney

FROM: Robert J. Pilipiszyn, Village Manager  
Ryan Gillingham, Director of Public Works

DATE: October 10, 2011

RE: **MATERIALS PURCHASE – PUBLIC WORKS DEPARTMENT / FIRE  
HYDRANTS**

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The Public Works Department is responsible for the maintenance of the Village's potable water infrastructure, which includes repairing fire hydrants that have been damaged as the result of a vehicle accident or become inoperable due to age. From the leak survey that was completed this past summer, fifteen hydrants were found to have minor leaks. In some cases the leaks are repaired by replacing internal parts such as rubber seals. However, nine of the hydrants from this list require complete replacement due to broken parts.

Hydrant replacement requires the excavation, removal and replacement of the hydrant and auxiliary valve. Generally, repairs take approximately 1-2 days to perform per hydrant. In some cases, water service to adjacent properties may be temporarily disrupted while the new hydrant and valves are installed. Water customers are notified in advance if a service disruption is necessary. These service disruptions usually do not last more than a couple of hours.

The Public Works Department also maintains an inventory of replacement hydrants for emergencies. The FY 2011-12 Village budget provides funds for the replacement of hydrants, valves and other accessories in the Water Fund. Sufficient funds exist within this fund for the proposed purchase of the hydrants, valves and related accessories.

In order to make the necessary repairs and replenish our inventory, staff requests to purchase a total of ten hydrants. For standardization purposes, the Village utilizes a standard hydrant throughout the Village made by Mueller, Inc. This standardized hydrant is supplied by multiple companies. Therefore, staff solicited competitive quotes from three area suppliers for this standard hydrant with the following results:

Supplier	Quote
Ziebell	\$25,773.00
HD Supply Waterworks	\$26,724.00
Water Products	\$27,531.70

Ziebell provided the low quote in the amount of \$25,773 for ten hydrants, valves and related accessories. We anticipate delivery of these hydrants within four to five weeks from ordering. Based on our past positive experience with this supplier, we recommend that the Village Board waive the formal bidding process and authorize staff to purchase the hydrants from Ziebell in the amount of \$25,773.

VILLAGE OF LA GRANGE  
Department of Public Works

**BOARD REPORT**

TO: Village President, Village Clerk  
Board of Trustees, and Village Attorney

FROM: Robert Pilipiszyn, Village Manager  
Ryan Gillingham, Director of Public Works

DATE: October 10, 2011

RE: **EQUIPMENT PURCHASE – PUBLIC WORKS DEPARTMENT/  
TRENCH SHORING EQUIPMENT**

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The FY 2011-12 Village budget provides for the purchase of trench shoring equipment in the amount of \$15,000. The Department of Public Works utilizes trench shoring equipment to protect employees from trench collapses when excavating for water and sewer main repairs. The Occupational Safety and Health Administration (OSHA) require shoring where excavations are up to four feet deep or greater. The Village's existing trench shoring equipment provides protection to a depth of six feet. In many locations the Village's water and sewer mains exceed this depth and additional shoring is required when making repairs.

Based on these requirements, staff solicited competitive quotes from vendors for trench shoring equipment that can be used when performing excavations to a depth of twelve feet. This twelve foot depth represents the maximum excavation depth that can be excavated with the Village's backhoe. If excavations exceed this depth, a contractor is hired since a larger backhoe is required.

The following table reflects the quotes received:

VENDOR	QUOTE
Lee Jensen Sales Company, Inc.	\$13,790.00
United Rentals	\$13,940.00
MMJ Consulting / Allen Trench Safety	\$14,442.00

As noted in the table above Lee Jensen Sales Company, Inc. submitted the low quote in the amount of \$13,790.00. Village staff has inspected the proposed equipment proposed by Lee Jensen Sales Company, Inc. and finds that it meets the Village's specifications.

Equipment Purchase -- Trench Shoring Equipment  
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Staff recommends that the Village Board waive the formal bidding process and authorize the purchase of trench shoring equipment from Lee Jensen Sales in the amount of \$13,790.00.

4.C.1

MINUTES

VILLAGE OF LA GRANGE  
BOARD OF TRUSTEES REGULAR MEETING  
Village Hall Auditorium  
53 South La Grange Road  
La Grange, IL 60525

Monday, September 26, 2011 - 7:30 p.m.

1. CALL TO ORDER AND ROLL CALL

The Board of Trustees of the Village of La Grange regular meeting was called to order at 7:30 p.m. by Village Clerk Thomas Morsch. On roll call, as read by Village Clerk Thomas Morsch, the following were present:

PRESENT: Trustees Holder, Horvath, Kuchler, Langan (arrived at 7:40 p.m.), Nowak, and Palermo with President Asperger presiding.

ABSENT: None.

OTHERS: Village Manager Robert Pilipiszyn  
Assistant Village Manager Andrianna Peterson  
Village Attorney Mark Burkland  
Community Development Director Patrick Benjamin  
Finance Director Lou Cipparrone  
Assistant Finance Director, Joe Munizza  
Public Works Director Ryan Gillingham  
Fire Chief Bill Bryzgalski  
Police Chief Mike Holub

2. PRESIDENT'S REPORT

President Asperger noted several events which included the West End Art Festival, Race Unity Day, the upcoming La Grange Fire Department Prevention Open House and the annual La Grange Halloween Walk.

A. Appointment — Firemen's Pension Board

President Asperger announced that a vacancy has occurred on the Firemen's Pension Board. President Asperger requested approval to appoint Mr. Colin Robertson as a member of the Firemen's Pension Board. Trustee Holder moved to approve the appointment, seconded by Trustee Nowak. The motion carried by voice vote.

3. PUBLIC COMMENTS REGARDING AGENDA ITEMS

None

4. OMNIBUS AGENDA AND VOTE

A. Agreement – Commuter Facility Improvement Grant Agreement – Stone Avenue Train Station

Agreement – Operation, Maintenance and Sublease of the Stone Avenue Commuter facility

Agreement – Architectural Professional Design Services – Legat Architects

B. Ordinance – Design Review Permit (DRP) #82, 19 South La Grange Road, Randy & Kathleen Valenta

C. Ordinance – Design Review Permit (DRP) #83, 26 East Burlington, Ammar Moosabhoy (Impact Architectural Signs)

D. Resolution – Illinois Municipal Retirement Fund Earnings

E. Ordinance – Disposal of Surplus Property

F. Minutes of the Village of La Grange Board of Trustees Regular Meeting Monday, September 12, 2011

G. Consolidated Voucher 110926

Trustee Horvath requested item 4-A be removed from the Omnibus Agenda and placed under Current Business for further discussion.

It was moved by Trustee Holder to approve items B, C, D, E, F and G of the Omnibus, seconded by Trustee Horvath. Approved by roll call vote.

Ayes: Trustee Holder, Horvath, Kuchler, Langan, Nowak, Palermo and President Asperger

Nays: None.

Absent: None.

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5. CURRENT BUSINESS

4-A. Agreement – Commuter Facility Improvement Grant Agreement – Stone Avenue Train Station

Agreement – Operation, Maintenance and Sublease of the Stone Avenue Commuter facility

Agreement – Architectural Professional Design Services – Legat Architects (Agreements removed from Omnibus for further discussion.)

After a brief discussion, it was determined that Trustee Horvath only had concerns with the Architectural Professional Design Services Agreement with Legat Architects.

It was moved by Trustee Horvath to approve the first two Agreements under 4-A that being the Commuter Facility Improvement Grant Agreement for Stone Avenue Station and the Operation, Maintenance and Sublease Agreement for the Stone Avenue Commuter facility; seconded by Trustee Holder. Approved by roll call vote.

Trustee Horvath relayed his concerns over the 2007 pricing for project management and construction oversight services and fees for Phase 2 and Phase 3 of the Stone Avenue train station renovation project.

It was moved by Trustee Horvath to table approval of the Architectural Professional Design Services Agreement with Legat Architects; seconded by Trustee Palermo.

Trustee Horvath commented that Legat's proposed fee cap of 9.5% (maximum of \$93,508) for Phase 2 and Phase 3 services seemed high in today's market and suggested that the Village should request bids from other architectural firms to be sure that the Village receives the most competitive price for the work.

Village Manager Robert Pilipiszyn cited four reasons why this course of action is not recommended by staff: 1) State law requires that architectural and engineering services must be evaluated based on knowledge and experience, not pricing; 2) Legat has performed satisfactorily under the Phase 1 contract; 3) initiating a new RFP process will add additional time to commencement of the project; and 4) Legat will only be paid for actual time spent and fees are capped.

Assistant Village Manager Andri Peterson introduced Mr. Marc Rohde of Legat Architects who is in attendance to address concerns regarding the agreement. Mr. Rohde went on to say that the Stone Avenue Train Station Renovation Project is a very time-consuming project because of its historical nature and the coordination of efforts with Metra. Mr. Rohde explained that his firm specializes in working

with municipalities in building and renovation of train stations. In his company's experience, it is common to charge by the hour with a not to exceed limitation which is how their agreements with Metra usually work.

Discussion ensued among the Village Board regarding the pros and cons of conducting a new Request for Proposal (RFP) process for architectural and engineering services and the benefits of moving forward with Legat's proposal.

Village Attorney Mark Burkland pointed out to the Village Board that Illinois law requires municipalities to base their selection for architectural services on criteria not pricing or fee information. The law dictates that municipalities cannot ask firms to provide a cost proposal until 3 firms are interviewed on the basis of expertise and experience, selection of a firm and then rejection of proposal if the parties cannot negotiate an appropriate fee. Federal Standards may also apply.

Further discussion among the Village Board continued regarding how long does the RFP process takes, how much does it cost the Village and is it in the best interest of the Village. Also discussed were Legat's services and pricing.

Trustee Horvath stated that the agreement is not clear regarding the not to exceed limit of 9.5% proposed fee cap (maximum of \$93,508). Mr. Rohde agreed to amend the agreement to clarify the not to exceed proposed fee cap.

Trustee Kuchler thanked Trustee Horvath for bringing up the various issues discussed as it brought clarity to the matter at hand.

President Asperger noted it had been moved and seconded to table the Architectural Professional Design Services Agreement with Legat Architects for Phase 2 and Phase 3 of the Stone Avenue Train Station Renovation Project. Motion to table the agreement fails by a 2 to 4 vote.

Ayes: Trustees Palermo and Horvath  
Nays: Trustees Nowak, Kuchler, Langan and Holder  
Absent: None

It was moved by Trustee Langan to approve the Architectural Professional Design Services Agreement as described with the hourly billing net not to exceed 9.5% with Legat Architects for Phase 2 and Phase 3 of the Stone Avenue Train Station Renovation Project; seconded by Trustee Nowak. Motion approved by a 4 to 2 vote.

Ayes: Trustees Nowak, Kuchler, Langan, Holder  
Nays: Trustees Palermo and Horvath  
Absent: None.

President Asperger thanked Mr. Rhode of Legat Architects for his input into tonight's discussion and echoed Trustee Kuchler's sentiment of appreciation to Trustee Horvath for clarifying various issues associated with this matter.

A. Presentation — FY 2010-11 Comprehensive Annual Financial Reports: Referred to Trustee Nowak

Trustee Nowak stated that the Comprehensive Annual Financial Report (CAFR) of the Village of La Grange for Fiscal Year May 1, 2010 — April 30, 2011 as prepared by the Finance Department has been reviewed by the auditors Sikich L.L.P. Copies of the audit report were previously sent to the Board under separate cover and are available for public inspection at the La Grange Public Library, in the Village Clerk's office, in the Finance Department as well as posted on the Village's website.

Trustee Nowak noted two operational efficiency comments:

- a) The Village's ratio of water billed as compared to water pumped decreased from 75.8 percent last year to 73.1 percent this fiscal year. Noting that the Village has previously identified this area of concern, Trustee Nowak added that this decrease in accuracy has a direct, negative impact of the Village's water accountability as water that passes through an inaccurate meter is not accounted for and billed to the user. The FY 2011-12 budget includes the replacement of all water meters throughout the Village and will be determined pending final staff analysis and Village Board direction. Trustee Nowak noted that the Village also continues to schedule annual leak studies to improve water accountability.
- b) Uninsured and uncollateralized deposits of \$11,250 relating to the Police Department's federal Drug Enforcement/Forfeiture Funds. Trustee Nowak noted that over the past several years the Village has received significant funding from the Police Department's involvement in local and regional drug investigations. These funds are restricted and must be utilized for expenditures directly related to drug enforcement activities. During the course of FY 2010-11 these funds accumulated in excess of the \$250,000 limit of FDIC insurance on interest bearing accounts. Trustee Nowak added that in order to extend the availability of these funds the FY 2011-12 budget includes the exclusive use of these funds to support D.A.R.E. and the Canine Unit.

Trustee Nowak requested Mr. Dan Berg, a partner with Sikich L.L.P. to give a brief overview of the audit report.

Mr. Berg stated that Sikich L.L.P. has rendered an unqualified or "clean" opinion stating that Village financial statements for the year ended April 30, 2011 are prepared and presented in conformity with generally accepted accounting

4-D.4

principles. Mr. Berg specifically noted attention to the management letter which identifies upcoming accounting pronouncements which need to be implemented in subsequent Comprehensive Annual Financial Reports. Mr. Berg expressed his availability to answer any questions about the process or the audit.

President Asperger indicated that no Village Board action is necessary and accepted the report. Staff was given a direction to submit the Comprehensive Annual Financial Report to the Government Finance Officers' Association for consideration of the Certificate of Achievement for Excellence in Financial Reporting. President Asperger noted the Village has received this prestigious award for fifteen consecutive years and expressed her gratitude to Finance Director Lou Cipparrone and Assistant Finance Director Joe Munizza for their excellent financial management.

To Trustee Palermo's question regarding GASB public pension accounting rules, President Asperger indicated that questions regarding pension funds will be discussed at the Pension Workshop scheduled later this month.

- B. Presentation — West Suburban Cook County Police and Fire Department Services Sharing study, Between the Villages of La Grange , La Grange Park, and Western Springs, in Conjunction with the Metropolitan Mayors Caucus Service Delivery Initiative: Referred to President Asperger.

President Asperger introduced Mr. William Balling of WRB, LLC, who conducted the consolidation study as part of a regional effort sponsored by the Metropolitan Mayors Caucus and was funded, in part, by a grant from the John D. and Catherine T. MacArthur Foundation.

Mr. Balling gave an overview of the purpose of the study indicating that the study was to determine the degree of compatibility between the study members, identify opportunities to share public safety services, and to provide recommendations as to how those opportunities could be achieved.

Mr. Balling summarized his findings and recommendations noting that a combined dispatch arrangement appears to be the most compatible and readily achievable shared service and was available to answers any questions from Village Board members.

Village Board members were supportive of combined dispatch services as long as the quality of services to residents was maintained.

Trustee Nowak commented that he read the study with pride that the Village of La Grange has been doing a good job of providing services to its residents on a lean budget.

President Asperger explained next steps and the coordination of future actions with participating study members La Grange Park and Western Springs.

6. MANAGER'S REPORT

A. Status Report — Review of the Village's Operations Plan

Village Manager Robert Pilipiszyn provided a progress summary of what has transpired since the last Operations Plan update in May 2011. As discussed, staff has developed a "short list" of the 12 most active and Board-identified, higher-order priorities along with a "dashboard-type" of worksheet which includes a color-coded status bar allowing staff to visually communicate to the Village Board that: (i) we are either on task; or (ii) there are either some emerging issues, or a here-and-now impediment that the Village Board should discuss as to what action, should be taken.

Mr. Pilipiszyn provided information on accomplishments in the 12 priorities of economic development, zoning code update, YMCA property, pension funding, Stone Avenue train station, sewer system/capital planning and capital improvements, technology, traffic management and pedestrian safety, West End Business District, Village Hall and Department of Public Works Energy Efficiency Project, Village Finance and Consolidation. Mr. Pilipiszyn also noted that a discussion regarding the status of these priorities will take place in one month at the Village Board planning session.

Mr. Pilipiszyn added that the Operations Plan and updates are posted on the Village's website.

7. PUBLIC COMMENTS REGARDING MATTERS NOT ON AGENDA

James Bergschneider, 920 S. Spring Avenue presented the Village Board with a copy of his request to revisit parking on the east side of Spring Avenue between 53<sup>rd</sup> and 54<sup>th</sup> Street as stated in the ordinance passed by the Village Board on June 11, 2001. Mr. Bergschneider stated that sidewalks currently exist on both sides of Spring Avenue and no longer poses a safety concern for pedestrians. Mr. Bergschneider argued that it is only fair that parking on the east side of Spring Avenue reflect the same restrictions as posted on the surrounding area streets.

President Asperger suggested that Mr. Bergschneider comply with the Village's policy requiring the consensus of the residents in the neighborhood and submit the request to the Village Board for further consideration.

4-D.6

8. EXECUTIVE SESSION

None

9. TRUSTEE COMMENTS

None.

10. ADJOURNMENT

At 10:05 p.m. it was moved by Trustee Langan to adjourn, seconded by Trustee Holder.  
Motion approved by voice vote.

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Elizabeth M. Asperger, Village President

ATTEST:

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Thomas Morsch, Village Clerk

Approved Date:

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4-D.7

**VILLAGE OF LA GRANGE**

Disbursement Approval by Fund

October 10, 2011

Consolidated Voucher 111010

<u>Fund No.</u>	<u>Fund Name</u>	<u>10/10/11 Voucher</u>	<u>09/30/11 Payroll</u>	<u>Total</u>
01	General	162,144.69	266,478.06	428,622.75
21	Motor Fuel Tax			0.00
22	Foreign Fire Insurance Tax			0.00
24	ETSB	2,465.46		2,465.46
40	Capital Projects	667,241.64		667,241.64
50	Water	152,954.77	38,244.73	191,199.50
51	Parking	7,113.12	23,664.83	30,777.95
60	Equipment Replacement			0.00
70	Police Pension			0.00
75	Firefighters' Pension			0.00
80	Sewer	1,374.83	9,805.42	11,180.25
90	Debt Service			0.00
91	SSA 4A Debt Service			0.00
93	SAA 269			0.00
94	SAA 270			0.00
		<u>993,294.51</u>	<u>338,193.04</u>	<u>1,331,487.55</u>

We the undersigned Manager and Clerk of the Village of La Grange hereby certify that, to the best of our knowledge and belief, the foregoing items are true and proper charges against the Village and hereby approve their payment.

\_\_\_\_\_  
Village Manager

\_\_\_\_\_  
Village Clerk

\_\_\_\_\_  
President

\_\_\_\_\_  
Trustee

\_\_\_\_\_  
Trustee

\_\_\_\_\_  
Trustee

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Trustee

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Trustee

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Trustee

4-E

**MANAGER'S REPORT**

VILLAGE OF LA GRANGE  
Administrative Offices

**BOARD REPORT**

TO: Village President, Village Clerk,  
Village Board of Trustees and Village Attorney

FROM: Robert J. Pilipiszyn, Village Manager  
Lou Cipparrone, Finance Director

DATE: October 10, 2011

RE: **PENSION WORKSHOP**

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**OVERVIEW**

In follow up to previous workshop discussions concerning the funding status of the Village's two municipal pension funds (Police and Fire), we have scheduled a fourth Village Board workshop on this issue to be held during the regular scheduled meeting on Monday, October 10, 2011. The independent actuary engaged by both of our pension funds, Tim Sharpe, EA, MAAA, will briefly discuss pension reform legislation and present the preliminary actuarial valuations and property tax levies based upon the new legislative requirements.

Village staff is seeking input and consensus direction from the Village Board as to an amount that the Village should contribute towards the individual 2011 police and fire pension fund tax levy line items within the Village's overall 2011 property tax levy, based upon the new legislative requirements. The overall property tax levy is scheduled to be reviewed on November 14, 2011 and formally adopted on December 12, 2011.

**ROLES AND RESPONSIBILITIES**

State statutes require that municipalities levy a tax in a sum sufficient to meet the annual actuarial requirements of a pension fund and that the calculations of the tax levy (annual employer contribution) be based upon an actuarial valuation as prepared by the state, or engagement of an independent actuary by the pension fund or municipality. As the state valuations result in increased employer contributions, due to varying actuarial assumptions, it has been a long standing practice by both the La Grange Police Pension Board and Fire Pension Board to hire an independent actuary and establish the various assumptions to be used in the actuarial valuations. The actuary typically presents the valuation results to the pension boards at their quarterly meetings in October. If approved, the pension boards then submit the annual tax levy request to the Village Board for consideration.

Prior to pension reform, the traditional role of the Village Board in the pension fund tax levy process was generally limited to two functions. First, the Village Board as the governing body had the authority to approve (or not approve) a tax levy for the pension funds, (as it is the opinion of the Village Attorney, that the only requirement under the prior statutes was for the Village to be fully or 100% funded by

2033). Second the Village Board had the authority to set an amount for the pension fund levies. The Village Board has previously accepted and approved the tax levy requests as calculated and recommended by the pension fund actuary, in order to remain committed to annually fund required contributions to reach the required funding level within the statutory timeframe.

The Village of La Grange has and continues to enjoy many years of cooperation with its two pension boards. In other communities where municipal and pension board relations are less than harmonious, the governing bodies have simply set a pension levy amount of their own, choosing typically what they could afford, or hired their own independent actuary. In general, neither approach serves the taxpayer.

As a result of a few but egregious circumstances, the roles and responsibilities for both boards was further clarified by the pension reform legislation which allows pension boards to seek, with an expectation to receive, judicial relief when the governing bodies are unable to or fail to fund the new required minimum annual contribution.

Consequently, it is important to recognize that our pension funding discussions regarding actuarial assumptions are advisory (rather than directive) to our pension boards and their actuary. Absent the hiring of its own pension actuary, the Village Board's role is to set and authorize tax policy on this subject matter while the pension boards work with an actuary to set assumptions and determine a levy request.

#### PENSION REFORM LEGISLATION

As mentioned at the budget workshop held on March 12, 2011, the Governor signed pension reform bill (PA 096-1495) late last year, which includes: 1) funding changes for police and fire pension funds; 2) creates a second tier of benefits for new hires effective January 1, 2011; and 3) expands the investment authority of pension funds. The focus of this workshop is the funding changes which impact the actuarial valuations and calculation of the annual required employer contribution (tax levies) to the police and fire pension funds. Significant funding changes effecting the 2011 actuarial valuations include:

- A 30 year closed amortization period ending in 2040 (previously 40 years ending in 2033)
- A funding target level of 90% (previously 100%)
- Change in the actuarial cost method to Projected Unit Credit (previously Entry Age Normal)

In addition, beginning with next year's actuarial valuation, state statutes also require pension funds to utilize the 5-year smoothed market method of recognizing gains and losses rather than the current option of using the straight market method or smoothed market method.

Pursuant to the pension reform legislation, actuaries are required to calculate a "floor" for employer contributions, utilizing the Projected Unit Credit actuarial (PUC) cost method, a 30-year closed amortization period ending in 2040 and a funding target of 90%.

The calculation of the “floor” is important as the pension reform legislation also includes a provision for pension funds to request that state-shared revenues be diverted to the pension funds if a municipality fails to transmit the required contribution (“floor”). The statute includes a three year phase-in provision with 1/3 of state-shared revenues diverted in 2016, 2/3 in 2017, and the full difference in the contribution beginning in 2018.

If the Village were to fund based upon the actuarial “floor” calculation, the resulting combined property tax levy for the police and fire pension funds is \$1,242,798, which is a decrease of approximately \$342,000 or 21.6% from last year’s levies, and a decrease of approximately \$412,000 or 24.9% from the budgeted FY 2012-13 pension levies. The reason for the year to year decrease and the levy being significantly under budget is the resulting impact of pension reform legislation.

Although the PUC method and 90% funding are required by statute to determine the floor, actual funding can occur utilizing either actuarial cost method (PUC vs. EAN) or funding percentage (100% vs. 90%). Consequently, each year the actuary will provide two calculations; one determining the floor using the PUC method and 90% funding, and a second to determine the annual required contribution using the recommended EAN method and 100% funding.

An actuarial cost method is designed to fund a member's total plan benefit over the course of his or her career. The ultimate cost stays the same under either method. We conferred with Mr. Sharpe for guidance on this legislative change. Mr. Sharpe supports the Entry Age Normal (EAN) method as it is designed to produce stable employer contributions in amounts that increase at the same rate as the employer’s payroll, while the PUC method has lower costs early on with increasing costs in later years.

The required change to the PUC actuarial method from the EAN method may have been an unintended consequence of drafting the downstate pension reform legislation based on the state teachers’ retirement system language, which requires use of the PUC method. However, the required use of the PUC method to determine the floor may have a limited life expectancy as new language reverting back to the EAN method may be introduced in the fall veto session. In addition, according to our auditors a new Governmental Accounting Standards Board (GASB) preliminary statement is being finalized which requires the use of the EAN method, effective in 2014.

Full or 100 percent funding of pension liabilities has been a long standing priority for the Village of La Grange. Full funding of a pension plan requires that the assets of the plan equal the benefits earned by and promised to active and retired members. When plan assets are less than promised benefits, the plan is less than 100 percent funded and has an unfunded actuarial accrued liability (UAAL). We also conferred with Mr. Sharpe for his guidance on this legislative issue. Mr. Sharpe supports funding at 100% rather than funding at the target level of 90% as permitted by pension reform for the following reasons: 1) achieves lower employer contribution rates in the long term, preventing potential future tax increase, 2) provides intergenerational equity among taxpayers, 3) enhances investment performance, 4) complies with generally accepted accounting principles, and 5) provides additional assurance that benefits will be paid when due.

## ACTUARIAL VALUATIONS

Attached for your review is a summary of the 2011 preliminary actuarial valuation results for the police and fire pension funds (Exhibit 1), including investment performance, participant experience, funded status and tax levy requirements (floor and recommended). Also attached for your review are the complete actuarial valuations (Exhibit 2). The complete actuarial valuations include various funding options utilizing a 7.5% interest rate assumption, and a second set of funding options utilizing a 7.0% interest rate assumption. Please note, the second set of funding options were requested pursuant to previous Village Board and pension board discussions, so that both boards could equally consider a decrease in the interest rate assumption from 7.5% to 7.0% without creating an additional financial burden on the Village budget. As additional background information, it was during a discussion with the Village Board last year as to potential changes in assumptions, wherein the Village Board requested what would be the single most realistic and meaningful assumption change to strengthen the long term health of the pension funds, that Mr. Sharpe recommended that the interest rate assumption be reduced from 7.5% to 7.0% because in his professional opinion, this rate reasonably reflects the long term expected return on investments for pension funds.

Please also note that by utilizing the 7% interest rate assumption in the actuarial valuations, the percent funded status decreases for the Police Pension Fund from 61.7% to 58.4% and for the Fire Pension Fund from 48.9% to 46.4% as lower investment returns are expected on a go forward basis.

The actuarial valuations also reflect the use of the UP 1984 mortality table and maximum retirement age of 70. Both of these actuarial assumptions were discussed in detail at last year's pension workshop held on September 13, 2010. At that time, it was the consensus of the Village Board that the aforementioned mortality table and maximum retirement age be used, as they provide accurate and reliable information for the Village of La Grange police and fire pension funds. As such, and with no other new information to the contrary, no further funding options were requested.

## STAFF RECOMMENDATIONS

Based on our analysis above, including taking into consideration the professional guidance provided by Mr. Sharpe – the independent actuary engaged by the Police and Fire Pension Funds to perform the actuarial valuations, and general support from the Police and Fire pension fund boards, staff recommends the following:

1. That the Village Board funds the pension levies at a level which utilizes: a) the Entry Age Normal actuarial cost method; b) a funding target level of 100%; and c) an interest rate assumption of 7.0%.
2. By funding the pension levies at a level utilizing the assumptions described above, we recommend that the Village Board fund a combined levy of \$1,564,284, which is a decrease of approximately \$21,000 or 1.3% from last year's combined levy, and a decrease of approximately \$90,000 or 5.5% from the budgeted pension fund levies for FY 2012-13.

3. The remaining \$90,000 of savings from pension reform provides us with an opportunity to consider additional funding options.

One option is to assign this amount to the General Fund balance as reserved under the general heading of “Pension Funding”. The reserve assignment could be used to stabilize the combined pension levies when there is a shortfall between future actuarial valuations and the Village budget. Alternatively, the assigned funds could be held securely until such time that we are confident that Village revenues have consistently recovered to fund an additional change in assumptions.

A second option is to consider an increase in the combined pension fund tax levy to a level which provides for an adjustment to the maximum retirement age assumption. An adjustment to the maximum retirement age from 70 to 62 has (also) been discussed previously. If we were to fund based on the revised maximum retirement age of 62, the result is a combined tax levy of \$1,645,107, which is an increase of approximately \$60,000 or 3.8% from last year’s combined levy, and a decrease of approximately \$9,500 or 0.6% from the budgeted pension fund levies for FY 2012-13 (See Exhibit 3).

We recommend that the \$90,000 savings be assigned as reserved fund balance for the following reasons:

We are operating under a strict cost containment plan. We need to let the plan unfold and assess its results at the end of the current fiscal year. For example, we do not know to what degree the departure of Border’s, a top ten sales tax producer, will have on Village revenues. The economy remains uncertain. Furthermore, if we increase the combined pension fund tax levy to incorporate a second assumption adjustment, and pension fund investment returns are below expectations as anticipated, we may need to use General Fund reserves or begin a discussion about cutting Village services. The \$9,500 per year projected savings is too thin a margin and assumes all variables remain constant. This situation would be compounded if public safety staffing was to increase as a result of restructuring opportunities, grant opportunities, or legislative directive.

In summary, we are concerned with unintended budget consequences which may be caused by future pension obligations if tax levy funding was increased to incorporate an additional pension assumption change at this time. It would be prudent and consistent with other financial decisions with budgetary impacts made over the past year, to preserve revenues and trim or defer discretionary expenses.

As we have faithfully done with the interest rate assumption, we can re-visit this item one year from now.

Village of La Grange - Police and Fire Pension Funds  
 Summary of Actuarial Valuation Results - May 1, 2011

Exhibit 1

		<u>Police Pension</u>	<u>Fire Pension</u>	<u>Total</u>
Investment Returns		10.94%	10.67%	
New Memebbers		1	1	
Retirements		1	0	
Resignations/Terminations		0	2	
Incidents of Disability		0	0	
Percent Funded	2011	61.7%	48.9%	
	2010	60.2%	48.0%	

2011 Annual Required Contribution - <b>FLOOR*</b>	639,944	602,854	1,242,798
FY 2012-13 Budgeted Police and Fire Pension Levies	<u>830,942</u>	<u>824,073</u>	<u>1,655,015</u>
Dollar Increase/(Decrease) from 2010 Levies	(190,998)	(221,219)	(412,217)
Percentage Increase/(Decrease)	-23.0%	-26.8%	-24.9%

\*Utilizing Projected Unit Credit, 90% funding, 7.5 interest rate and max retirement age of 70

Increase in ARC (tax levy) with Recommended / Revised Actuarial Assumptions

	<u>Increase in ARC</u>	<u>Total</u>
2011 Annual Required Contribution**	700,985	1,409,298
Change from 7.5% interest rate assumption to 7.0%	<u>93,325</u>	<u>154,986</u>
ARC with Revised Interest Rate Assumption	<u>794,310</u>	<u>1,564,284</u>
FY 2012-13 Budgeted Police and Fire Pension Levies (2011 ARC or will be received in FY 2012-13)	<u>830,492</u>	<u>1,654,565</u>
Difference Increase (Decrease) - Recommended ARC to FY 2012-13 Budget	<u>(36,182)</u>	<u>(90,281)</u>

\*\* Utilizing Entry Age Normal and 100% funding



Actuary

FACSIMILE #: ( ) \_\_\_\_\_

Number of pages (including this page): \_\_\_\_\_

To: Mr. Lou Cipparrone

Comments:

Re: Police &amp; Firefighter Pension Funds

Lou:

Attached are the 05/01/11 preliminary actuarial results, the investment performance summary and the salary history for the Police and Firefighter Pension Funds. In trying to address all of the changes this year, the results highlight the impact of the new provisions of PA 096-1495 "Pension Reform" and quantify the impact of the "90% Target." This year, the investment returns were a little more than assumed and salaries increased a little less than assumed for Police and a little more than assumed for Fire. Police has the same number of active members as last year and Fire has 1 less active member. Thus, in absence of the new Act, the Tax Levy would increase slightly over last year and the Percent Funded would increase. As a result of the new Act, the Tax Levy decreases for both and the Percent Funded increases.

Highlights:

1. Investment returns: Police 10.94%; Fire 10.67%.
2. Annual payroll increases: Police 2.8%, Fire 1.1%  
Average increases: Police 4.0%, Fire 7.4%.
3. New members: Police 1, Fire 1; Terminations: Police 0, Fire 2;  
Retirements: Police 1, Fire 0; Incidents of Disability: Police 0, Fire 0.
4. Percent Funded: Police increased from 60.2% to 61.7%;  
Fire increased from 48.0% to 48.9%.

As Always,

T. Sharpe

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*Timothy W. Sharpe, Actuary, Geneva, IL (630) 262-0600*

6-A-6

**VILLAGE OF LAGRANGE**  
**Actuarial Valuation Results**

<b>POLICE</b>	<u>5/1/10</u>	<u>5/1/11</u>			
	Int: 7.50%				
	<u>Sal: 5.00%</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
1. Village Normal Cost	206,825	208,384	208,384	294,468	294,468
2. Accrued Liability	23,911,338	25,204,116	25,204,116	24,548,375	24,548,375
3. Assets	14,405,306	15,543,656	15,543,656	15,543,656	15,543,656
4. Unfunded Liability/(Surplus)	9,506,032	9,660,460	9,660,460	9,004,719	9,004,719
5. Amortization of UL	528,938	555,966	443,695	300,829	413,577
6. Interest for One Year	55,182	57,326	48,906	44,647	53,103
7. Tax Levy Requirement (1+5+6)	<u>790,945</u>	<u>821,676</u>	<u>700,985</u>	<u>639,944</u>	<u>761,148</u>
8. Payroll	2,112,137	2,171,946	2,171,946	2,171,946	2,171,946
9. Percent Funded (3/2)	60.2%	61.7%	61.7%	63.3%	63.3%

2) Reflects pre-PA 096-1495 provisions (22-year amortization)

3) Reflects (2) plus 30-year amortization

4) Reflects PA 096-1495 (90% Target amortization)

5) Reflects (4) plus 100% Target amortization

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*Timothy W. Sharpe, Actuary, Geneva, IL (630) 262-0600*

*6-A.7*

**VILLAGE OF LAGRANGE**  
**Actuarial Valuation Results**

<b>FIRE</b>	<u>5/1/10</u>	<u>5/1/11</u>			
	Int: 7.50%				
	<u>Sal: 5.00%</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
1. Village Normal Cost	228,678	223,764	223,764	230,421	230,421
2. Accrued Liability	17,622,336	18,524,510	18,524,510	18,048,453	18,048,453
3. Assets	8,452,039	9,050,478	9,050,478	9,050,478	9,050,478
4. Unfunded Liability/(Surplus)	9,170,297	9,474,032	9,474,032	8,997,975	8,997,975
5. Amortization of UL	510,257	545,236	435,132	330,373	413,268
6. Interest for One Year	55,420	57,675	49,417	42,060	48,277
7. Tax Levy Requirement (1+5+6)	<u>794,355</u>	<u>826,675</u>	<u>708,313</u>	<u>602,854</u>	<u>691,966</u>
8. Payroll	1,428,538	1,412,819	1,412,819	1,412,819	1,412,819
9. Percent Funded (3/2)	48.0%	48.9%	48.9%	50.1%	50.1%

2) Reflects pre-PA 096-1495 provisions (22-year amortization)

3) Reflects (2) plus 30-year amortization

4) Reflects PA 096-1495 (90% Target amortization)

5) Reflects (4) plus 100% Target amortization

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*Timothy W. Sharpe, Actuary, Geneva, IL (630) 262-0600*

6-A.8

**VILLAGE OF LAGRANGE**  
**Actuarial Valuation Results**

POLICE	<u>5/1/10</u>	<u>5/1/11</u>			
	Int: 7.50%	Int: 7.00%	Int: 7.00%	Int: 7.00%	Int: 7.00%
	<u>Sal: 5.00%</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
1. Village Normal Cost	206,825	263,788	263,788	344,667	344,667
2. Accrued Liability	23,911,338	26,610,209	26,610,209	26,008,059	26,008,059
3. Assets	14,405,306	15,543,656	15,543,656	15,543,656	15,543,656
4. Unfunded Liability/(Surplus)	9,506,032	11,066,553	11,066,553	10,464,403	10,464,403
5. Amortization of UL	528,938	608,870	478,558	340,051	452,519
6. Interest for One Year	55,182	61,086	51,964	47,930	55,803
7. Tax Levy Requirement (1+5+6)	<u>790,945</u>	<u>933,744</u>	<u>794,310</u>	<u>732,648</u>	<u>852,989</u>
8. Payroll	2,112,137	2,171,946	2,171,946	2,171,946	2,171,946
9. Percent Funded (3/2)	60.2%	58.4%	58.4%	59.8%	59.8%

2) Reflects pre-PA 096-1495 provisions (22-year amortization)

3) Reflects (2) plus 30-year amortization

4) Reflects PA 096-1495 (90% Target amortization)

5) Reflects (4) plus 100% Target amortization

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*Timothy W. Sharpe, Actuary, Geneva, IL (630) 262-0600*

6-A.9

**VILLAGE OF LAGRANGE**  
**Actuarial Valuation Results**

<b>FIRE</b>	<u>5/1/10</u>	<u>5/1/11</u>			
	Int: 7.50%	Int: 7.00%	Int: 7.00%	Int: 7.00%	Int: 7.00%
	<u>Sal: 5.00%</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
1. Village Normal Cost	228,678	267,523	267,523	268,030	268,030
2. Accrued Liability	17,622,336	19,504,709	19,504,709	19,056,269	19,056,269
3. Assets	8,452,039	9,050,478	9,050,478	9,050,478	9,050,478
4. Unfunded Liability/(Surplus)	9,170,297	10,454,231	10,454,231	10,005,791	10,005,791
5. Amortization of UL	510,257	575,181	452,079	350,281	432,687
6. Interest for One Year	55,420	58,989	50,372	43,282	49,050
7. Tax Levy Requirement (1+5+6)	<u>794,355</u>	<u>901,693</u>	<u>769,974</u>	<u>661,593</u>	<u>749,767</u>
8. Payroll	1,428,538	1,412,819	1,412,819	1,412,819	1,412,819
9. Percent Funded (3/2)	48.0%	46.4%	46.4%	47.5%	47.5%

2) Reflects pre-PA 096-1495 provisions (22-year amortization)

3) Reflects (2) plus 30-year amortization

4) Reflects PA 096-1495 (90% Target amortization)

5) Reflects (4) plus 100% Target amortization

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*Timothy W. Sharpe, Actuary, Geneva, IL (630) 262-0600*

6-A.10

**VILLAGE OF LAGRANGE  
Firefighters Pension Fund**

**Investment Performance 2002-2011**

	FYE 02	FYE 03	FYE 04	FYE 05	FYE 06	FYE 07	FYE 08	FYE 09	FYE 10	FYE 11
BOY Assets	7,882,868	7,568,755	7,219,822	7,860,187	8,052,187	8,776,760	9,219,172	8,994,331	7,518,844	8,452,039
Village Contribution	222,351	277,583	313,303	379,276	420,926	482,634	476,960	536,622	587,972	760,590
Firefighter Contribution	84,887	90,988	95,488	105,796	112,914	119,475	125,011	131,715	139,648	136,964
Pension Payments	561,764	598,935	638,373	715,350	810,800	818,217	864,360	928,941	1,041,237	1,147,199
Expenses	6,238	4,786	5,471	5,625	16,430	16,397	29,635	20,145	43,535	38,513
Income	(53,349)	(113,782)	875,419	427,904	1,017,961	674,917	67,183	(1,194,738)	1,290,347	886,597
EOY Assets	7,568,755	7,219,822	7,860,187	8,052,189	8,776,758	9,219,172	8,994,331	7,518,844	8,452,039	9,050,478
Annual Yield	-0.69%	-1.53%	12.33%	5.53%	12.88%	7.79%	0.74%	-13.49%	17.58%	10.67%
5-Year Yield (2007-11)	4.66%									
10-Year Yield (2002-11)	5.18%									

6-4-11

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*Timothy W. Sharpe, Actuary, Geneva, IL (630) 262-0600*

**VILLAGE OF LAGRANGE  
Police Pension Fund**

**Investment Performance 2002-2011**

	FYE 02	FYE 03	FYE 04	FYE 05	FYE 06	FYE 07	FYE 08	FYE 09	FYE 10	FYE 11
BOY Assets	13,358,409	13,077,249	12,614,155	13,493,828	13,777,644	14,973,591	15,821,318	15,482,325	12,755,497	14,405,306
Village Contribution	261,670	245,832	285,454	379,460	441,849	530,333	459,277	482,475	563,847	812,318
Officer Contribution	152,937	156,989	215,609	161,829	174,946	189,440	190,237	209,698	221,874	213,588
Pension Payments	811,110	853,490	980,068	1,055,733	1,049,934	1,056,553	1,078,825	1,153,258	1,251,282	1,391,452
Expenses	6,338	5,637	6,409	8,445	8,827	8,484	35,383	26,049	51,629	50,010
Income	121,681	(6,787)	1,365,087	806,705	1,637,914	1,192,991	125,702	(2,239,694)	2,166,998	1,553,905
EOY Assets	13,077,249	12,614,155	13,493,828	13,777,644	14,973,591	15,821,318	15,482,325	12,755,497	14,405,306	15,543,656
Annual Yield	0.92%	-0.05%	11.03%	6.10%	12.08%	8.06%	0.81%	-14.70%	17.34%	10.94%
5-Year Yield (2007-11)	4.49%									
10-Year Yield (2002-11)	5.25%									

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6-A.12

Increase in ARC (tax levy) with Recommended / Revised Actuarial Assumptions

	Police Pension Increase in ARC	Fire Pension Increase in ARC	Total
2011 Annual Required Contribution**	700,985	708,313	1,409,298
Change from 7.5% interest rate assumption to 7.0%	93,325	61,661	154,986
Change from maximum retirement age 70 to 62	<u>46,680</u>	<u>34,143</u>	<u>80,823</u>
ARC with Revised Interest Rate <u>and</u> Max Age Assumptions	<u>840,990</u>	<u>804,117</u>	<u>1,645,107</u>
FY 2012-13 Budgeted Police and Fire Pension Levies (2011 ARC or will be received in FY 2012-13)	<u>830,492</u>	<u>824,073</u>	<u>1,654,565</u>
Difference Increase (Decrease) - Recommended ARC to FY 2012-13 Budget	<u>10,498</u>	<u>(19,956)</u>	<u>(9,458)</u>

\*\* Utilizing Entry Age Normal and 100% funding

	FY 12-13	5% anticipated increases		
		FY 13-14	FY 14-15	FY 15-16
Annual Required Contribution (ARC) including EAN, 100% funding, 7% and max age 62	1,645,107	1,716,862	1,802,705	1,892,841
FY 2011-12 budgeted combined pension levies	<u>1,654,565</u>	<u>1,727,293</u>	<u>1,813,658</u>	<u>1,904,341</u>
Difference Increase (Decrease) - ARC to Budget	<u>(9,458)</u>	<u>(10,431)</u>	<u>(10,953)</u>	<u>(11,500)</u>