

MINUTES

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

Monday, October 10, 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, Nowak, and Palermo with President Asperger presiding.

ABSENT: None.

OTHERS: Village Manager Robert Pilipiszyn
Assistant Village Manager Andrianna Peterson
Village Attorney Barbara Adams
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 congratulated Aurelio's pizzeria in La Grange featured on Windy City Live this morning.

In an effort to improve reliability problems, President Asperger announced that ComEd will be conducting overhead utility line clearance in the La Grange area from approximately October 1 through December 15. Approximately 60% of La Grange has been identified for cyclical tree trimming work. Residents impacted by this program will receive a notification postcard from ComEd. The Village Forester will be monitoring these tree trimming activities.

President Asperger noted that sidewalk repairs/replacement at the northeast corner of Ogden Avenue and La Grange Road will begin on Tuesday, October 11. Pedestrians should use alternate routes while the work is completed.

3. PUBLIC COMMENTS REGARDING AGENDA ITEMS

None.

4. OMNIBUS AGENDA AND VOTE

- 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

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

Ayes: Trustee Holder, Horvath, Kuchler, Langan, Nowak, Palermo and President Asperger
Nays: None.
Absent: None.

5. CURRENT BUSINESS

None.

6. MANAGER'S REPORT

A. Pension Funding Workshop

President Asperger requested Village Manager Robert Pilipiszyn to provide an overview concerning public employee pension funds over the past several years.

Mr. Pilipiszyn provided information regarding the Village's longstanding policy and practice of making its required annual contribution to its pension funds. Also, Mr. Pilipiszyn noted how the Village Board has been engaged on this issue by looking at the annual required contribution more closely in recent years in a financially-challenged environment.

Mr. Pilipiszyn also described how the enactment of pension reform by the State of Illinois impacts the development of tax policy for the Village Board as it relates to setting and authorizing the pension levies.

Mr. Pilipiszyn introduced the Village's Finance Director Lou Cipparrone to present a summary of staff recommendations regarding the pension levies.

Mr. Cipparrone outlined the staff recommendations based on the Village's analysis and the professional guidance provided by the pension board's actuary and the support of the Police and Fire pension fund boards including:

1. That the Village Board fund 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. That the Village Board fund a combined levy of \$1,564,284 which is a decrease of approximately \$90,000 from the budgeted pension fund levies for FY 2012-13.
3. That the remaining \$90,000 of savings from pension reform be assigned to the General Fund balance as reserved under the general heading of "pension funding".

Mr. Cipparrone introduced Actuary Timothy Sharpe who is engaged by both of the Village's pension funds.

At this point in the meeting, President Asperger opened up discussion to the Village Board. Considerable debate and discussion ensued amongst the Village Board of Trustees including: current funding status and achievement of 100% funding status; intergenerational equity among taxpayers; actuarial assumptions; preliminary GASB pronouncement on reporting funding status; and mortality tables.

Mr. Sharpe provided extensive information to the Village Board regarding mortality tables. Considerable discussion ensued between the Village Board and Mr. Sharpe. This led to a discussion of retirement age.

As there was disagreement on the Village Board with these two issues, President Asperger briefly noted the roles and responsibilities between the Village Board and the pension boards. She suggested that while it was appropriate for the Village Board to discuss the reasonableness of the assumptions, it was not the role of the Village Board to examine actuarial assumptions.

Mr. Sharpe advised the Village Board that the pension boards have discussed assumptions at length and that the rate of return on investments has the most

impact of all of the assumptions when it comes to sustaining pension funds over the long term.

Further debate ensued among the Village Board concerning pension funding.

At this point in the meeting, President Asperger sought direction from the Village Board. President Asperger summarized that it appeared that there was agreement by the Village Board on the staff recommendation to fund a combined levy of \$1,564,284. There were no objections to that statement. President Asperger proceeded to inquire of the Village Board if the \$90,000 available in the budget due to pension reform should either be added to the combined pension levy or reserved. There was no consensus direction as the Village Board was evenly divided on the matter. President Asperger noted afterwards her leaning to reserve those funds. She asked the Village Board to continue to consider the matter for further discussion as part of the preliminary tax levy announcement scheduled for November.

President Asperger also inquired of the Village Board if there was interest in retaining a second actuary as suggested by Trustee Palermo. It was the consensus of the Village Board to not hire a second actuary.

7. PUBLIC COMMENTS REGARDING MATTERS NOT ON AGENDA

Jeff Tucek, 1 N. Beacon Place, addressed the Board as to the importance of comparing the public sector to the private sector.

8. EXECUTIVE SESSION

None.

9. TRUSTEE COMMENTS

None.

10. ADJOURNMENT

At 9:15 p.m. it was moved by Trustee Langan to adjourn, seconded by Trustee Holder. Motion approved by voice vote.

Elizabeth M. Asperger, Village President

ATTEST:

Thomas Morsch, Village Clerk

Approved Date: 10/24/11