



CITY OF WASHINGTON, ILLINOIS City Council Agenda Communication

Meeting Date: January 17, 2023

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Agenda Item: Police Pension Fund Actuarial Valuation Report

Explanation: The property tax levy for the Police Pension Fund that was made by the Board on November 7, 2022 and then considered by the City Council on November 14, 2022 was based on incomplete audit numbers that were used to determine the actuarial valuation. The audit is now complete and a prior period adjustment was required due to a different interpretation and application of a GASB standard by the new auditors that affected the Police Pension Fund and as such, the actuarial numbers had to be recalculated. The result is that the Police Pension Fund levy increased by an additional \$55,900 in order to meet the required funding and the City Council agreed to reduce the General Corp levy by \$55,900 in order to accommodate this increased levy requirement and keep the proposed levy the same.

The effect of making this adjustment to the Police Pension Fund will be to recognize contribution revenue at a later time which will essentially frontload rather than backload the pension liability requirements.

The revised employer contribution amount is \$797,954 reduced by anticipated Personal Property Replacement Tax of \$32,000 for a recommended tax levy (rounded) of \$766,000. The City Council had first reading of the Ordinance including the Police Pension Fund levy at that amount on December 5th and adoption of the Ordinance was completed on December 19th.

The 47-page report is included in the online packets.

Fiscal Impact: Property taxes approximating \$766,000 will be received in FY 23-24 to fund the Police Pension Fund employer contribution.

Recommendation/Committee Discussion Summary: City Council approved as part of tax levy.

Action Requested: Acceptance of Actuarial Study filed with the Department of Insurance as required.