

**EXECUTIVE COMMITTEE  
MEETING MINUTES  
Wednesday, June 7, 2017**

PRESENT: Kurt Prenzler (Chair), Don Moore, Mick Madison, Ray Wesley, Mike Walters, Tom McRae, Jamie Goggin, Lisa Ciampoli, Erica Harriss, Clint Jones  
ABSENT: Phil Chapman, Michael Holliday, Brad Maxwell, Gussie Glasper  
OTHERS: Doug Hulme, Chris Slusser, Ann Gorman, John Gilbert, Patrick McRae, Annette Schoeberle, John Thompson, Craig Edwards, Cynthia Ellis

Chairman Prenzler opened the meeting and roll call was taken.

Mr. Jones made a motion to approve the minutes from the May 2017 meeting. Mr. Walters seconded.  
**Motion carried.**

There were no public comments.

**ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) RESERVE ACCOUNT REVIEW**

Mr. Chris Slusser, briefed the committee on the status of the County's Illinois Municipal Retirement Fund (IMRF) reserve accounts. There are currently unfunded liabilities in the Sheriff Law Enforcement Personnel (SLEP) and Elected County Officials (ECO) reserve accounts.

SLEP: The SLEP account deficit is \$3,607,737.23, as of December 31, 2016. Payments on the SLEP have not even covered the interest so the deficit continues to increase. The county has accrued over \$2.5 million in interest (charged at 7.5%, compounded) over the past ten years. It is the County Board's responsibility to ensure this account is properly funded. Craig Edwards, Head of the Payroll Section, recently discovered the deficit and brought it to the attention of the County Administrator, Doug Hulme.

Mr. Slusser recommended to the committee that we pay the balance before the next interest charge at the end of the fiscal year. This would save the county \$270,000+ per year in interest. It would also save \$256,000 per year that the county is required to pay on the deficit balance.

The current main SLEP employer contribution is approximately 19 percent. 2.44% of that is for the SLEP Enhancement. So, as soon as we pay off the \$3.6 million, the annual 2.44% charge (\$256K) goes away forever.

A question was asked about why this deficit was allowed to be ignored for so long. Mr. Slusser stated that he did not know, because it doesn't make sense.

Another question was asked about where we would take the \$3.6 million from to pay the deficit. Mr. Slusser suggested the General Fund could cover the amount needed. He will work with the auditor to determine the best account to utilize.

ECO: In 2012, our reserve account balance was \$4,620,038. That was our shortfall. This account has never been properly funded. In December 2012, the County Board transferred \$4 million to fund this account. Unfortunately, this did not totally fix the deficit because there was still \$620,000 remaining. Since then, we have had additional ECO retirees. There were also significant investment losses in 2015. Right now, we have a \$578,525 deficit on our ECO reserve account. We also have unfunded actuarial

accrued liabilities totaling \$964,904, for future recipients who haven't started collecting. This brings the combined deficit balance to \$1,544,668. If this isn't paid, we will also have to pay the 7.5% interest on the balance. We should also pay this balance.

ECO was passed back in the 90s and was done away with about 15 years ago because of the excessive cost of the pensions (80% with 3% COLA raises every year). When it was eliminated, the enrolled ECO pensioners were grandfathered. There are six Madison County employees enrolled. If they pass, their spouse is entitled to 50% of their pension.

Mr. Wesley asked what we could do to avoid deficits in future years. Answer is that we really can't. Mr. Hulme stated the SLEP Enhancement was an unfunded mandate passed to us by the State of Illinois. There is also nothing we can do about ECO. We cannot reverse this plan. We will have to continue paying until we no longer have enrolled pensioners.

The bottom line is that the county has had a \$3,000,000+ balance on this debt since 2007 and hasn't even been making the interest payments.

The chairman<sup>[KT1]</sup> took a roll call vote to determine if the executive committee wanted to pay off on the accounts. Opinion vote was unanimous in support of paying the current balances.

Full SLEP/ECO numbers and explanation are attached.

Chairman Prenzler then asked for a motion to enter into executive session to discuss the next agenda item. Motion made by Mr. Wesley and seconded by Mr. Walters. **Motion carried.**

Executive Session

Motion made by Mr. Walters to come out of executive session. Seconded by Mr. Madison. **Motion Carried.**

NEW BUSINESS

Ms. Ciampoli requested status of the property sale (Plum Street) to the City of Edwardsville. Mr. Hulme replied that Rob Schmidt met with Mr. Walt Williams, City of Edwardsville Economic/Community Development Director. There have been a few changes. The agreement is not ready yet. It should be ready to meet the July County Board meeting.

Motion to adjourn made by Mr. Walters and seconded by Mr. Madison. **Motion carried.**

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