

August 28, 2018

Hitesh D. Desai, CPA
CFO / Treasurer
City of Evanston
2100 Ridge Avenue
Evanston, IL 60201

Re: Actuarial Valuation Results 6.50% Interest – City of Evanston Police Pension Fund and Firefighters' Pension Fund

Dear Hitesh:

As requested, we are providing the actuarial valuation results for the City of Evanston Police Pension Fund and Firefighters' Pension Fund based on an investment return assumption of 6.50%. However, both Pension Boards have publicly adopted an assumption of 6.25% and believe this rate is more consistent with future expectations.

The valuations were performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. Please note that these valuations may not be applicable for any other purposes.

The valuations have been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Article 3 and Article 4, Illinois Pension Code, as well as applicable federal laws and regulations. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations.

In conducting the valuations, we have relied on personnel, plan design, and asset information supplied by the Board, financial reports prepared by the custodian bank and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. A complete summary of assumptions and plan provisions can be found in the corresponding actuarial valuation reports.


The undersigned is familiar with the immediate and long-term aspects of pension valuations and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Evanston, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Evanston Police or Firefighters' Pension Funds. Thus, there is no relationship existing that might affect our capacity to prepare these results.

If there are any questions, concerns, or comments about any of the items contained in this letter, please contact us at 630-620-0200.

Respectfully submitted,

Foster & Foster, Inc.

By: 
Jason L. Franken, FSA, EA, MAAA

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Enclosures

City of Evanston Police Pension Fund
January 1, 2018 Valuation Results

	d= 6.50%	d= 6.25%
	1/1/2018	1/1/2018
Total Recommended Contribution	12,049,746	12,701,183
City Recommended Contribution	10,502,308	11,153,745
Unfunded Actuarial Accrued Liability (UAAL)	114,402,999	121,726,183
Funded Ratio (AVA / AL)	50.3%	48.8%

City of Evanston Firefighters' Pension Fund
January 1, 2018 Valuation Results

	d= 6.50%	d= 6.25%
	1/1/2018	1/1/2018
Total Recommended Contribution	9,226,203	9,670,806
City Recommended Contribution	8,266,584	8,711,187
Unfunded Actuarial Accrued Liability (UAAL)	90,461,497	95,700,711
Funded Ratio (AVA / AL)	46.4%	45.0%