



**Agenda Item No: 11c**

**NMWRD Board of Trustees  
Agenda Supplement**

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| <b><u>Meeting Date:</u></b>         | July 11, 2017  |
| <b><u>Item:</u></b>                 | Adoption of Ordinance 17-04 providing for the District's participation in IMRF   |
| <b><u>Staff Recommendation:</u></b> | Motion to adopt Ordinance 17-04, electing for the Northern Moraine Wastewater Reclamation District to participate in the Illinois Municipal Retirement Fund. |
| <b><u>Staff Contact:</u></b>        | Eric R. Lecuyer, District Manager  |

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**Background:**

The District is one of very few units of local governments in Illinois that is not a participating member of the Illinois Municipal Retirement Fund, IMRF. IMRF is a fully funded, well-managed retirement fund completely separate from the very troubled five State of Illinois pension programs. IMRF is funded by employers and employee contributions and has a remarkable record of accomplishment of investment income and stewardship. The plan is not subject to the political whims in Springfield and members cannot by law skip or short contributions, resulting in a fully funded, highly solvent program that benefits many public employers and employees. The District is not a participant in IMRF, which has resulted in the inability to attract highly talented prospects to the vacant Assistant Manager position, limiting the prospects of a successful succession plan.

Included in the packet is information recently received from IMRF on the costs and obligations of participating in IMRF, based on the current payroll and excluding the Manager who would be ineligible to participate based on existing IMRF benefits received due to past employment. The total initial rate for participation, based on a potential January 2018 start date and a total payroll of \$317,843 would be \$3,525 per month total. Should the District be successful in filling the Assistant Manager position and the total annual payroll grows to \$424,000, the monthly rate would be \$4,702 per month, total, or \$56,434 annually. The monthly cost quoted includes the

District paid past service for current employees of twenty percent of prior service to a maximum of 5 years, a requirement of participation.

Employees may at their election purchase additional past service years and the District has no obligation to fund any portion that optional purchase.

Employees currently drawing IMRF benefits would be required to suspend those benefits or change status to working less than one thousand hours per year. Only the Manager is effected by this requirement.

Adoption of the ordinance is the first step in participation, and actual participation will not be initiated until approximately January of 2018.

**Alignment with the Strategic Plan:**

Participating in IMRF meets several strategic plan goals:

- The District provides sound business operations.
- The District is committed to having a highly sustainable utility.
- Enhance all facets of District operations through employee development.
- Attract and retain high performing staff members.
- Become the employer of choice within the wastewater field.

**Recommendation**

It is the Manager's recommendation to adopt Ordinance 17-04 providing for the potential participation in IMRF. Initiation of a succession plan providing for ongoing professional management and sustainability of the District is dependent on providing a competitive benefits package and IMRF is a key benefit. Existing District employees become vested will benefit by participating in a plan to provide them with guaranteed retirement income and other benefits.

The cost is affordable and funds would be available in the current fiscal year for participation beginning in January of 2018, based on the unencumbered salary for the unfilled Assistant Manager position.

**Votes Required to Pass:**

Simple Majority, via roll call vote.



**ORDINANCE 17-04**

**AN ORDINANCE TO ELECTING PARTICIPATION IN THE ILLINOIS MUNICIPAL RETIREMENT FUND**

**BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE NORTHERN MORAIN  
WASTEWATER RECLAMATION DISTRICT, LAKE AND MC HENRY COUNTIES, ILLINOIS, AS  
FOLLOWS:**

**WHEREAS**, Article 7 of the Illinois Pension Code provides that a unit of government may elect to participate in the Illinois Municipal Retirement Fund by adoption of a resolution or ordinance of its governing body, participation to begin following receipt by the Board of Trustees of the Fund of official notice of the election by the unit of government and on a date specified by the IMRF Board; and

**WHEREAS**, IMRF prepared an estimate of the cost of IMRF participation and the Board of Trustees reviewed that cost and determined that the Northern Moraine Wastewater Reclamation District has the financial capacity to participate in IMRF; and

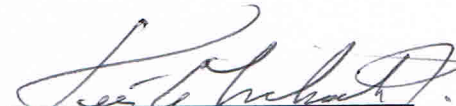
**WHEREAS**, The Northern Moraine Wastewater Reclamation District acknowledges that the decision to participate in IMRF is irrevocable.

**NOW, THEREFORE, BE IT ORDAINED** by the Board of Trustees of the Northern Moraine Wastewater Reclamation District, as follows:

1. That the Northern Moraine Wastewater Reclamation District, Lake and McHenry County, Illinois does hereby elect to participate in the Illinois Municipal Retirement Fund.
2. That the standard for IMRF participation shall be a position normally requiring performance of duty for 1,000 hours per year.
3. That the District Clerk be directed to promptly file a certified copy of this ordinance with the Board of Trustees of the Illinois Municipal Retirement Fund.

**PASSED:** This 11<sup>th</sup> day of July 2017

AYES:  
NAYS:  
ABSTAIN:

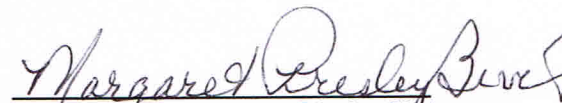
  
Kenneth A. Michaels, Jr. President

**ATTEST:**

  
Margaret Presley-Bevis, District Clerk

**CERTIFICATION**

I, Margaret Presley-Bevis, the Clerk of the Northern Moraine Wastewater Reclamation District, of the Counties of Lake and McHenry, State of Illinois, do hereby certified that I am the keeper of the books and records for the aforesaid unit of government and that the foregoing is a true and correct copy of an ordinance duly adopted by the Board of Trustees of said unit of government at a meeting duly convened and held on the 11<sup>th</sup> day of July, 2017.

  
Margaret Presley-Bevis, District Clerk

(SEAL)

