

COUNCIL OF THE CITY OF DIXON, ILLINOIS  
SPECIAL COUNCIL MEETING  
COUNCIL CHAMBERS – CITY HALL  
TUESDAY, AUGUST 4, 2015  
1:00 P.M.

ROLL CALL

The meeting was called to order by Mayor Arellano. Councilmen Bishop, Marx, Venier and Mayor Arellano answered Roll Call. Absent was Councilman Tucker. The Pledge of Allegiance was cited.

PRESENTATION – CITY OF DIXON POLICE AND FIRE PENSIONS

A roundtable discussion ensued. Introductions were made by all who attended: Mayor Arellano, Councilman Mike Venier, Councilman Chris Bishop, Councilman Kevin Marx, Larry Hagen, John Wilhite, Brad Sibley, Neil Freil, Kim Pettygrove, Mark Callison, Jeff Lovett, Bill Palen, Paula Meyer, Keesha Blumhoff, Gary Presley, Clay Whelan, A.J. Weber and Dan Langloss.

John Wilhite, UBS Financial Services, started the presentation by handing out a booklet entitled “Benefits of Investing Early”. He advised that across the State, the gap between police and fire pension fund assets and their liabilities has grown to a point where cities are hardly covering half of their total liability obligation. John further advised that the Illinois Department of Insurance has reported this gap grew to \$8.6 billion in 2012 and has grown since. John referred to the “funding ratio”, which is the percentage of total assets versus the unfunded pension liability. He stated cities would need to catch up to a 90% to 10% ratio by 2040 as the statewide ratio as of 2012 is at 55% to 45%. John advised that municipalities should act now as a City’s obligation to pay its liability never decreases. He also added that failure to pay this obligation could result in cuts elsewhere by the State, or possibly property tax hikes, which would deter growth in business and population within the municipalities. John did state however that Dixon is doing a good job in their efforts to decrease future liabilities. John’s suggestion to the City Council was to capitalize on compounding interest by adding monies to their pension funds now, which would allow the Pension Boards to look at different investment opportunities. In addition, decreasing the pension liability will improve the City’s credit rating over time.

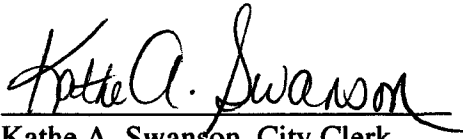
Mayor Arellano advised that many factors are contingent upon future legislation by the State. Finance Director Paula Meyer advised that currently Dixon’s police and fire pensions combined have a total \$12.6 million unfunded liability.

Mayor Arellano stated there would be future meetings on this subject after receiving more accurate pension figures and seeing what laws are enacted impacting pensions.

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ADJOURNMENT

Councilman Venier moved that the Special Council Meeting of Tuesday, August 4, 2015 be adjourned to meet in Regular Session on Monday, August 17, 2015 at 5:30 p.m. in the Council Chambers at City Hall. Seconded by Councilman Marx. Voting Yea: Councilmen Bishop, Marx, Venier and Mayor Arellano. Voting Nay: None. Motion carried. The meeting was adjourned at 2:11 p.m.

  
Kathe A. Swanson, City Clerk