

**Business Office Update  
December 8, 2014 Meeting**

**Retro-Commissioning Program**

- I received an email and a phone call last week regarding a retro-commissioning program that is offered by the Illinois Department of Commerce and Economic Opportunity (DCEO) through the Smart Energy Design Center (SEDAC) for lighting and heating, ventilation and Air Conditioning (HVAC) systems. Unlike an energy assessment, which is focused on identifying capital energy efficiency improvements, retro-commissioning is an *indepth* investigation on how your building is running to ensure your HVAC and lighting systems are best optimized. A copy of the brochure that describes their program is attached. Their primary focus is on identifying no or low cost changes that will result in energy savings.
- There is no charge to the district for this program. The program has a couple of slots available for this year's funding cycle and I have submitted the paperwork for Millburn to be considered for the program.

**Bus Lease**

- The current 3 year bus lease ends in July, 2015. Additionally, the small bus we own is now paid off. I am in the process of getting a current trade-in value for that vehicle. I have received a proposal from Midwest Transit to lease 1-year old buses for either a 3-year or a 4-year lease. The purchase or lease of used vehicles is exempt from the public bidding requirements. Based on the pricing, we should consider not going through the competitive bid process.
- The administration has discussed adding cameras to the buses in the Millburn fleet. The cost is approximately \$2000 per bus. If a determination is made to equip all of the buses, we would probably need to go through a public bid process since the bid limit is \$25,000. We currently have 21 buses.
- I am exploring an opportunity to purchase Wabasto pre-heaters for the diesel buses through a grant. I haven't seen the details yet, but I believe that the district would have to pay for the installation while the grant pays for the equipment. These heaters would start up automatically based on a time schedule programmed by the district. The heaters pre-warm the fluids in the engine so that they will more easily start in cold temperatures. We currently pay two staff to arrive early on mornings when the temperature is below 20 degrees to make sure all of the buses start. While we would still need staff to arrive early to clear the snow and ice from the buses, staff won't need to arrive as early unless we experience sub-zero temperatures.

**PMA Projection**

- Mr. Steve Crouse will be at the December 15, 2014 board meeting to review the base five-year financial projection for the district. As you are well aware, the current state of affairs in Illinois makes it difficult to anticipate future funding as well as additional expenses the district might face. We will review the assumptions that were made by Mr. Lind and me as we worked with Mr. Crouse to develop the projection.

**IMRF Unfunded Actuarial Accrued Liability (UAAL)**

- The majority of government units that participate in the Illinois Municipal Retirement Fund have a UAAL. Those that don't opted to pay their UAAL upfront. This became an issue after the market crash of 2007-08. In order to reduce the impact on IMRF employers, a smoothing formula was implemented to reduce pay a funding adjustment charge that is designed to bring the district up to the recommended funding level over a period of years. However, this results in the district paying 7.5% interest on the UAAL.
- Millburn's UAAL was \$1,187,818 as of December 31, 2013. When the IMRF budget was developed, I included \$50,000 that can be used to pay down the UAAL. IMRF recommends that payments to reduce the UAAL be made in December. If the board wants to submit a payment to IMRF to reduce its UAAL, the payment would need to be authorized at the December 15, 2014 board meeting. A copy of IMRF's General Memorandum 652 that explains how voluntary payments affect the UAAL is attached for your review.

**Master Facilities Plan & Health, Life, & Safety Plan**

- Ms. Charli Johnsos will present the Master Facilities Plan at the January 12, 2015 Committee of the Whole meeting.

**Donations**

- Abbott Employee Giving \$75.17

**Professional Development Activities**

- November 14, 2014 – I attended the Northeast Illinois Association of School Business Officials meeting where attorneys from the firm of Francek Radlet presented historical information regarding Governor Elect Rauner.
- November 21-23, 2014 – I attended the Triple I conference in Chicago with board members and the Superintendent.

## THE RCx PROCESS

### ● ELIGIBILITY SCREENING

Submit "Notice of Interest" at <http://rcx.sedac.org>

### ● APPLICATION AND REVIEW

Submit application at [rcx.sedac.org](http://rcx.sedac.org) for review and final acceptance. We will work with you to determine scope, timeline, and additional information requirements.

### ● SITE VISITS AND DATA COLLECTION

The RCx service provider, working with your staff and contractors, will review construction and equipment documents, assess equipment settings, collect operational data, and perform functional tests to investigate systems condition, operation, and performance.

### ● RCx REPORT DEVELOPMENT

The SEDAC team will analyze data, diagnose problems, identify RCx measures, and calculate payback periods.

### ● MEASURE SELECTION

You decide what to implement and who will do the work.

### ● IMPLEMENTATION AND VERIFICATION

We will provide ongoing assistance and verify improvements (**\$10k implementation commitment required**).

For more information about the program, please go to <http://rcx.sedac.org>.

For further questions about the RCx program and to determine your eligibility, please contact Ashley Collins at 312-267-2864 or e-mail [rcx@sedac.org](mailto:rcx@sedac.org).



SMART  
ENERGY  
DESIGN

Assistance Center

## WHO WE ARE

**SEDAC** is sponsored by the Illinois Department of Commerce and Economic Opportunity in partnership with investor-owned utilities to achieve energy efficiency savings in buildings throughout the State of Illinois.

**SEDAC** is an applied research program at the University of Illinois at Urbana-Champaign.

**SEDAC** works in collaboration with the 360 Energy Group and the Energy Resources Center at the University of Illinois at Chicago.

## OTHER SEDAC PROGRAMS

Energy Assessments  
New Construction Design Assistance  
Public Housing Efficient Living  
Training and Outreach  
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### Contact us:

(800) 214-7954 or [info@SEDAC.org](mailto:info@SEDAC.org)  
Smart Energy Design Assistance Center  
1 Saint Mary's Road  
Champaign, IL 61820  
[www.sedac.org](http://www.sedac.org)

# Public Sector Retro-Commissioning (RCx)



[www.sedac.org](http://www.sedac.org)

**SMART ENERGY DESIGN ASSISTANCE CENTER**  
PROVIDING EFFECTIVE ENERGY STRATEGIES FOR  
PUBLIC AND PRIVATE BUILDINGS IN ILLINOIS

SEDAC

## PUBLIC SECTOR RCx

Retro-commissioning (RCx) is the systematic discovery, documentation, review, and improvement of energy operations through **NO-COST OR LOW-COST SAVINGS OPPORTUNITIES** (repair, adjustment, control) that match building performance to current functional requirements.

DCEO offers **FREE** objective retro-commissioning **CONSULTATION SERVICES** for public sector facilities in Illinois. These services – delivered by SEDAC and its team of private sector RCx service providers – offer guidance and analysis to improve the energy performance of your building by **FOCUSING PRIMARILY ON HVAC** (heating, ventilating, and air conditioning systems). This program establishes an 18-24 month collaborative partnership between building stakeholders and the RCx provider for investigation and optimization of building operations.

## TYPICAL PUBLIC SECTOR CLIENTS



PUBLIC SCHOOLS,  
COLLEGES, &  
UNIVERSITIES



FEDERAL & STATE  
BUILDINGS



MUNICIPALITIES &  
LOCAL GOVERNMENT



LIBRARIES

## RCx YIELDS RESULTS

### ● QUICK PAYBACKS

SEDAC identifies no-cost, low-cost improvements that **PAYBACK** in

**1.5**  
YEARS or LESS

### ● GREAT SAVINGS

RCx generally

**REDUCES**  
energy use by

**16%\***  
(median whole building savings)

### ● MULTIPLE BENEFITS

Longer equipment life  
Lower utility bills  
Lower maintenance costs

**FEWER COMFORT COMPLAINTS**

### ● EXTENSIVE EXPERIENCE

SEDAC has provided RCx analysis for over

**53** facilities,

totaling **19 MILLION** square feet

### ● SIGNIFICANT IMPACT

SEDAC has already identified

**\$4.3** MILLION

**PER YEAR IN SAVINGS**

\*Mills, Evan. "Building Commissioning: A Golden Opportunity for Reducing Energy Costs and Greenhouse-gas Emissions" (July 2009). <http://cx.lbl.gov/2009-assessment.html>

## ELIGIBILITY

Eligibility is limited to public sector entities that receive electrical delivery service from Ameren Illinois or ComEd. Facilities receiving natural gas from Ameren Illinois, Nicor, North Shore, or Peoples Gas may be eligible for gas savings measures.

Eligible existing buildings:

- are more than 5 years old\*
- exceed 150,000 square feet\*
- have a functioning building automation system (BAS) that RCx provider can access
- have energy use indices that show potential to produce significant savings

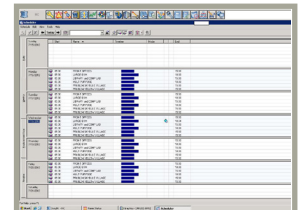
Clients are required to invest at least \$10,000 to implement identified measures.

\* Newer or smaller buildings considered case-by-case.

## TYPICAL RCx RECOMMENDATIONS



HVAC SETPOINTS AND  
CONTROL SCHEMES



BUILDING ZONING  
AND SCHEDULING



TUNING UP  
EQUIPMENT



MAINTENANCE  
AND REPAIR

**QUESTIONS? ASK ASHLEY**  
[rcx@sedac.org](mailto:rcx@sedac.org), 312-267-2864

**LEARN MORE**  
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## General Memorandum 652

To: All Authorized Agents

November 17, 2014

Re: Voluntary Payments to Reduce the Unfunded Actuarial Accrued Liability

**We encourage each Authorized Agent to share this memorandum with their unit of government's financial administrators.**

### Executive Summary

Some IMRF employers carry Unfunded Actuarial Accrued Liability (UAAL). While part of an employer's annual contribution rate goes toward paying down UAAL, IMRF employers may choose to make additional payments to pay down the liability more quickly. An employer who makes additional payments to reduce its UAAL faces unique rewards and risks.

If you are interested in discussing the rewards and risks of voluntary payments, please contact IMRF's Chief Financial Officer Mark Nannini at 630-368-5345. To maximize potential benefits, it is important to make additional contributions before year-end.

### Your employer contribution rate and your UAAL

Your employer annually pays a contribution rate set by IMRF. The rate your employer pays is broken down in your Contribution Rate Notice in the Document Archive of [Employer Access](#).

Each employer's contribution rate includes a portion to pay the Normal Cost of an IMRF pension. The Normal Cost is the cost to the employer of the members' pension benefits earned in a given year. For employers who carry UAAL, the contribution rate includes a portion called a Funding Adjustment. The Funding Adjustment goes toward paying interest and principal on UAAL. The UAAL carries a 7.5% interest charge.

For 2015 employer contribution rates:

- The UAAL is amortized over 28 years for employers with the ability to levy property taxes. The amortization period will reduce each year until it reaches 15 years, at which time it will become a rolling 15-year amortization period.
- The UAAL is amortized over a rolling 10-year period for employers without the ability to levy property taxes.

*When an amortization period becomes a rolling period, the remaining UAAL is effectively refinanced each year. That means, theoretically, that the remaining UAAL will never be paid off.*

### Voluntary payments and your UAAL

Some IMRF employers opt to make voluntary payments specifically designated to pay down the UAAL. An employer who makes voluntary payments to reduce its UAAL faces unique rewards and risks.

Rewards:

- **The employer will reduce its employer contribution rate.**  
For example, an employer with an \$8 million UAAL and an IMRF payroll of \$12.7 million would reduce the Funding Adjustment portion of its employer contribution rate from 3.48% to 3.43% with a \$100,000 payment. This would result in a reduction in employer contributions of \$6,350 on an annual basis.
- **If IMRF investments earn in excess of the 7.5% assumed rate of return in a given year, the employer will receive additional credit to its employer reserve account.**  
The reason for this credit is that employers—as sponsors of a defined benefit plan—bear the rewards of investment returns. The amount of the credit is enhanced by the magnitude of the additional employer contribution to pay down its UAAL. (A smaller UAAL results in a larger employer reserve balance; a larger employer reserve balance results in a larger credit.)

## Risks:

- **If IMRF investments earn less than the 7.5% assumed rate of return in a given year, the employer will receive an additional charge to its employer reserve account.**  
The reason for this charge is that employers—as sponsors of a defined benefit plan—bear the risks of investment returns. The amount of the charge is enhanced by the magnitude of the additional employer contribution to pay down its UAAL. (A smaller UAAL results in a larger employer reserve balance; a larger employer reserve balance results in a larger charge).

**Contact IMRF**

If you are interested in discussing the rewards and risks of voluntary payments, please contact IMRF's Chief Financial Officer Mark Nannini at 630-368-5345. To maximize potential benefits, it is important to make additional contributions before year-end.

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