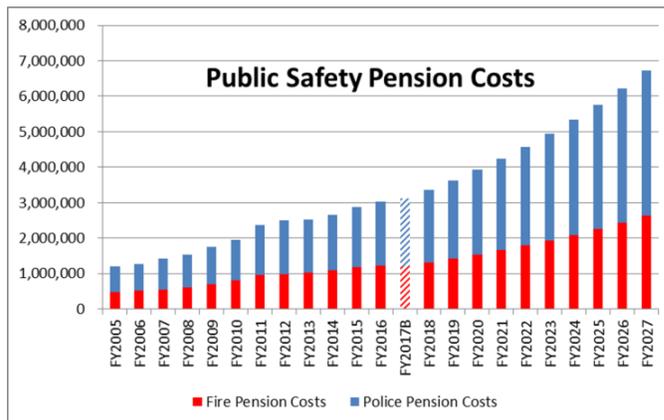


## Lake Forest Utility Bill Changes Effective May 1, 2017

### Public Safety Pension Fee

State law requires the City to contribute to pension benefits for full-time employees. The amount of pension benefits is determined by State legislators in Springfield. Employees are required to make contributions toward their pension benefits, but the City is required to make the contributions necessary to fund the remaining costs for these benefits as determined annually by an independent actuary.

Despite making the required contributions annually for police and fire pension obligations, a cost which has grown from \$1.2 million in FY2005 to \$3.1 million in FY2017, the City's liability for public safety pensions continues to grow. The liability grows due to: 1) benefit enhancements approved by state legislators that apply retroactively, 2) investment returns not meeting projections, and 3) extended life expectancies resulting in retirees earning a pension for longer periods of time. Currently, public safety pension costs are projected to continue to grow at a rate of 8-9% per year through FY 2040, assuming the funds can earn a projected 7.0% investment return annually.



The majority of pension costs are funded through the City's property tax levy. The City Council has determined it is important to increase public awareness about the pension issue.

The City, along with other municipalities in the State of Illinois, continues to pursue meaningful pension reform legislation in Springfield.

For FY 2018, the increase in funding required for police and fire pension costs over FY 2017 is being funded by a new Public Safety Pension Fee on the utility bill. The fee is \$10 per quarter for residential accounts and \$35 per quarter for all other accounts, with the exception of irrigation only services. The revenue generated by the new fee will be added to police and fire pension property tax levy revenues to fund the police and fire pension costs for the upcoming fiscal year.

### Water Rate Changes

Effective May 1, the City Council has also made changes to the water rates and structure for water billing. The quarterly customer charge for small meters will increase from \$30 per quarter to \$40 per quarter, while the charge for medium meters will increase from \$150 per quarter to \$160 per quarter.

This increase will be offset for most customers by a reduction in the consumption charge for the first 10,000 gallons used per quarter. A comparison of current and new rates follows:

	Current Rate	Rate After 5/1/17
Lake Forest Residential – to 10,000 Gallons/QTR	\$5.43	\$4.50
Lake Forest Residential – 10,001 to 60,000 Gallons/QTR	\$5.43	\$5.62
Lake Forest Residential – over 60,000 Gallons/QTR	\$5.70	\$5.89
Lake Forest – All other Users	\$5.60	\$5.80