



# the dispatch

members' update from the Illinois Government Finance Officers Association



## Chapters looking forward to the year ahead

*The latest from the Chapter presidents on their goals for 2018*



**Lisa Heglund, CPA**  
**City of Lockport**  
**South Metro**

South Metro President Lisa Heglund sums up her goals for the year in three words: **Feedback and Engagement.**

"Continuing to offer great networking opportunities and cutting edge training is essential to the South Metro Chapter. Right now we are finalizing exciting topics for a half-day training and two Lunch & Learns. The Board wants to hear feedback on what members would like to learn more about," she explains. The half-day training is February 2; Lunch & Learns are April 6 and October 5 with a December 7 Holiday Party.



**Rob Fredrickson, CPA**  
**United City of Yorkville**  
**Chicago Metro**

"Like so many of us, I joined IGFOA and the Chicago Metro Chapter for **the opportunity to network and get high quality training.**" says Rob Fredrickson, President of the Chicago Metro Chapter. "So as Chapter President, I will continue to focus on providing this for our members." Building on the Chapter's past success, the Board is planning some exciting trainings for the year ahead, kicking off with training on revenue collection planned for February, and an audit-related program in April.



**Molly Talkington, MPA**  
**City of DeKalb**  
**Downstate**

Molly Talkington, the new President of the Downstate Chapter, believes in setting reachable goals. So this year, she is looking forward to increasing involvement across the Chapter's broad expanses. "We plan to continue to work to get more people involved in regional meetings," she says. "It's not realistic to expect members to drive across the state for every meeting. So we will build on the momentum that's been created, and continue to focus on different locations that give more members manageable access to trainings."

**Chapter Presidents continued [next page](#)**

### Tom Kuehne reelected to IMRF Board of Trustees

Congratulations to Tom Kuehne, Finance Director/Treasurer for the Village of Arlington Heights, on his re-election to the IMRF Board as Executive Trustee. Tom's new term will run from January 1, 2018 through December 31, 2022. Tom has served on the Board since 2013.

Welcome to the first issue of your digital *Dispatch*. By member request, your quarterly member newsletter will now come to you via pdf link. Be sure to watch your inbox for news updates every Friday, and check the website [News](#) section for the latest updates.

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# Chapter presidents on their goals for the year ahead

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## **Lisa Heglund, CPA South Metro Chapter**

“The amount of interaction at the October training and luncheon left the South Metro Board members grinning from ear to ear. Looking around the room, it was clear that everyone had something they could give and get. That’s what I want to see more of in the year ahead – topics that spark engagement and encourage back and forth dialogue,” Lisa says.

### **A cohesive Board**

Lisa reports that the South Metro Chapter Board members are all on the same page. “We work well together,” she says. “Everyone is interested and involved. We all want to give back to fellow finance professionals and the association. Each of us is willing to commit the time to make the organization work.”

### **Increasing Partner presence**

Lisa is also soliciting ideas on how to increase Partner presence at meetings. “How can we entice IGFOA Partners to come take advantage of networking even if the program topic isn’t of specific interest to them? I’d like feedback on getting Partners to come and network,” she says.

### **Benefits of colleague networking**

With a degree in accounting from Indiana University Northwest, Lisa began her career as a CPA in public accounting, mainly serving non-profits and governments. She then spent nine years in a non-profit setting before becoming a finance director. “That’s when I joined the IGFOA – I was appointed to my first government job as Finance Director at the City of Braidwood, and Kevin Sing, who assisted with the employment search, suggested I get involved,” she recalls.

“Very quickly, John Harrington, Stephanie Masson and Mark Pries demonstrated the benefits to a newcomer of having good connections,” she continues. “Now, 11 years later, I find my connections with IGFOA colleagues every bit as valuable as they were that first year.

*Lisa can be reached at [lheglund@lockport.org](mailto:lheglund@lockport.org).*

## **Rob Fredrickson, CPA Chicago Metro Chapter**

“We’re adding new seminar topics while maintaining popular old standbys like the Golf Outing at Seven Bridges and the annual Holiday Luncheon,” Rob explains.

Meetings are moved around Chicagoland, but they’re always in central locations to make attendance easy for members and non-members.

“We encourage those who aren’t Chicago Metro Chapter members to attend our meetings,” he says. “We are fortunate to be in a region that is relatively easy for many people to get to. I’m on the western edge, but it’s still easy to move around Chicagoland for meetings.”

### **It’s never like pulling teeth**

“The Chicago Metro Board is outstanding. It’s never like pulling teeth to get things done,” he explains. “Every one of us is excited about hosting events and planning trainings.”

“Our Board members have had great ideas for training topics,” Rob continues. “And of course the Board gratefully welcomes any additional ideas that people have – they’re encouraged to reach out to me or any of our Chapter Board members.”

The Board meets in person at least quarterly, with plenty of emails back and forth in between. “I can’t praise my fellow Board members enough – they’re fantastic,” he adds.

### **The role Chapters play**

“I’m looking forward to working with the IGFOA Executive Board as a liaison and to see how the Chicago Metro Chapter can help meet their goals and objectives,” Rob says. “The Chapters have an important role to play in this, and in focusing on niche topics that complement what the association is doing. And there is so much to be gained by getting out and meeting neighboring finance professionals.”

*Please email Rob with ideas for additional training, luncheons and other ideas for the Chapter at [rfredrickson@yorkville.il.us](mailto:rfredrickson@yorkville.il.us).*

## **Molly Talkington, MPA Downstate Chapter**

“What’s happening in the Rock River area is a good example of what can be done with regional meetings,” Molly says. “Recently they hosted a regional meeting on how to do property tax levies, and it was very popular.”

“I hope other areas will expand and follow suit with meetings that have some networking, then lunch and speakers. Setting up trainings this way gives people time to travel to and from the meeting, and get back to work for the rest of the day. We plan to have several regional holiday parties as well.”

“Sometimes people like to be able to personally ask questions of the speakers, share ideas with other attendees and meet people from the area. You miss some of that with a webcast,” she says. “So in-person events are a great addition to that type of training, and these are ideal to be offered by the Chapters.”

### **Recruiting volunteers is essential**

Recruiting more people to serve on the Board or to work as volunteers will be an important part of this growth effort.

“There’s a lot of interest but since we are so geographically separated, it’s a challenge,” she says. “For this to work, we need more members to volunteer. People don’t have to be on the Board to volunteer, and the level of their involvement can be based their time availability and interest. Some people have the time and interest to put together an entire conference, while others may just be able to host a meeting or lend a hand on the day of an event – it’s totally up to that member.” Keeping program costs affordable is important to the goal of expansion. “If we can keep costs down, then even when someone believes they may pick up just one idea from a speaker, they’ll come for that idea and the opportunity to network with fellow members and Partners,” she explains.

*Contact Molly at [molly.talkington@cityofdekalb.com](mailto:molly.talkington@cityofdekalb.com).*

# Coming Chapter events

## Downstate Chapter

January 25 – Rock River Region

Lunch & Learn: [Understanding Property Tax Distributions](#), Tavern on Clark, Rockford

Feb 15 & 16 – [Downstate Conference](#), Jumer's Casino & Hotel, Rock Island

### Save the Date:

March 22 – Rock River Region  
Lunch & Learn, Rockford

March 28 – Quad Cities Region  
Lunch & Learn, Moline

## South Metro Chapter

See box at right or [register here](#)

### Save the Date:

April 6 – Lunch & Learn, Location TBD

## Chicago Metro Chapter

February 21st – Lunch & Learn:

[Prepping for the World of Tomorrow](#):  
Automation in Local Government  
Vernon Hills Village Hall

### Downstate Illinois Chapter Leadership

[Molly Talkington](#), MPA, President  
*City of DeKalb, Finance Director*

Sandy Evans, Vice President  
*City of O'Fallon, Director of Finance*

Tamara K. Ammann, Treasurer  
*City of Collinsville, Director of Finance*

Megan Petersen, Secretary  
*City of East Moline, Finance Director*

Tracy Kennett, Member at large  
*City of Wood River, Finance Director*

Eric Dubrowski, Chapter Past President  
*Peoria County, Chief Financial Officer*

Curtis Newport, Regional Coordinator  
*Boone County, Treasurer*

Gloria Osborn, Regional Coordinator  
*City of Galesburg, Director of Finance & IS*

Carla Paschal, Regional Coordinator  
*Winnebago County, Chief Financial and Budget Officer*

Debra A. Zimmerman, Regional Coordinator  
*Illinois Metropolitan Investment Fund (IMET), Associate Director*

Chris Minick, IGFOA President  
& Board Liaison

*City of St. Charles, Finance Director*

## Big Fraud on the Big Screen

Half-day seminar with networking lunch February 2 10:00 am–3:30 pm

South Metro is sponsoring a private showing of the documentary film "All the Queens Horses," The Rita Crundwell Story, at NIU Naperville

A small-town treasurer embezzles \$53.7 million from taxpayers to fund a lavish lifestyle until busted by whistleblower and Dixon City Clerk Kathe Swanson.

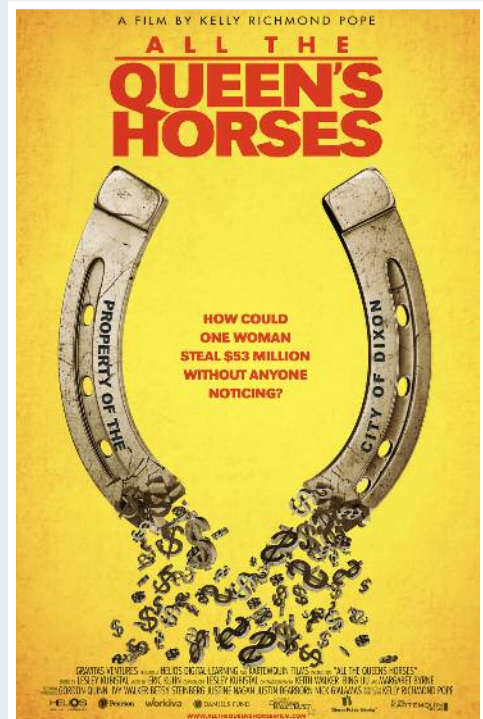
The Chapter is pleased to welcome Paula Meyer, Finance Director, City of Dixon, who will introduce the documentary film.

The Chapter is also pleased to welcome the documentary's director, Kelly Richmond Pope. Ms. Pope is a CPA and an Associate Professor of Accounting at DePaul University.

After a networking lunch, Ms. Pope will lead a session on fraud.

The seminar will wrap up with a session by Paula Meyer, who will discuss the challenges of restoring confidence and trust in the wake of what is believed to be the largest municipal fraud in U.S. history.

Attendees can earn about four CPEs and the cost is \$35 for IGFOA members/government staff members and \$45 for non-members. Seating is limited to the first 170 registrants so [register](#) early!



### Chicago Metro Chapter Leadership

[Rob Fredrickson](#), President  
*United City of Yorkville, Finance Director*

Anthony Fashoda, Vice President  
*Village of Hoffman Estates, Assistant Director of Finance*

Amit Thakkar, Treasurer  
*Village of Bensenville, Director of Finance*  
Dell Duckworth, Secretary  
*Village of Winnetka, Accounting Manager*

Nicole Larson, Chapter Past President  
*Village of Vernon Hills, Finance Director*

Chris Minick, IGFOA President & Board Liaison  
*City of St. Charles, Finance Director*

### South Metro Chapter Leadership

[Lisa Heglund](#), President  
*City of Lockport, Finance Director*

Michael Wolf, Vice President  
*Village of Bourbonnais, Finance Director*

Christina N. Fisher, Treasurer  
*City of Country Club Hills, Finance Supervisor*

David L. Sevier, Secretary  
*Village of Richton Park, Finance Director*

Anne Burkholder, Member at large  
*Village of Shorewood, Finance Director*

Arlette Frye, Chapter Past President  
*Village of Lansing, Treasurer*

Mark A. Pries, Chapter Legislative Chair  
*Village of Park Forest, Finance Director/Deputy Village Manager*

John Harrington, Chapter Membership Chair  
*Village of Minooka, Finance Director*

Krisztina M. Dommer, Chapter Program Support  
*Sikich LLP, Manager*

Chris Minick, IGDFOA President & Board Liaison  
*City of St. Charles, Finance Director*



# It's time to renew your membership

*IGFOA emailed 2018 membership dues renewal notices for both Public Officials and the Partner Program in December*

The screenshot shows the IGFOA website's Membership page. At the top, there's a navigation bar with links: Home, Membership, Education & events, Knowledge exchange, News, Jobline, and About. The main heading is "Membership". Below it, there's a section titled "Illinois GFOA 2018 Membership Renewal Time". The text explains that members should sign in to renew their 2018 membership and provides instructions for signing in. It also mentions a "Forgot your password?" function. There are two buttons: "Apply as a public sector member" and "Apply as a private sector member". On the right side, there's a "MEMBERSHIP" sidebar with links: Your profile, Member Directory, IGFOA Services Guide, Public Sector Membership, Partner Program (Private Sector) Membership, Retired Membership, Student Membership, Temporarily Left Workforce Membership, Professional Ethics, and Volunteer opportunities. At the bottom, there's a "BENEFITS OF IGFOA MEMBERSHIP:" section.

## Dues for 2018 are unchanged from 2016 and 2017 and cover the calendar year of January through December.

IGFOA members dues renewals were emailed in mid-December, 2017. On-line renewal is easy. Primary members sign-in to their accounts on the [IGFOA website](#) using the link in the mail notice. As a reminder, sign-in to your IGFOA member account with your User-ID (email address) and Password, then click on the link "Your Profile" at the top right of the page.

## Facilitating an efficient renewal process for all members

If paying online, the membership renewal process will proceed most efficiently if primary members review and update their list of members and related profiles before paying.

## Public Sector dues

Public sector membership dues include one primary membership at a base rate determined by population as of the most recent U.S. Government census. Once a government renews the primary membership at the base rate, unlimited additional IGFOA memberships can be added for \$100 per membership.

| Population       | Rate  |
|------------------|-------|
| Under 5,000      | \$150 |
| 5,000 – 14,999   | \$200 |
| 15,000 – 24,999  | \$250 |
| 25,000 – 74,999  | \$300 |
| 75,000 – 124,999 | \$400 |
| 125,000+         | \$500 |

Public sector members with questions on renewing dues can contact the Membership Committee directly or email [info@igfoa.org](mailto:info@igfoa.org) with questions. A list of Membership Committee members is at <http://www.igfoa.org/about/committees/5/membership-committee>.

## Individual Member dues

Members not eligible to join as a public sector member or as part of the Partner Program may renew as an Individual Member. Individual Member dues remain at \$600 for one primary membership.

## Partner Program dues: Sustaining and Associate Partners

Membership dues for Associate and Sustaining Partners are unchanged.

- ▶ Sustaining Partner dues remain at \$4,800 for two members – the primary member and one additional member. Unlimited additional memberships beyond the two included are available for \$200 per membership.
- ▶ Associate Partner dues remain at \$2,700 for the primary member. Unlimited additional memberships are available for \$225 per member.

Please contact a member of the Partners' Forum with questions on Partner dues renewal or benefits of the IGFOA Partner Program.

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Bill Sarb [bill.sarb@rsmus.com](mailto:bill.sarb@rsmus.com)

## Have you voluntarily left the workforce?

Are you currently unemployed as a result of being in-between positions or meeting family or personal responsibilities? If so, consider renewing your IGFOA membership under the category "Temporarily Left the Workforce."

This category is intended to help government finance professionals in transition to maintain their IGFOA membership. For more information, visit the IGFOA website, contact the Membership Committee, or email [info@igfoa.org](mailto:info@igfoa.org). A list of Membership Committee members is at <http://www.igfoa.org/about/committees/5/membership-committee>.

# Hot Topic Webinar

January 18, 2018; 10:00 AM – 11:30 AM

## GASB Statement No. 87 – Leases

### Instructors:

- Brian W. Caputo, Ph.D., C.P.A.  
Board Member, Governmental Accounting Standards Board and Vice President for Administrative Affairs & Chief Financial Officer, College of DuPage
- Frederick G. Lantz, CPA, partner in charge, Government Services, Sikich LLP

### Session Summary:

In June 2017, the Governmental Accounting Standards Board approved its Statement No. 87, Leases. This webinar will review the major accounting and financial reporting issues associated with implementing the new standard. The standard increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows or outflows of resources based upon the payment provisions of the contract. It establishes a single model for lease accounting based upon the foundational principle that leases are financings of the right to use an underlying asset. Standard No. 87 is effective for reporting periods beginning after December 15, 2019. However, governments are encouraged to plan and prepare well in advance of the effective date so as to ensure an orderly and effective implementation.

Register at

<http://www.igfoa.org/events/event/493/1/gasb-statement-no-87-leases-webinar>

**TO GET THE MEMBER RATE,  
REMEMBER TO SIGN IN  
WITH YOUR USER NAME  
AND PASSWORD**

## Volunteer spotlight



### Linda Dalton

Accounting Manager  
Village of Woodridge

IGFOA Membership  
Committee

As an admitted “people person” Linda is a natural fit for the IGFOA Membership Committee, on which she has served since 2011. “I’m so proud of the work we’ve done on the Committee,” she says. “As a team, we took it to a whole new level. Roles were redefined with positive results, and we created new programs for membership outreach and dues reduction. We host at the Presidents’ Reception for new members at the Annual Conference, welcoming them to ensure their first conference is a great one, and introducing them immediately to contacts who can be good resources for them.”

“We’re on the lookout for ways to expand and improve membership. A recent event drew around 70% non-members, so we talked with them about our organization. That led to an informal written guide we’re developing to help in the future,” she explains.

“I’m so passionate about the IGFOA. It helped me get where I am today, with educational opportunities for endless growth, and the Knowledge Exchange, which is great way to get information and help each other. The association has also expanded my leadership skills, allowing me to mentor others and know I’m making a difference. Along the way, I’ve built solid relationships and found ever-lasting friendships,” she continues. “I enjoy giving back because IGFOA helped me become who I am today.”



## Call for volunteers!

The IGFOA could not accomplish so much without its dedicated volunteers. If you are considering becoming more involved in IGFOA, check out these opportunities.

The IGFOA Professional Education Committee is seeking **a self-motivated member to assist with researching and making a recommendation for providing “on-demand” webinar training, possibly with a program for offering CPE.**

The Professional Education Committee is looking for **an energetic and creative volunteer to work with PEC and IGFOA staff to develop and implement a marketing program for PEC events.** No previous experience necessary; just enthusiasm to effectively get the word out about IGFOA training events.

## 2018 Illinois Public Pension and OPEB Institute I

**March 1, 2018, 8:30 am – 4:30 pm** – This seminar meets 8 of the DOI’s 16 annual public pension trustee continuing education requirements.

The Pension Team is currently planning another informative and insightful program for the Illinois Public Pension Institute I. More details to come!

# 2018 IGFOA PEC Training Plan

The Professional Education Committee (PEC) met in November to determine the 2018 IGFOA training plan. PEC is chaired by Rachel Musiala, Finance Director, Village of Hoffman Estates. (The PEC training plan is subject to change.)

| Date              | Title   | Time              | est. CPE | Format                    |
|-------------------|---|-------------------|----------|---------------------------|
| 1/18/18           | GASB Statement No. 87 – Leases                        | 10 – 11:30 am     | 1.5      | Webinar                   |
| 3/1/18            | Illinois Public Pension Institute Part I              | 8:30 am – 4:30 pm | 8.0      | In-person                 |
| 3/8/18            | Government Finance Topic – TBD                        | 10 – 11:15 am     | 1.5      | Webinar                   |
| 3/22/18           | GAAP Update   | 10 am – noon      | 2.0      | Webinar                   |
| 4/12/18           | Internal Controls                                     | 8:30 am – 4:30 pm | 8.0      | In-person                 |
| 4/18/18 & 4/19/18 | Illinois Government Finance Professionals' Academy II | 8:30 am – 4:30 pm | 15.0     | In-person-Champaign       |
| 5/23/18           | Basic Governmental Accounting                         | 8:30 am – 4:30 pm | 8.0      | In-person-Springfield     |
| 6/7/18            | Small Government Topic – TBD                          | 10 – 11:15 am     | 1.5      | Webinar                   |
| 6/13/18           | State-Wide Regional webcast: Utility Billing          | 9 am – 4 pm       | 6.5      | regional in-person groups |
| 6/28/18           | Lunch & Learn: Purchasing                             | Noon – 1:00 pm    | 1.0      | In-person                 |
| 7/18/18           | Lunch & Learn: Cash Management                        | Noon – 1:00 pm    | 1.0      | In-person                 |
| 8/22/18           | Budgeting Topic – TBD                                 | 10 – 11:15 am     | 1.5      | Webinar                   |
| 9/16 - 9/18       | Annual Conference – Peoria                            |                   | 12.0     | In-person                 |
| 10/11/18          | Debt Institute  | 8:30 am – 4:30 pm | 8.0      | In-person                 |
| 10/26/18          | Payroll   | 8:30 am – 3:30 pm | 6.5      | In-person                 |
| 11/8/18           | Illinois Public Pension Institute Part II             | 8:30 am – 4:30 pm | 8.0      | In-person                 |
| 12/5/18           | Revenue Topic – TBD                                   | 10 am – 1:15 pm   | 1.5      | Webinar                   |

For 2018, the PEC has planned many CPE-eligible events on topics relevant to all the experience levels of IGFOA members and government staff members.

## New Initiatives in 2018

- ▶ PEC will now offer all webinars for individual purchase rather than as a subscription service. Be sure to note the day and time for each webinar when registering as it is likely to not be the first Thursday of the month!
- ▶ To support IGFOA's efforts to become more green, PEC will distribute seminar handouts and other training materials electronically to course participants prior to the seminar rather than as paper copies at the seminar.
- ▶ PEC will host in-person Lunch & Learns on timely and relevant topics. On June 28 PEC will host a purchasing topic and on July 18 a cash management topic. Watch for more details to come.

**Have an idea for a training topic? Interested in speaking at a PEC seminar or webinar? Contact Rachel Musiala, PEC Chair, at [rachel.musiala@hoffmanestates.org](mailto:rachel.musiala@hoffmanestates.org)**

## Continuing Initiatives from 2017

**Downstate training events** – PEC has once again planned two state-level training seminars Downstate. On April 18 and 19, PEC will offer the *Illinois Government Finance Professionals' Academy 2* in Champaign. On May 23, PEC will offer *Basic Governmental Accounting* in Springfield.

**Illinois Public Pension Institute Part II** – This seminar was very well received in 2017, so PEC has planned a Pension Institute Part II for November 8. When combined with the annual March Pension Institute, Public Police and Fire Pension Trustees will have met their 16-hour continuing education requirement as defined by 40ILCS5/Illinois Pension Code.

# Pension pressures likely to weigh on Illinois municipal credit quality

by Scott Nees & Eric Harper, Associate Directors, S&P Global Ratings

While much national attention has been given to the state of Illinois and city of Chicago's unfunded pension liabilities, Illinois' suburban and downstate municipalities face a formidable pension funding gap of their own in their public safety pension plans. The Illinois Department of Insurance's (DOI) recently released 2017 Biennial Report on public pensions paints a fairly bleak picture of the funding status of the state's 656 single-employer municipal police and fire plans, which, according to the DOI report, had a combined funding shortfall of more than \$9.9 billion, with plan assets totaling only 58% of total liabilities.

S&P Global Ratings expects to see a steady decline in credit quality over the next several years among those Illinois municipalities who have poorly funded public safety pension plans and who lack both a serious commitment to funding their plans and a realistic long-term funding strategy. Indeed, we are already observing some of the telltale signs of sector-wide credit decline as pension costs rise for many of the issuers that we rate—more frequent structural budget deficits, large tax hikes, and budget cuts that in many cases will leave less room for future fiscal maneuvering, and a significant reliance on reserves and other one-shot measures to balance budgets.

The problem appears to be endemic in Illinois, affecting all types of municipalities throughout the state and across the credit rating spectrum. In analyzing our ratings portfolio, for example, we found only minimal differences in funding levels between 'AA' rated issuers, who had an average public safety plan funded ratio of 52%, and 'A' rated issuers, who had a 45% average funded ratio. Similarly, we found little difference in funding levels between home-rule and non home-rule municipalities despite the former's much broader taxing flexibility. Pension and other postemployment benefit (pay-as-you-go) costs are likewise elevated across rating categories, and were, on average, 9.4% of total governmental fund spending (as of fiscal 2016) in Illinois compared to 6% for rated municipalities across the U.S. While the average carrying charge for retirement benefits in Illinois was 9.4%, it is not at all uncommon to see Illinois municipalities with costs well over 10%, a level that we generally consider elevated.

The implications of such poorly funded plans with carrying charges that are already high and, given funding levels, poised to rise considerably,

are difficult to ignore. To wit, many Illinois municipalities will need to continue to raise taxes to fund ever-higher retirement costs, and to the extent that revenue growth cannot keep pace with expenditures, will be forced to make cuts and structurally realign budgets away from current-year service provision and capital investment and toward managing cumbersome legacy costs. We expect this trend to gradually erode some issuers' fiscal capacity and resiliency, rendering them less capable of sustaining healthy credit characteristics through an economic downturn or the loss of a major employer or taxpayer, for example.

Still, while the funding challenges that lie ahead for many Illinois municipalities are significant, we emphasize that credit deterioration and a rating downgrade for any given issuer are not inevitable, even for sponsors of poorly funded plans. Those municipalities that are proactive in developing and adhering to robust long-term funding plans or strategies designed to place their pensions on a sound actuarial footing will, holding all else equal, be better positioned to manage elevated pension costs without severely compromising fiscal capacity, service delivery, and ultimately, credit quality.

At a minimum, such plans should emphasize funding discipline in accordance with plan actuarial valuations that reflect conservative assumptions. We observe that the most stressed plans in the sector include those where the sponsoring government is chronically paying less than the full actuarially determined contribution (ADC), and even in instances where the sponsor is paying its full ADC, aggressive plan actuarial assumptions (such as an unrealistic long-term rate of return on investments) can significantly overstate funding levels, leading in turn to underfunding. Finally, the longer plan underfunding goes unaddressed, the greater the budgetary pressure inevitably facing the sponsoring government, underscoring the importance of formulating a prompt and decisive response to a large pension liability to avoid credit decline.

## About the authors

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*Eric Harper is an Associate Director with S&P Global Ratings in Chicago. He can be reached at 312-233-7094 or [eric.harper@spglobal.com](mailto:eric.harper@spglobal.com).*

*S&P Global Ratings is an IGFOA Associate Partner.*

## IGFOA Associate Partners

Many thanks to the IGFOA Associate Partners for their continuing support and collaboration.

Amalgamated Bank of Chicago  
Asset Control Solutions, Inc.

BAIRD

BKD LLP

BS&A Software

Capital Gains Inc.

CBIZ Valuation Group, LLC

Civic Systems

CliftonLarsonAllen LLP

Crowe Horwath LLP

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Fifth Third Securities, Inc.

First Midwest Bank

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Lauterbach & Amen, LLP

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Moody's Investors Service

Piper Jaffray & Co.

Plante Moran

RSM US LLP

Sebis Direct Inc.

Siemens Industry, Inc

Speer Financial, Inc.

S&P Global Ratings

Third Millennium Associates, Inc.

Tyler Technologies, Inc.

Learn more about the IGFOA Partners program at [www.igfoa.org/membership](http://www.igfoa.org/membership)



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