Agenda
Village of Glen Ellyn
Finance Commission
Regular Meeting
Friday, June 14, 2019
7:00 AM
Glen Ellyn Civic Center, Room 303

A. Call to Order

B. Public Comment (Non Agenda Items)

C. Approval of Minutes

1. Finance Commission - Regular Meeting - Mar 8, 2019 7:00 AM

D. Financial Reports

1. General Fund Update - May 2019
2. Village Links/Reserve 22 - Manager's Report - April 2019
3. Village Links/Reserve 22 - Financial Statements - April 2019
4. Sales Tax by Standard Industrial Classification

E. Police Pension

1. Finance Director Coyle will present the 2018 actuary report for the Police Pension Fund
2. Funding Comparison

F. Trustee Liaison Report

G. Chairman's Report

H. Other Business

1. Scorecard/Comp Plan Update
2. Clearwater Ordinance
3. Economic Development Update
4. Next Meeting: Friday, July 12, 7:00 AM

I. Adjournment

1. Motion to Adjourn

Individuals with disabilities who plan to attend the hearing and who require certain accommodations in order to allow them to observe and participate, or who have questions regarding the accessibility of the meeting or facilities, are requested to contact the Village at least 24 hours before the meeting.

Minutes
Village of Glen Ellyn
Finance Commission
Regular Meeting
Friday, March 8, 2019
7:00 AM
Glen Ellyn Civic Center, Room 301

A. Call to Order

Attendee Name	Title	Status
Lisa A Cleaver	Commissioner	Absent
Jose G DeLeon	Commissioner	Present
Scott R Greeno	Commissioner	Present
Jeremy S VanEk	Commissioner	Present
Christopher D. Oakes	Commissioner	Present
Lea Dan	Commissioner	Present
Michael Campagna	Commissioner	Absent
Matthew L Halkyard	Chairman	Present
Brenton J. Peck	Commissioner	Present
Ben Harrington	Student Commissioner	Present

Also present: Village Manager Franz, Finance Director Coyle, and Recording Secretary Haslett.

Chairman Halkyard called the meeting to order at 7:00AM.

B. Public Comment (Non Agenda Items)

None.

C. Approval of Minutes

1. Finance Commission - Special Meeting - Feb 15, 2019 7:00 AM

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Christopher D. Oakes, Commissioner
SECONDER:	Jose G DeLeon, Commissioner
AYES:	DeLeon, Greeno, VanEk, Oakes, Dan, Halkyard, Peck, Harrington
ABSENT:	Cleaver, Campagna

D. Village Scorecard

1. The Finance Commission will review the prior Village Scorecard in preparation for this year's update.

Finance Director Coyle explained that the current Scorecard is used as a planning tool for the Village. It is particularly helpful in educating new commissioners and Village Board members. The Scorecard is also used during the budget process and helps the Village's strategic trajectory. Finance Director Coyle said the Village Board continually asks what other towns are doing and this provides a dataset to answer some of those inquiries.

Some of the takeaways from the current Scorecard is the high residential tax base compared to other communities who have more retail, commercial, and industrial development. The high residential tax base means Glen Ellyn residents are bearing the property tax burden. This can be looked at in two (2) ways in that the Village needs to attract more commercial development or Glen Ellyn was built as a bedroom community, which is why people move here. Another takeaway from the last Scorecard was how much the Village saves by having a volunteer fire department.

Chairman Halkyard indicated the Scorecard demonstrates how well the Village does compared to other communities and reveals activities that other municipalities are doing that could improve the Village's operations. Commissioner Dan asked if any other towns prepare a Scorecard. Finance Director Coyle replied that she did not know of any other town that publishes a Scorecard. Commissioner VanEk said the Scorecard needs to reflect how high the Village's property taxes are compared to other municipalities. Commissioner VanEk also suggested that the Scorecard detail what the Village is spending money on and how successful are we in this area. Commissioner Peck recommended key performance metrics be developed for the biggest expenses. Finance Director Coyle explained the past Scorecard information is derived from the financial reports from the comparable communities and does not include operational information.

Commissioner VanEk said the Scorecard should include a question and answer format. Commissioner Greeno suggested showing the Village's taxes compared to other communities, while simultaneously showing that other towns may have more sales taxes per capita because of a larger retail tax base. Commissioner Dan recommended that the Scorecard be distributed to local real estate agents.

The Commission concurred to update the Scorecard's existing charts and offered some improvements as detailed below.

1. Add Lombard as another comparable community.
2. Review how the graphs are sorted and make them more consistent across the report.
3. The graph entitled, "Total Property Tax Rate as a % of Property Value" should be one of the lead graphs in the report and then explain what services

residents receive for these property taxes. Also explain why the Village's property tax burden is higher than the other comparable towns.

4. Add another graph showing commercial as a percentage of EAV.
5. For only Glen Ellyn break-out multi-family statistics for property taxes and EAV percentage.
6. Compare how much other towns use property taxes to finance capital improvements.
7. Look for ways to benchmark the fire services fee.

Finance Director Coyle said she would like to refine the Executive Summary and make it more of a communication piece rather than a power point. Commissioner VanEk asked about the Scorecard's timetable. Finance Director Coyle replied that she was hoping to hire an intern this summer to work on the Scorecard and is looking to August as the deadline. Commissioner VanEk suggested a draft Scorecard be distributed to the Finance Commission before the final version is approved.

RESULT:	**DISCUSSION ONLY**

E. Trustee Liaison Report

None.

F. Chairman's Report

None.

G. Other Business

1. Economic Development Update

Village Manager Franz updated the Finance Commission on various projects and other capital projects that are in the planning stages.

Finance Director Coyle noted the food and beverage tax went live on March 1, 2019 and the Village is looking to issue more bonds in April of this year.

2. Next Meeting: Friday, April 12, 7:00AM

H. Adjournment

1. Motion to Adjourn

The meeting was adjourned at 8:15 AM.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Christopher D. Oakes, Commissioner
SECONDER:	Brenton J. Peck, Commissioner
AYES:	DeLeon, Greeno, VanEk, Oakes, Dan, Halkyard, Peck, Harrington
ABSENT:	Cleaver, Campagna

Minutes Acceptance: Minutes of Mar 8, 2019 7:00 AM (Approval of Minutes)

Finance Commission
535 Duane St.
Glen Ellyn, IL 60137

Meeting: 06/14/19 07:00 AM
Department: Finance Commission
Department Head: Christina Coyle
Category: Report
Prepared By: Ann Pedersen

SCHEDULED

AGENDA ITEM (ID # 4007) DOC ID: 4007

Village Links/Reserve 22 - Manager's Report - April 2019

Please see attached report.

ATTACHMENTS:

- Manager's Report053119 (PDF)

VILLAGE LINKS
GLEN ELLYN

RESERVE 22 TWENTY-TWO

Manager's Report for April 2019

Prepared by Jeff Vesevick, General Manager

April weather continued string of poor weather which has plagued us for quite a while. Temperatures were an average of 7° below normal for the month. There was 4.78" of rain which fell over 13 of the 30 days. There was also 9" of snow falling over 2 days, which kept the golf course closed for 3 days. Carts were grounded 10 days, mostly due to saturated soil conditions, with very few drying out opportunities. As such, there was relatively little chance for golf momentum to build into the late spring.

High Temperatures In April																				
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
90° days																		4		
80° days			1	2				1	1	4	2	1	2	1	3	2	4	3	4	
70° days	5	1	11	6	3	3	2	3	4	8	3	8	4	10	7	6	6	2	7	5
60° days	9	9	4	4	13	12	10	12	4	12	6	5	7	9	7	6	9	7	7	11
50° days	10	3	11	8	9	10	6	10	14	5	11	11	8	8	11	12	5	6	9	9
40° days	6	7	3	8	2	4	11	4	6	1	6	5	3	2	2	4	2	8	3	5
30° days		10		2		1	1		1		2		6				4			
Rain	4.8"	2.1"	5.5"	2.7"	2.8"	3.1"	9.1"	1.9"	4.5"	2.5"	4.7"	2.9"	3.0"	3.5"	2.3"	1.3"	2.6"	4.7"	4.1"	7.0"
Snow	9.0"	4.5"									2"		2"				3"			

GOLF

On the bright side, we posted gains in almost every revenue category over a year ago. April '19 was still the 3rd worst April for golf in the past 10 years. Spring Special members accounted for a large portion of our weekday rounds, as they are more willing to brave the less than ideal conditions.

Rounds played were up 15% for the month, and are flat for the year
Green fees were up 34% for the month, and are up 14% for the year
Driving range sales were up 23% for the month, and are up 13% for the year
Motor Car sales were up 19%% for the month, and are down 7% for the year
Resident Card sales were up 23% for the month, and are up 12% for the year
Golf Revenues were up 26% for the month, and are up 10% for the year

34 more golfers purchased a **Spring Special Membership** in April, bringing the yearly total to 121 members. Total membership is up slightly from last year's 114 members. Spring Special members played 49% of the weekday rounds in April. Weekday green fees, while free in April, will be half price in May for these members. Revenue from the sale of these memberships are credited to green fees at year end. Spring Special members have accounted for 38% of all rounds played to date.

Golf Revenue April											
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Rounds	4,381	6,906	4,366	6,761	3,746	4,749	5,677	5,286	5,281	3,318	3,826
Green Fees	105,192	163,584	108,315	157,699	81,570	102,862	118,672	108,704	103,595	64,117	85,950
Driving Range	19,392	26,158	16,855	23,721	0	22,653	28,206	22,369	24,474	18,810	23,199
Pro Shop	13,746	16,310	16,431	15,684	5,501	12,441	15,700	14,573	17,400	14,175	11,454
Carts	17,579	30,124	16,206	34,172	17,169	23,427	31,287	27,744	32,360	18,528	21,984
Resident Cards	3,042	4,045	2,723	3,240	4,250	4,870	5,370	4,490	4,540	3,080	3,800
Miscellaneous	7,705	7,938	6,501	5,907	8,416	8,721	9,984	9,355	18,443	6,320	10,877
Total Revenue	**166,543**	**248,108**	**166,924**	**240,391**	**116,944**	**174,973**	**212,844**	**187,236**	**200,812**	**125,030**	**157,263**

Golf rounds played and revenues were the 3rd worst in the last 10 years

Director of Golf Noel Allen continues to negotiate with outing prospects, as 7 more committed and made deposits in the month of April. To date, 68 outside outings are confirmed, with 9 still pending.

Eight of the 14 outside leagues began play in April, with the remainder to begin in early May. Most of the leagues play through August and into September on the 9-hole course. The Over 60 men's league began play on April 6. The Swingin'Set ladies league will begin its season in early May, and will be treated to 3 complimentary starter clinics conducted by the Village Links Professional Staff on Tuesdays and Thursdays in April. The long time league held its opening luncheon on Tuesday, April 9 in the Blue Heron Room, attended by Director of Golf Noel Allen, Head Golf Professional Mike Campbell, and General Manager Jeff Vesevick. Approximately 36 18-holers and 60 9-holers play each Tuesday morning through September. 2019 marks the 50th Anniversary for this very resilient, and important league of golfers. Plans are underway for a special day of golf, followed by a 50 year celebration in the Blue Heron Room. Current League Members are busy inviting past members to join the festivities.

Harris Golf Cars installed new windshields and a new, larger GPS screen on our fleet of 95 golf cars.

Staff has upgraded the golf event system with a new software. Golf Genius will allow golfers to track tournament progress live throughout the round.

The PGA Junior League is now full, with 120 junior golfers participating.

RESERVE 22

Restaurant and bar sales were hampered by the April weather, as only a handful of days were warm enough to attract patio patrons.

Advertisements were placed and prospects interviewed for seasonal Server, Bartender, Busser, and Line Cook positions.

Staff is preparing the menus for **Mother's Day Brunch on May 12**. Reserve 22 will offer reservations throughout the day.

The Dining Room renovation seems to be serving us well, as sales continue to grow, despite the poor weather.

Reserve 22 - APRIL				Year to Date		
Restaurant	**2018**	**2019**	**+/-**	**2018**	**2019**	**+/-**
Beverages	2,433	2,896	*19.1%*	6,867	6,923	*0.8%*
Beer	19,296	21,361	*10.7%*	51,715	53,834	*4.1%*
Wine	11,552	12,843	*11.2%*	37,916	37,732	*-0.5%*
Spirits	12,355	12,505	*1.2%*	34,774	34,146	*-1.8%*
Food	61,384	69,127	*12.6%*	174,200	187,055	*7.4%*
Total	**107,019**	**118,732**	***10.9%***	**305,471**	**319,690**	***4.7%***
Banquet & Outings	**2018**	**2019**	**+/-**	**2018**	**2019**	**+/-**
Beverages	732	539	*-26.3%*	2,746	1,170	*-57.4%*
Beer	1,973	1,125	*-43.0%*	9,147	3,647	*-60.1%*
Wine	3,035	2,371	*-21.9%*	8,838	8,544	*-3.3%*
Spirits	4,270	723	*-83.1%*	11,712	3,389	*-71.1%*
Food	26,596	42,931	*61.4%*	91,960	98,532	*7.1%*
Misc.	8,669	9,091	*4.9%*	29,334	24,321	*-17.1%*
SC Dist	(6,280)	(7,217)	*14.9%*	(18,950)	(17,807)	*-6.0%*
Total	**38,994**	**49,563**	***27.1%***	**134,786**	**121,795**	***-9.6%***
Other	**6,103**	**7,825**	***28.2%***	**10,822**	**8,410**	***-22.3%***
Total Reserve 22	**152,115**	**176,120**	***15.8%***	**451,080**	**449,895**	***-0.3%***

Banquet Sales were up sharply for April, and are biting into the deficit from a slow winter, but remain down 10% for the year. **Restaurant and Bar** sales were up 11% for April, and are 5% ahead of sales for the year. Overall sales were up 16% for the month, and are virtually flat year to date.

Grounds

After careful consideration, it was determined that the 18-hole course greens again needed a spring aeration, to control the levels of thatch built up over the years. This process is normally done only in the fall, when less golf rounds are expected. The grounds staff used its new equipment to successfully complete this task in 2 days. We once again decided to use solid tines, as opposed to the traditional core-aeration, due to the lateness of the season, and to promote quicker healing. Despite being extremely wet, the golf course is in very good condition.

Course & Grounds

1. Litter was removed from the parkways once.
2. Staff hand-picked the driving range balls 6 times.
3. A couple dozen potholes were patched.
4. The irrigation system was started for the season.
5. 18-hole greens and practice putting greens were spiked with solid tines and top dressed with sand.
6. Greens, tees and the driving range tee and fairway were fertilized.
7. Washed out sand bunkers were rehabbed 3 times.
8. All greens received a preventive treatment for Fairy Ring Fungal Disease.

Mechanical and Building Maintenance

1. Sixteen pieces of equipment were repaired and serviced.
2. Six cutting units were sharpened.
3. The Reserve 22 and Blue Heron carpets were cleaned.
4. Fifteen outdoor drinking fountains on the golf courses.
5. The 18-hole starter stand water damage was repaired.
6. Sixteen replacement patio chairs were assembled.
7. A failed kitchen prep cooler was replaced.
8. Patio umbrellas were installed.
9. The Reserve 22 hot water heater was repaired.

Horticulture/Conservation

1. The over-wintered tropical plants were brought out of their storage.
2. Spring landscape bed cleaning was started.
3. Annual bed prep was started.
4. Pre-emergent herbicide was applied to the landscape beds.

Finance Commission
535 Duane St.
Glen Ellyn, IL 60137

Meeting: 06/14/19 07:00 AM
Department: Finance Commission
Department Head: Christina Coyle
Category: Report
Prepared By: Ann Pedersen

SCHEDULED

AGENDA ITEM (ID # 4008) DOC ID: 4008

Village Links/Reserve 22 - Financial Statements - April 2019

Please see attached financial statements.

ATTACHMENTS:

- Village Links - Financial Statements - April 2019 (PDF)

VILLAGE LINKS
GLEN ELLYN

RESERVE 22
TWENTY-TWO

VILLAGE LINKS / RESERVE 22
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
As of April 30, 2019

ORG	DESCRIPTION	2019 BUDGET	MONTH 2019	MONTH 2018	MONTH DIFF	MONTH % DIFF	YEAR-TO-DATE 2019	YEAR-TO-DATE 2018	YEAR-TO-DATE DIFF	YEAR-TO-DATE % DIFF
	REVENUES:									
5500	Village Links Revenues	$ 2,993,000	$ 158,545	$ 126,308	$ 32,237	26%	$ 237,824	$ 217,292	$ 20,532	9%
5520	Reserve 22 Revenues	2,623,600	183,337	158,396	24,941	16%	467,702	470,000	(2,298)	0%
	Total Revenues	**$ 5,616,600**	**$ 341,882**	**$ 284,703**	**$ 57,179**	**20%**	**$ 705,527**	**$ 687,292**	**$ 18,234**	**3%**
	EXPENDITURES:									
55700	Administration	$ 411,057	$ 32,268	$ 28,208	$ 4,060	14%	$ 140,912	$ 132,923	$ 7,990	6%
55710	Golf Course Maintenance	835,951	127,417	86,430	40,988	47%	225,058	176,583	48,475	27%
55720	Golf Services	717,368	45,018	41,042	3,975	10%	169,655	169,712	(57)	0%
55730	Reserve 22	2,275,945	163,126	166,267	(3,141)	-2%	576,637	570,183	6,454	1%
55740	Stormwater Management	30,756	276	275	1	0%	1,238	1,235	3	0%
55750	Pro Shop Merchandise	164,405	9,423	11,672	(2,250)	-19%	24,935	31,386	(6,452)	-21%
55780	Motorized Carts	43,641	1,571	425	1,146	270%	1,571	499	1,072	215%
557X5	Mechanical Maintenance	172,879	15,416	14,036	1,380	10%	73,064	88,564	(15,500)	-18%
	Total Operating Expenses	$ 4,652,002	$ 394,515	$ 348,356	$ 46,159	13%	$ 1,213,071	$ 1,171,085	$ 41,985	4%
	Operating Income (Loss)	**$ 964,598**	**$ (52,633)**	**$ (63,652)**	**$ 11,019**	**-17%**	**$ (507,544)**	**$ (483,793)**	**$ (23,751)**	**5%**
	Debt Service	658,070	-	-	-	0%	-	-	-	0%
	Capital Expenditures	332,787	112,252	-	112,252	0%	118,872	26,172	92,700	354%
	CHANGE IN NET POSITION	**$ (26,259)**	**$ (164,885)**	**$ (63,652)**	**$ (101,232)**	**159%**	**$ (626,416)**	**$ (509,965)**	**$ (116,451)**	**23%**

KEY METRICS

	Goal	Month 2019	Month 2018	Month Diff	YTD 2019	YTD 2018	YTD Diff
Personnel Expenses as % of Sales	*46%*	*52%*	*62%*	*-10%*	*94%*	*93%*	*1%*
Cash Balance (End of Month, in $000's)	*$ 1,164*	*$ 386*	*$ 919*	*$ (533)*			

VILLAGE LINKS
GLEN ELLYN

RESERVE
22
TWENTY-TWO

VILLAGE LINKS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
GOLF
(Including Administration, Grounds, & Mechanical Maintenance)
As of April 30, 2019

ORG/ OBJECT	DESCRIPTION	2019 BUDGET	MONTH 2019	MONTH 2018	MONTH DIFF	MONTH % DIFF	YEAR-TO-DATE 2019	YEAR-TO-DATE 2018	YEAR-TO-DATE DIFF	YEAR-TO-DATE % DIFF
5500	**VILLAGE LINKS REVENUES:**									
440550	Green Fees	$ 1,850,000	$ 85,950	$ 64,117	$ 21,833	34%	$ 96,301	$ 84,622	$ 11,680	14%
440554	Pro Shop - Sales	180,000	11,454	14,175	(2,721)	-19%	18,268	27,513	(9,245)	-34%
440555	Motor Carts	525,000	21,984	18,528	3,456	19%	23,064	23,008	56	0%
440556	Driving Range	280,000	23,199	18,810	4,389	23%	29,867	26,350	3,517	13%
440557	Resident Cards	32,000	3,800	3,080	720	23%	21,300	20,620	680	3%
460100	Investment Income	17,000	1,158	930	228	24%	4,795	5,864	(1,069)	-18%
489000	Miscellaneous Revenue	109,000	11,051	6,498	4,553	70%	44,260	29,089	15,171	52%
489100	Miscellaneous - Over/Short	-	(50)	170	(220)	-129%	(31)	226	(257)	-114%
	Total Revenues	**$ 2,993,000**	**$ 158,545**	**$ 126,308**	**$ 32,237**	**26%**	**$ 237,824**	**$ 217,292**	**$ 20,532**	**9%**
	COST OF GOODS SOLD:									
520945	Cost of Goods Sold - Pro Shop	$ 135,000	$ 7,277	$ 9,248	$ (1,972)	-21%	$ 15,536	$ 21,806	$ (6,271)	-29%
	Total Cost of Goods Sold	**$ 135,000**	**$ 7,277**	**$ 9,248**	**$ (1,972)**	**-21%**	**$ 15,536**	**$ 21,806**	**$ (6,271)**	**-29%**
	Gross Profit	**$ 2,858,000**	**$ 151,268**	**$ 117,059**	**$ 34,209**	**29%**	**$ 222,289**	**$ 195,486**	**$ 26,803**	**14%**
	OTHER OPERATING EXPENSES:									
510100	Salaries - Pensionable	$ 870,950	$ 65,056	$ 62,593	$ 2,463	4%	$ 233,604	$ 220,490	$ 13,113	6%
510120	Salaries - Non-Pensionable	219,010	8,236	1,993	6,243	313%	20,544	5,170	15,374	297%
510200	Salaries - Overtime	6,000	32	57	(24)	-43%	129	57	73	128%
510400	FICA Taxes	83,886	5,533	4,853	680	14%	19,106	16,852	2,254	13%
510500	IMRF	62,314	4,539	6,041	(1,502)	-25%	16,187	21,098	(4,911)	-23%
590600	Health Insurance	95,150	8,117	8,109	8	0%	35,672	35,362	310	1%
52XXXX	Contractual Services	595,447	43,608	55,377	(11,768)	-21%	182,836	222,975	(40,139)	-18%
53XXXX	Commodities	308,300	88,991	33,819	55,172	163%	112,819	57,091	55,728	98%
	Total Operating Expenses	**$ 2,241,057**	**$ 224,112**	**$ 172,840**	**$ 51,272**	**30%**	**$ 620,898**	**$ 579,096**	**$ 41,802**	**7%**
	Operating Income (Loss)	**$ 616,943**	**$ (72,844)**	**$ (55,781)**	**$ (17,063)**	**31%**	**$ (398,609)**	**$ (383,610)**	**$ (14,999)**	**4%**
	Operating Income (Loss) Percentage	**21%**	**-46%**	**-44%**			**-168%**	**-177%**		

KEY METRICS

	Goal	*Month 2019*	*Month 2018*	*Month Diff*	*YTD 2019*	*YTD 2018*	*YTD Diff*
Rounds Played	*72,000*	*3,826*	*3,318*	*508*	*4,593*	*4,573*	*20*
Revenue Per Round	*$ 41.57*	*$ 41.44*	*$ 38.07*	*$ 3.37*	*$ 51.78*	*$ 47.52*	*$ 4.26*
Resident Cards Sold	*N/A*	*208*	*164*	*44*	*1,942*	*1,983*	*(41)*
Cost of Goods Sold % - Pro Shop	*75%*	*64%*	*65%*	*-2%*	*85%*	*79%*	*6%*
Personnel Expenses as % of Sales	*45%*	*58%*	*66%*	*-9%*	*137%*	*138%*	*-1%*

VILLAGE LINKS GLEN ELLYN | RESERVE 22 TWENTY-TWO

VILLAGE LINKS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
GOLF
(Including Administration, Grounds, & Mechanical Maintenance)
As of April 30, 2019

ORG/ OBJECT	DESCRIPTION	2019 BUDGET	MONTH 2019	MONTH 2018	MONTH DIFF	MONTH % DIFF	YEAR-TO-DATE 2019	YEAR-TO-DATE 2018	YEAR-TO-DATE DIFF	YEAR-TO-DATE % DIFF
	MISCELLANEOUS REVENUE									
	Miscellaneous Revenue includes the following items, which don't fit into any of the major revenue categories:									
	Handicaps		*$ 3,800*	*$ 2,565*	*$ 1,235*		*$ 29,440*	*$ 19,220*	*$ 10,220*	
	Hand Cart Rentals		*1,724*	*1,389*	*335*		*2,130*	*1,936*	*194*	
	Adult & Junior Golf Lessons		*3,905*	*980*	*2,925*		*7,105*	*2,340*	*4,765*	
	Golf Club Rentals		*150*	*100*	*50*		*170*	*170*	*-*	
	Golf Club Repairs		*695*	*878*	*(183)*		*1,416*	*1,779*	*(363)*	
	Locker Rentals		*320*	*400*	*(80)*		*3,040*	*3,040*	*-*	
	Illinois Sales Tax (1.75%)		*157*	*177*	*(20)*		*564*	*569*	*(6)*	
	Glen Ellyn Food & Beverage Tax (1%)		*17*	*-*	*17*		*17*	*-*	*17*	
	Memorial Tree Donation		*250*	*-*	*250*		*250*	*-*	*250*	
	FootGolf Ball Rentals		*5*	*-*	*5*		*20*	*10*	*10*	
	ATM Machine Commission		*8*	*8*	*(0)*		*21*	*25*	*(4)*	
	Misc./Misc.		*21*	*-*	*21*		*88*	*-*	*88*	
	Total	*$ 109,000*	*$ 11,051*	*$ 6,498*	*$ 4,553*		*$ 44,260*	*$ 29,089*	*$ 15,171*	

VILLAGE LINKS GLEN ELLYN | RESERVE 22 TWENTY-TWO

RESERVE 22
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
As of April 30, 2019

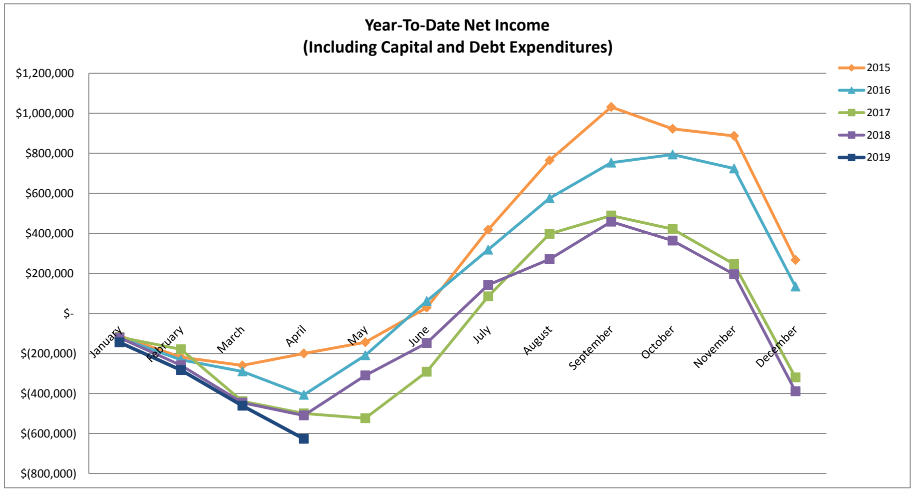
ORG/ OBJECT	DESCRIPTION	2019 BUDGET	MONTH 2019	MONTH 2018	MONTH DIFF	MONTH % DIFF	YEAR-TO-DATE 2019	YEAR-TO-DATE 2018	YEAR-TO-DATE DIFF	YEAR-TO-DATE % DIFF
5520	**RESERVE 22 REVENUES:**									
441100	Food	$ 1,450,000	$ 114,249	$ 89,837	$ 24,412	27%	$ 287,908	$ 271,694	$ 16,214	6%
441101	Liquor	260,000	14,424	17,195	(2,771)	-16%	38,789	47,227	(8,438)	-18%
441102	Beer	465,000	25,686	23,972	1,714	7%	60,987	64,219	(3,232)	-5%
441103	Wine	215,000	15,215	14,587	628	4%	46,276	46,754	(478)	-1%
441104	NA Beverages	95,000	4,694	4,124	570	14%	9,432	10,738	(1,306)	-12%
441106	Room Charges	1,500	-	-	-	0%	1,500	1,100	400	36%
441107	Service Charges	137,000	9,091	8,669	422	5%	22,821	28,234	(5,414)	-19%
489000	Miscellaneous Revenue	100	(20)	13	(33)	-254%	(10)	35	(45)	-128%
	Total Revenues	**$ 2,623,600**	**$ 183,337**	**$ 158,396**	**$ 24,941**	**16%**	**$ 467,702**	**$ 470,000**	**$ (2,298)**	**0%**
	COST OF GOODS SOLD:									
530400	Cost of Goods Sold - Beer	$ 119,080	$ 5,908	$ 7,387	$ (1,479)	-20%	$ 15,358	$ 18,093	$ (2,736)	-15%
530401	Cost of Goods Sold - Wine	61,360	1,437	5,758	(4,322)	-75%	10,003	12,498	(2,495)	-20%
530402	Cost of Goods Sold - Liquor	50,400	3,813	5,645	(1,832)	-32%	7,347	10,946	(3,600)	-33%
530405	Cost of Goods Sold - NA Beverages	27,600	2,660	2,278	382	17%	7,080	3,956	3,125	79%
530420	Cost of Goods Sold - Food	460,800	38,028	30,242	7,786	26%	106,354	98,685	7,669	8%
	Total Cost of Goods Sold	**$ 719,240**	**$ 51,846**	**$ 51,310**	**$ 536**	**1%**	**$ 146,141**	**$ 144,178**	**$ 1,963**	**1%**
	Gross Profit	**$ 1,904,360**	**$ 131,491**	**$ 107,086**	**$ 24,405**	**23%**	**$ 321,561**	**$ 325,822**	**$ (4,261)**	**-1%**
	Gross Profit Percentage	**73%**	**72%**	**68%**			**69%**	**69%**		
	OTHER OPERATING EXPENSES:									
510100	Salaries - Pensionable	$ 629,440	$ 46,566	$ 48,956	$ (2,389)	-5%	$ 185,276	$ 188,607	$ (3,331)	-2%
510120	Salaries - Non-Pensionable	370,000	22,922	26,523	(3,601)	-14%	83,703	84,780	(1,077)	-1%
510200	Salaries - Overtime	6,000	312	156	156	100%	331	624	(293)	-47%
510399	Tips Paid Through Payroll	-	(3,314)	(882)	(2,432)	276%	(627)	1,617	(2,243)	-139%
510400	FICA Taxes	95,662	6,381	6,742	(361)	-5%	24,371	24,634	(264)	-1%
510500	IMRF	45,114	3,708	5,189	(1,482)	-29%	14,347	20,212	(5,865)	-29%
590600	Health Insurance	86,000	7,129	4,779	2,349	49%	28,576	19,117	9,459	49%
52XXXX	Contractual Services	201,189	13,042	12,336	707	6%	49,501	54,604	(5,103)	-9%
53XXXX	Commodities	123,300	14,536	11,160	3,376	30%	45,020	31,810	13,209	42%
	Total Operating Expenses	**$ 1,556,705**	**$ 111,280**	**$ 114,957**	**$ (3,677)**	**-3%**	**$ 430,496**	**$ 426,005**	**$ 4,491**	**1%**
	Operating Income (Loss)	**$ 347,655**	**$ 20,211**	**$ (7,872)**	**$ 28,082**	**-357%**	**$ (108,935)**	**$ (100,183)**	**$ (8,752)**	**9%**
	Operating Income (Loss) Percentage	**13%**	**11%**	**-5%**			**-23%**	**-21%**		

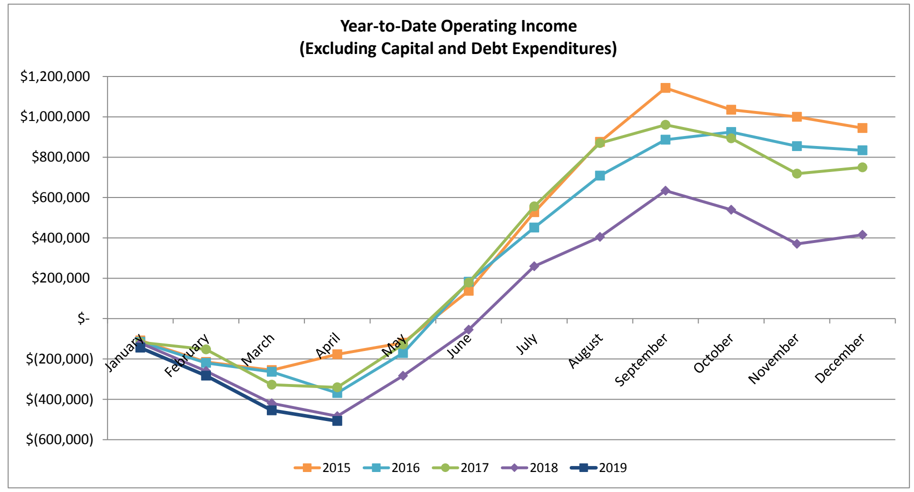
VILLAGE LINKS GLEN ELLYN | RESERVE 22 TWENTY-TWO

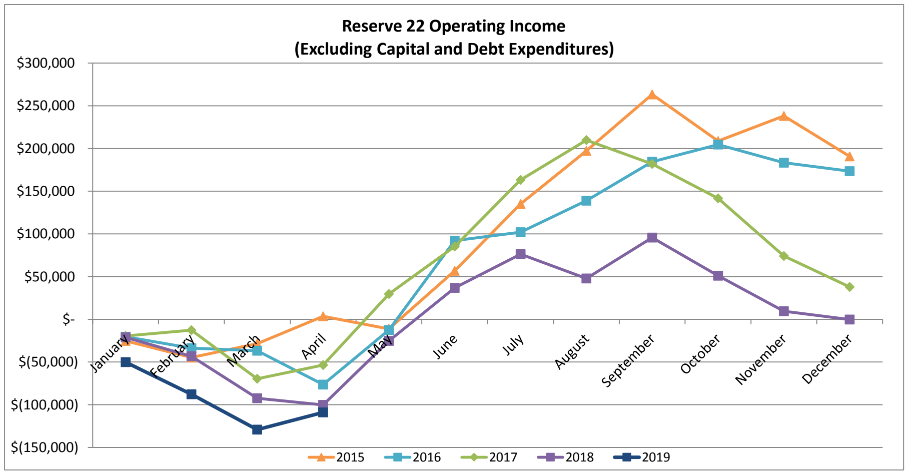
RESERVE 22
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
As of April 30, 2019

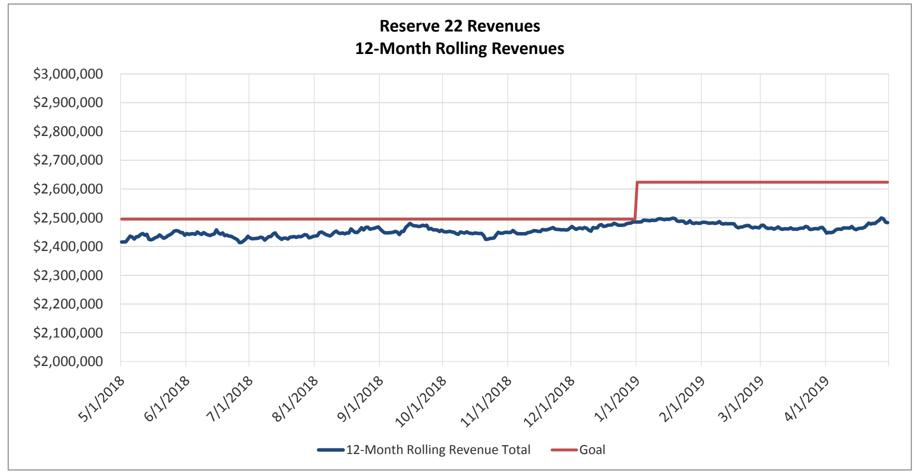
ORG/ OBJECT	DESCRIPTION	2019 BUDGET	MONTH 2019	MONTH 2018	MONTH DIFF	MONTH % DIFF	YEAR-TO-DATE 2019	YEAR-TO-DATE 2018	YEAR-TO-DATE DIFF	YEAR-TO-DATE % DIFF
	KEY METRICS									
		Goal								
	Revenue Source:									
	Restaurant/Bar	*N/A*	*$ 118,732*	*$ 107,019*	*$ 11,712*	*11%*	*$ 319,693*	*$ 305,441*	*$ 14,251*	*5%*
	Banquets	*N/A*	*56,780*	*45,265*	*11,515*	*25%*	*139,602*	*157,078*	*(17,476)*	*-11%*
	Other	*N/A*	*7,825*	*6,112*	*1,714*	*28%*	*8,407*	*7,480*	*927*	*12%*
	Total	*$ 2,623,600*	*$ 183,337*	*$ 158,396*	*$ 24,941*	*16%*	*$ 467,702*	*$ 470,000*	*$ (2,298)*	*0%*
	Reserve 22 Revenues (Last 12 Months)	*$ 2,623,600*					*$ 2,482,928*	*$ 2,408,325*	*$ 74,603*	*3%*
	Reserve 22 Expenses (Last 12 Months)	*$ 2,275,945*					*$ 2,491,900*	*$ 2,417,033*	*$ 74,867*	*3%*
	# Guest Checks (Restaurant/Bar)	*N/A*	*3,610*	*3,266*	*344*		*9,688*	*9,563*	*125*	
	Revenue Per Guest Check	*N/A*	*$ 32.89*	*$ 32.77*	*$ 0.12*		*$ 33.00*	*$ 31.94*	*$ 1.06*	
	# Guests (Restaurant/Bar)	*N/A*	*6,214*	*5,841*	*373*		*16,526*	*17,282*	*(756)*	
	Average Guest Spend	*N/A*	*$ 19.11*	*$ 18.32*	*$ 0.79*		*$ 19.34*	*$ 17.67*	*$ 1.67*	
	Cost of Goods Sold %	*27%*	*28%*	*32%*	*-4%*		*31%*	*31%*	*1%*	
	Cost of Goods Sold % (By Category):									
	Cost of Goods Sold - Beer	*26%*	*23%*	*31%*	*-8%*		*25%*	*28%*	*-3%*	
	Cost of Goods Sold - Wine	*29%*	*9%*	*39%*	*-30%*		*22%*	*27%*	*-5%*	
	Cost of Goods Sold - Liquor	*19%*	*26%*	*33%*	*-6%*		*19%*	*23%*	*-4%*	
	Cost of Goods Sold - NA Beverages	*29%*	*57%*	*55%*	*1%*		*75%*	*37%*	*38%*	
	Cost of Goods Sold - Food	*32%*	*33%*	*34%*	*0%*		*37%*	*36%*	*1%*	
	Personnel Expenses as % of Sales	*47%*	*47%*	*58%*	*-11%*		*72%*	*72%*	*0%*	
	Prime Cost (Cost of Goods Sold + Personnel Expenses) as % of Sales	*74%*	*76%*	*91%*	*-15%*		*103%*	*103%*	*1%*	

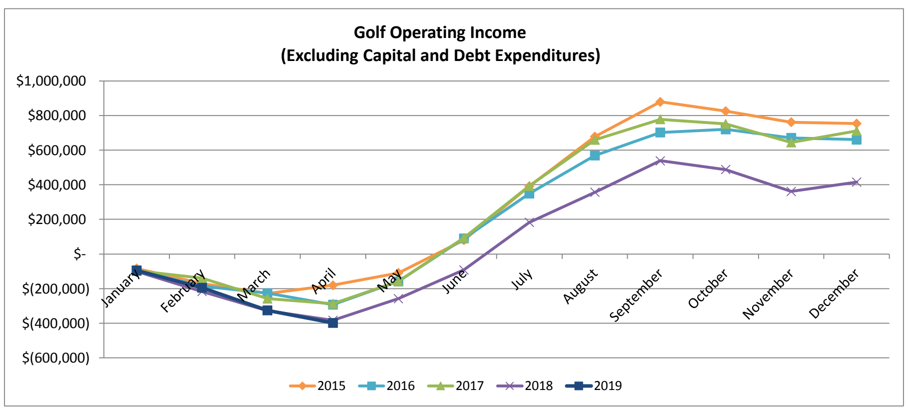
Village Links / Reserve 22
Dashboard Financial Report
As of April 30, 2019

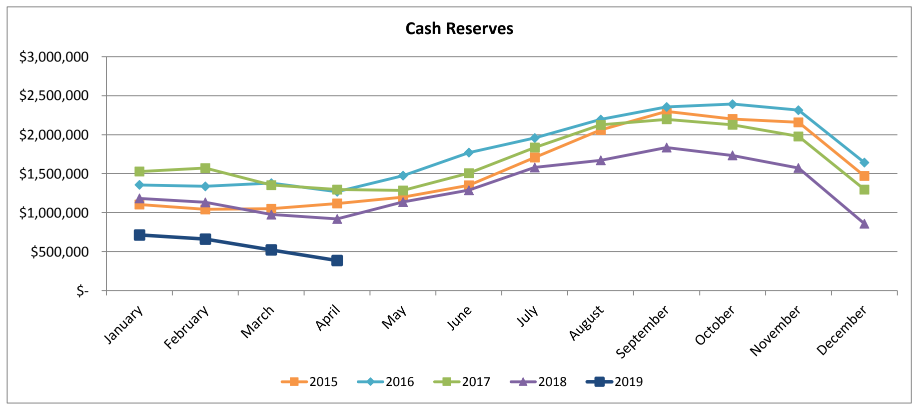












Finance Commission
535 Duane St.
Glen Ellyn, IL 60137

Meeting: 06/14/19 07:00 AM
Department: Finance Commission
Department Head: Christina Coyle
Category: Discussion Item
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 4018) DOC ID: 4018

Analysis of Sales Taxes by SIC Codes

Background

The Illinois Department of Revenue releases sales tax by Standard Industrial Classification (SIC) on a quarterly basis. This analysis includes data through the end of 2018.

Subject

Based up on the data provided by the Illinois Department of Revenue, staff has provided several charts which graphically depict some notable trends in the Village's sales tax and home rule sales tax.

Attachment 1: Historical Sales Tax by SIC Category

The graph provides the dollar value trends in each SIC category. Notable trends include a steady increase in eating and drinking places. This correlates to the increase of new restaurants in the CBD and on Roosevelt Road. Food did see a decrease starting in 2013/14 which correlates to the closing of Dominick's and the opening of Mariano's in Wheaton. Fresh Market opened in early 2014. Automotive sales have rebounded in the last three years. The incentive agreement with Haggerty was enacted in 2012. Automotive saw a sharp increase from 2015 to 2016.

Attachment 2: Composition of Glen Ellyn Sales Tax, by SIC Category

The graph illustrates the major categories of our sales tax. The Village is heavily reliant on Food, Drugs & Misc. Retail, and Automotive and Filling Stations. The Eating and Drinking Places category is growing in comparison to other categories.

Attachment 3: Comparison of SIC Percentages, 1995 and 2018

The graphs depict changes in the sales tax composition over a period of twenty three years. The categories of food and eating and drinking places have grown, while reliance on automotive and filling stations has declined.

Attachment 4: Relative Growth of Sales Tax by SIC Category

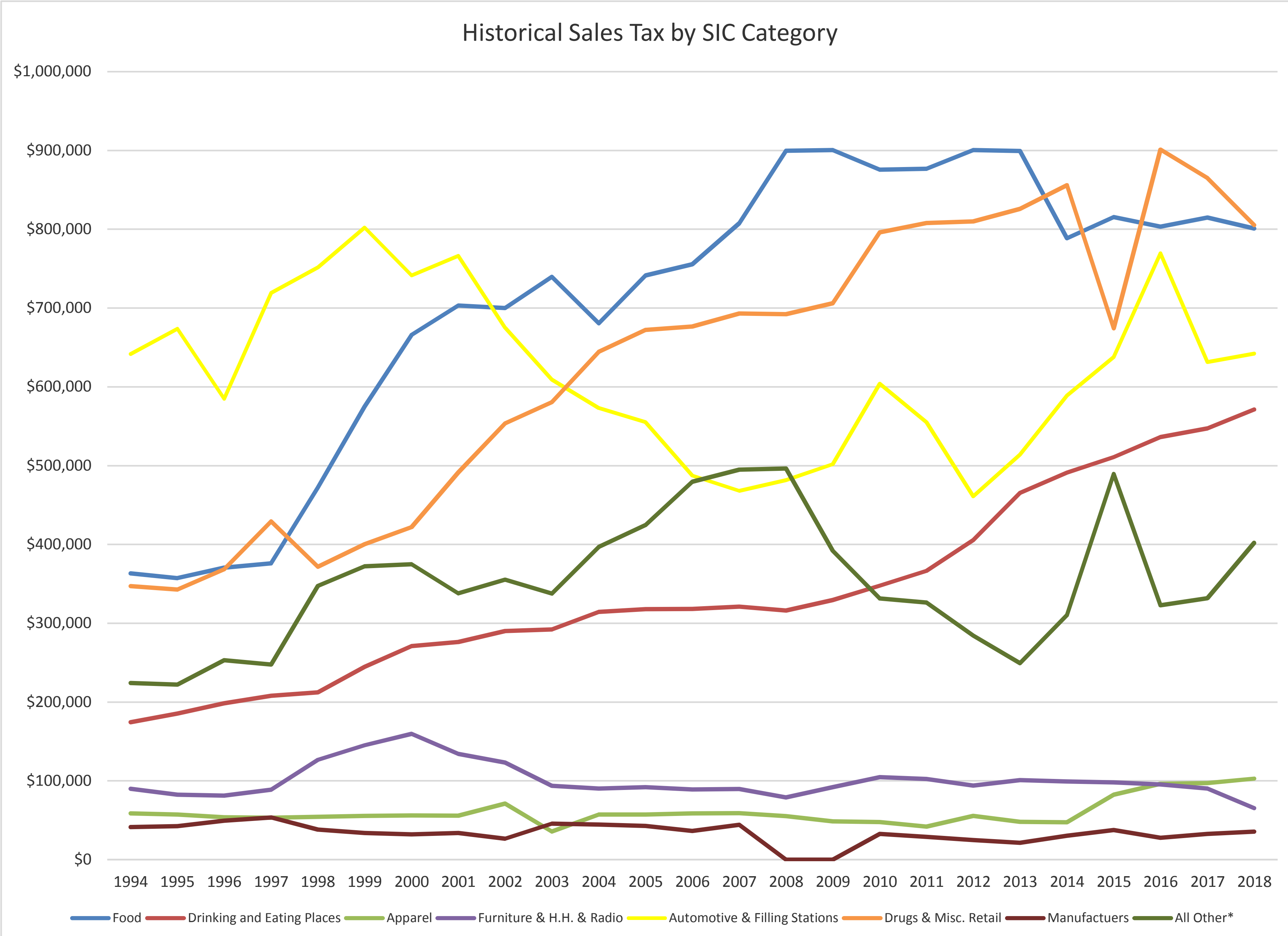
In order to depict the relative growth of sales tax, the chart shows the growth of $1 in sales tax from 1994 to today. This graph highlights that eating and drinking places have shown the greatest growth. Categories such as automotive and filling stations, manufacturing, and furniture, household and radio, have barely grown over the period.

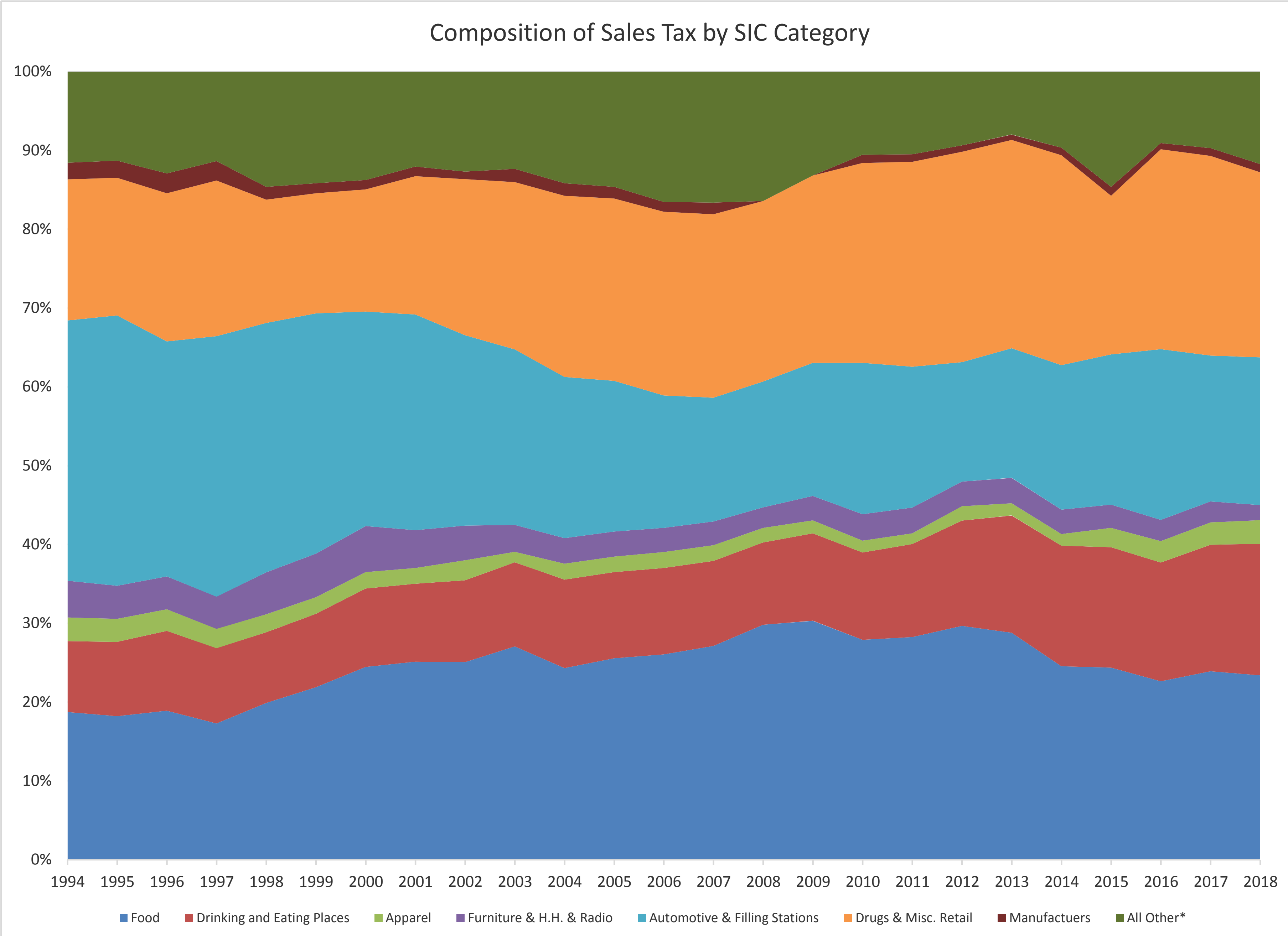
Attachment 5: Three Year Data History

The last attachment simply provides three years of data for those who would like to review it.

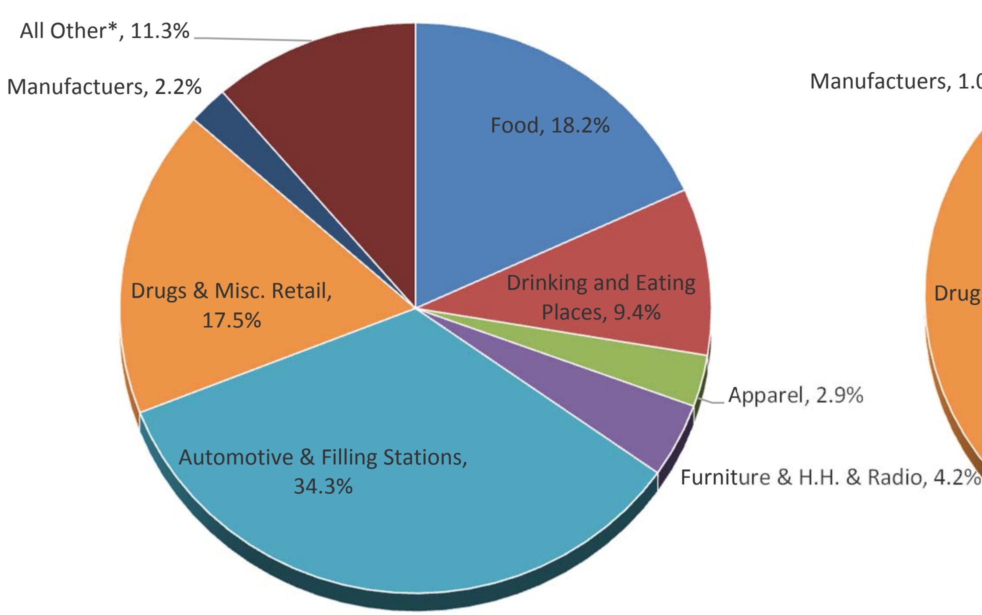
ATTACHMENTS:

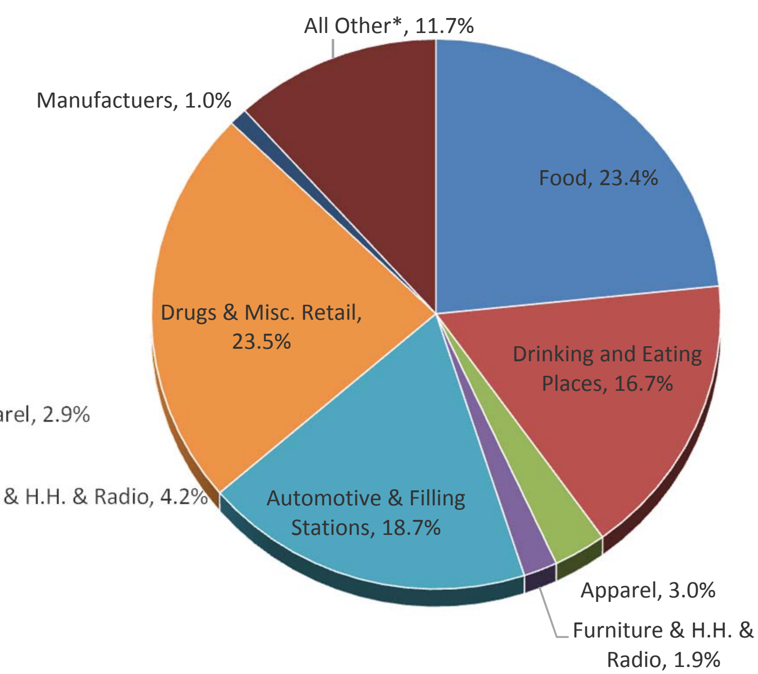
- Attachment 1: Historical Sales Tax by SIC Category 2018 (PDF)
- Attachment 2: Composition of Sales Tax by SIC Category 2018 (PDF)
- Attachment 3: Comparison of SIC Percentages 1995 and 2018 (PDF)
- Attachment 4: Relative Growth of Sales Tax 2018 (PDF)
- Attachment 5: SIC Data 2016 - 2018 (PDF)

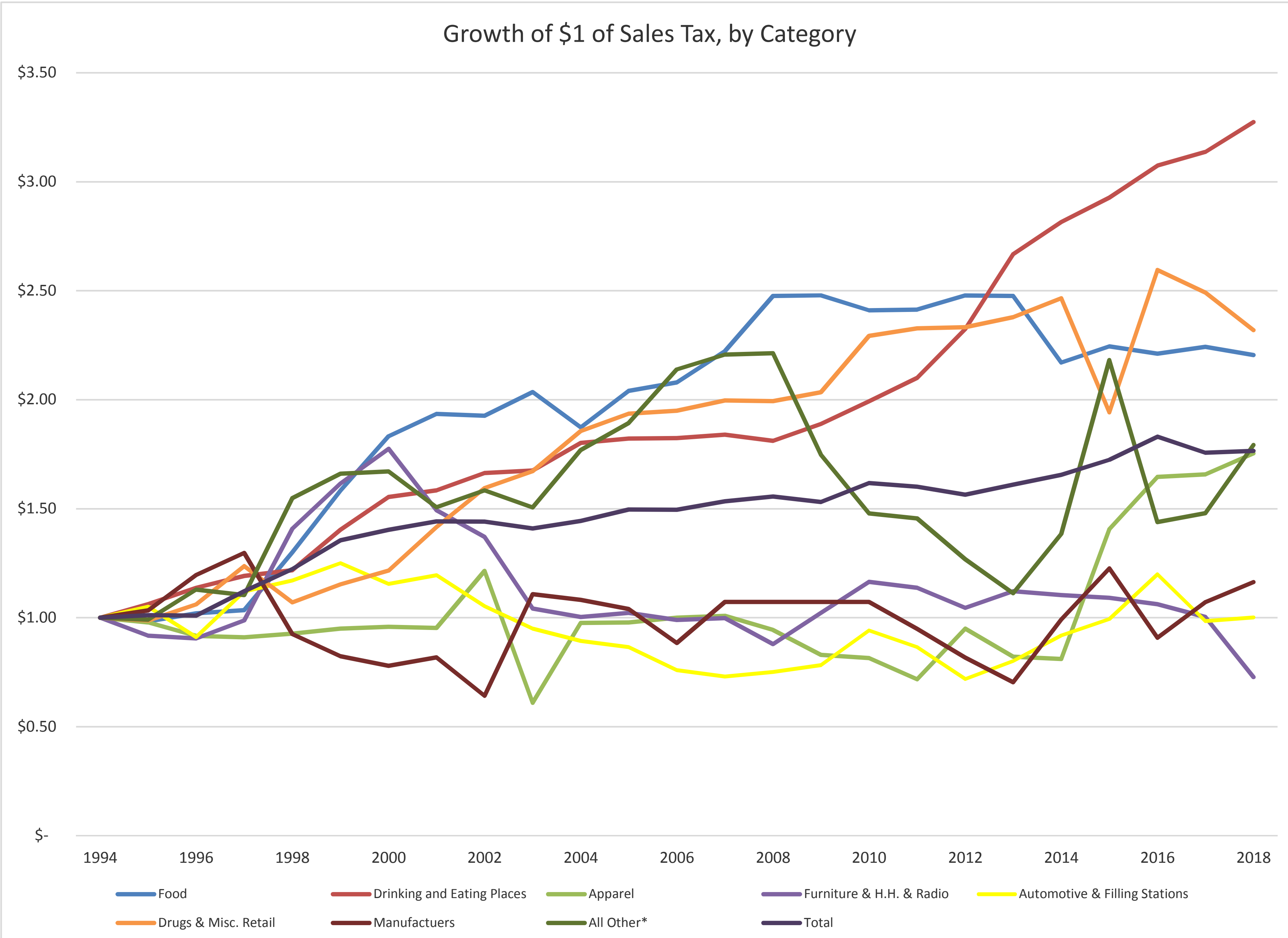

Historical Sales Tax by SIC Category
$1,000,000
$900,000
$800,000
$700,000
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$0
1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018
Food
Drinking and Eating Places
Apparel
Furniture & H.H. & Radio
Automotive & Filling Stations
Drugs & Misc. Retail
Manufactuers
All Other*


Composition of Sales Tax by SIC Category
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
Food
Drinking and Eating Places
Apparel
Furniture & H.H. & Radio
Automotive & Filling Stations
Drugs & Misc. Retail
Manufactuers
All Other*

Comparison of SIC Percentages: 1995 versus 2018






Growth of $1 of Sales Tax, by Category
$3.50
$3.00
$2.50
$2.00
$1.50
$1.00
$0.50
$-
1994
1996
1998
2000
2002
2004
2006
2008
2010
2012
2014
2016
2018
Food
Drinking and Eating Places
Apparel
Furniture & H.H. & Radio
Automotive & Filling Stations
Drugs & Misc. Retail
Manufactuers
All Other*
Total

Village of Glen Ellyn

Analysis of State and Home Rule Sales Tax by Standard Industrial Classification

State Sales Tax - Glen Ellyn Calendar 2018	Q1	Q2	Q3	Q4	Total	YTD Change	Percent Change
General Merchandise	$ 6,129.31	$ 6,528.29	$ 6,708.08	$ 9,523.60	$ 28,889.28	$ (570.51)	-1.9%
Food	199,109.14	207,969.26	195,382.05	198,670.51	$ 801,130.96	$ (13,828.30)	-1.7%
Drinking and Eating Places	133,821.80	148,204.79	142,234.42	146,976.52	$ 571,237.53	$ 23,975.08	4.4%
Apparel	20,226.03	26,114.04	25,926.13	30,570.76	$ 102,836.96	$ 5,627.72	5.8%
Furniture & H.H. & Radio	16,578.53	15,101.45	18,198.14	15,597.70	$ 65,475.82	$ (24,842.82)	-27.5%
Lumber, Bldg, Hardware	7,373.93	12,313.01	9,877.76	8,798.64	$ 38,363.34	$ (2,507.61)	-6.1%
Automotive & Filling Stations	156,547.76	171,255.23	157,603.63	156,780.16	$ 642,186.78	$ 10,707.74	1.7%
Drugs & Misc. Retail	196,091.74	201,265.88	183,583.55	224,284.72	$ 805,225.89	$ (59,765.46)	-6.9%
Agriculture & All Others	74,692.08	82,591.35	103,009.48	74,506.70	$ 334,799.61	$ 73,301.31	28.0%
Manufactuers	7,509.58	9,069.84	10,984.64	8,093.69	$ 35,657.75	$ 2,823.44	8.6%
All Other*	-	-	-	-	$ -	$ -	0.0%
Total	**$ 818,079.90**	**$ 880,413.14**	**$ 853,507.88**	**$ 873,803.00**	**$ 3,425,803.92**	$ 14,920.59	0.6%
Percent of total	23.9%	25.7%	24.9%	25.5%			
Non-Automotive	$ 661,532	$ 709,158	$ 695,904	$ 717,023	$ 2,783,617	$ 4,213	0.2%

Home Rule Sales Tax - Glen Ellyn Calendar 2018	Q1	Q2	Q3	Q4	Total	YTD Change	Percent Change
General Merchandise	$ 4,831.18	$ 5,088.83	$ 6,615.29	$ 10,028.40	$ 26,563.70	$ 3,648.45	15.9%
Food	69,144.55	74,575.84	87,920.99	88,847.09	$ 320,488.47	$ 39,698.30	14.1%
Drinking and Eating Places	131,351.08	147,640.21	174,113.68	179,660.02	$ 632,764.99	$ 93,970.23	17.4%
Apparel	20,163.07	26,035.61	32,213.20	38,079.99	$ 116,491.87	$ 20,175.89	20.9%
Furniture & H.H. & Radio	16,442.06	14,997.19	22,466.97	19,289.64	$ 73,195.86	$ (16,600.81)	-18.5%
Lumber, Bldg, Hardware	7,367.42	12,299.09	12,330.08	10,988.31	$ 42,984.90	$ 2,267.27	5.6%
Automotive & Filling Stations	34,636.99	36,121.31	43,237.26	39,516.38	$ 153,511.94	$ 24,800.99	19.3%
Drugs & Misc. Retail	112,909.90	114,720.65	154,781.41	166,786.69	$ 549,198.65	$ 34,955.39	6.8%
Agriculture & All Others	69,915.66	77,347.92	88,657.16	86,625.29	$ 322,546.03	$ 82,258.33	34.2%
Manufacturers	6,598.17	8,116.81	12,533.05	8,819.74	$ 36,067.77	$ 7,135.70	24.7%
All Other	-	-	-	-	$ -	$ -	0.0%
Total	**$ 473,360.08**	**$ 516,943.46**	**$ 634,869.09**	**$ 648,641.55**	**$ 2,273,814.18**	$ 292,309.74	14.8%
Percent of total	20.8%	22.7%	27.9%	28.5%			
Non-Automotive	$ 438,723	$ 480,822	$ 591,632	$ 609,125	$ 2,120,302	$ 267,509	14.4%

State Sales Tax - Glen Ellyn Calendar 2017	Q1	Q2	Q3	Q4	Total	YTD Change	Percent Change
General Merchandise	$ 5,558.20	$ 6,930.64	$ 6,939.83	$ 10,031.12	$ 29,459.79	$ 7,143.57	32.0%
Food	198,034.95	209,524.46	197,308.76	210,091.09	$ 814,959.26	$ 11,590.93	1.4%
Drinking and Eating Places	125,128.41	145,698.61	135,539.54	140,895.89	$ 547,262.45	$ 10,979.95	2.0%
Apparel	18,975.28	25,083.69	24,040.05	29,110.22	$ 97,209.24	$ 720.45	0.7%
Furniture & H.H. & Radio	25,058.93	22,334.19	20,236.73	22,688.79	$ 90,318.64	$ (5,229.74)	-5.5%
Lumber, Bldg, Hardware	6,088.99	13,878.52	11,152.07	9,751.37	$ 40,870.95	$ (1,053.52)	-2.5%
Automotive & Filling Stations	163,238.70	154,786.83	149,192.95	164,260.56	$ 631,479.04	$ (138,065.87)	-17.9%
Drugs & Misc. Retail	211,766.13	203,389.21	220,334.50	229,501.51	$ 864,991.35	$ (36,104.25)	-4.0%
Agriculture & All Others	56,061.99	68,477.92	65,370.49	71,587.90	$ 261,498.30	$ 19,044.00	7.9%
Manufactuers	8,629.32	8,209.43	8,093.36	7,902.20	$ 32,834.31	$ 4,996.24	17.9%
All Other*	-	-	-	-	$ -	$ (16,020.57)	-100.0%
Total	**$ 818,540.90**	**$ 858,313.50**	**$ 838,208.28**	**$ 895,820.65**	**$ 3,410,883.33**	$ (141,998.81)	-4.0%
Percent of total	24.0%	25.2%	24.6%	26.3%			
Non-Automotive	$ 655,302	$ 703,527	$ 689,015	$ 731,560	$ 2,779,404	$ (3,933)	-0.1%

Home Rule Sales Tax - Glen Ellyn Calendar 2017	Q1	Q2	Q3	Q4	Total	YTD Change	Percent Change
General Merchandise	$ 4,363.97	$ 5,449.04	$ 5,338.11	$ 7,764.13	$ 22,915.25	$ 5,310.26	30.2%
Food	63,535.32	72,119.38	69,525.25	75,610.22	$ 280,790.17	$ 11,496.27	4.3%
Drinking and Eating Places	122,834.56	143,363.36	133,723.20	138,873.64	$ 538,794.76	$ 11,982.84	2.3%
Apparel	18,774.78	24,559.15	23,973.75	29,008.30	$ 96,315.98	$ 725.13	0.8%
Furniture & H.H. & Radio	24,911.40	22,211.24	20,107.24	22,566.79	$ 89,796.67	$ (5,185.74)	-5.5%
Lumber, Bldg, Hardware	6,070.02	13,840.15	11,065.22	9,742.24	$ 40,717.63	$ (1,133.68)	-2.7%
Automotive & Filling Stations	30,675.75	32,736.38	30,487.40	34,811.42	$ 128,710.95	$ 4,319.90	3.5%
Drugs & Misc. Retail	126,525.74	117,055.28	133,132.57	137,529.67	$ 514,243.26	$ (33,781.24)	-6.2%
Agriculture & All Others	50,481.61	63,291.86	59,953.37	66,560.86	$ 240,287.70	$ 18,625.15	8.4%
Manufacturers	7,691.97	7,221.23	7,116.00	6,902.87	$ 28,932.07	$ 4,119.79	16.6%
All Other	-	-	-	-	$ -	$ (13,583.34)	-100.0%
Total	**$ 455,865.12**	**$ 501,847.07**	**$ 494,422.11**	**$ 529,370.14**	**$ 1,981,504.44**	$ 2,895.34	0.1%
Percent of total	23.0%	25.3%	25.0%	26.7%			
Non-Automotive	$ 425,189	$ 469,111	$ 463,935	$ 494,559	$ 1,852,793	$ (1,425)	-0.1%

State Sales Tax - Glen Ellyn Calendar 2016	Q1	Q2	Q3	Q4	Total	YTD Change	Percent Change
General Merchandise	$ 5,592.75	$ 6,241.55	$ -	$ 10,481.92	$ 22,316.22	$ 8,686.33	63.7%
Food	193,763.91	201,403.93	193,865.89	214,334.60	803,368.33	$ (12,116.30)	-1.5%
Drinking and Eating Places	129,691.14	137,139.89	133,669.93	135,781.54	536,282.50	$ 25,521.35	5.0%
Apparel	18,778.01	24,162.52	23,552.27	29,995.99	96,488.79	$ 14,011.37	17.0%
Furniture & H.H. & Radio	22,050.60	20,892.95	26,052.75	26,552.08	95,548.38	$ (2,616.28)	-2.7%
Lumber, Bldg, Hardware	9,059.98	12,069.98	10,734.21	10,060.30	41,924.47	$ 12,346.44	41.7%
Automotive & Filling Stations	202,370.70	201,508.22	191,525.63	174,140.36	769,544.91	$ 131,733.06	20.7%
Drugs & Misc. Retail	215,084.79	207,646.71	231,027.63	247,336.47	901,095.60	$ 226,766.00	33.6%
Agriculture & All Others	54,984.58	63,231.86	62,701.39	61,536.47	242,454.30	$ (182,983.12)	-43.0%
Manufactuers	7,745.07	10,377.57	-	9,715.43	27,838.07	$ 223.91	0.8%
All Other*	-	-	16,020.57	-	16,020.57	$ (14,653.07)	-47.8%
Total	**$ 859,121.53**	**$ 884,675.18**	**$ 889,150.27**	**$ 919,935.16**	**$ 3,552,882.14**	$ 206,919.69	6.2%
Percent of total	24.2%	24.9%	25.0%	25.9%			
Non-Automotive	$ 656,751	$ 683,167	$ 697,625	$ 745,795	$ 2,783,337	$ 75,187	2.8%

Home Rule Sales Tax - Glen Ellyn Calendar 2016	Q1	Q2	Q3	Q4	Total	YTD Change	Percent Change
General Merchandise	$ 4,320.96	$ 4,877.26	$ -	$ 8,406.77	$ 17,604.99	$ 6,547.94	59.2%
Food	60,599.05	68,996.00	65,772.37	73,926.48	269,293.90	$ (12,634.14)	-4.5%
Drinking and Eating Places	127,195.25	134,740.22	131,550.76	133,325.69	526,811.92	$ 25,716.02	5.1%
Apparel	18,593.58	23,957.23	23,412.35	29,627.69	95,590.85	$ 13,960.26	17.1%
Furniture & H.H. & Radio	21,904.57	20,756.86	25,907.55	26,413.43	94,982.41	$ (2,660.39)	-2.7%
Lumber, Bldg, Hardware	9,010.37	12,063.23	10,727.39	10,050.32	41,851.31	$ 12,305.13	41.6%
Automotive & Filling Stations	27,519.51	30,682.01	30,766.92	35,422.61	124,391.05	$ (13,588.61)	-9.8%
Drugs & Misc. Retail	132,790.87	119,575.35	142,208.40	153,449.88	548,024.50	$ 40,828.66	8.0%
Agriculture & All Others	49,776.94	57,720.68	57,868.20	56,296.73	221,662.55	$ (10,494.59)	-4.5%
Manufacturers	6,826.01	9,317.36	-	8,668.91	24,812.28	$ 256.26	1.0%
All Other	-	-	13,583.34	-	13,583.34	$ (14,543.46)	-51.7%
Total	**$ 458,537.11**	**$ 482,686.20**	**$ 501,797.28**	**$ 535,588.51**	**$ 1,978,609.10**	$ 45,693.08	2.4%
Percent of total	23.2%	24.4%	25.4%	27.1%			
Non-Automotive	$ 431,018	$ 452,004	$ 471,030	$ 500,166	$ 1,854,218	$ 59,282	3.3%

Attachment: Attachment 5: SIC Data 2016 - 2018 (4018 : 2018 Analysis of Sales Taxes by SIC Codes)

Finance Commission
535 Duane St.
Glen Ellyn, IL 60137

Meeting: 06/14/19 07:00 AM
Department: Finance Commission
Department Head: Christina Coyle
Category: Report
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 4017) DOC ID: 4017

Finance Director Coyle will present the 2018 actuary report for the Police Pension Fund

Background:
Each year, the police pension fund is required to obtain an actuarial report to provide the necessary disclosures for the annual audit as well as to determine funding for the preceding fiscal year.

Subject:
Notable items in this report include:

Page 5: The Village required contribution for 2019 will increase from $1.77 million to $1.92 million. For 2018, the Village is actually contributing $1.9 million, which is above the required $1.77 million. The reason for the increase is attributable to unfavorable plan experience and a change in assumptions. The investment return of 3.79% fell short of the assumed 6.5% (you may remember December to be a bad month for the market). Also, there were more retirements and turnover than expected.

Page 6: This page highlights changes in assumptions from the prior report.

- Mortality assumptions were updated to the most recent available table.

Page 9: This page shows the funded status of the plan, which under the new assumptions is 59.4%. The previous 2018 report showed a funded status of 61.1%.

Page 12 (I): This analysis highlights that our actual salary increases in comparison to the assumed rate. The actual experience for 2018 is in line with the contract that was approved and highlights the step/cola increases that officers receive in the first several years of the contract. Our actual payroll experience increase from 2017 to 2018 was 0.3%

Page 12 (I)(ii): This compares the actual investment return to the assumed return.

Page 32-49: This provides disclosure information which will be in the Village's annual audit report. The funded status of the plan on a GAAP basis is 55.19%. Page 35 highlights the effect that a 1% increase or decrease in the discount rate (or return) would have on the net pension liability.

Page 40: This page shows the actuarial smoothing of differences between projected and actual investment earnings. All years except 2017 show unfavorable returns

Page 41: This page highlights the annual money-weighted rate of return for the fund. The return for 2018 was -5.67%. The return for 2017 was 11.98%.

ATTACHMENTS:

- Valuation Report - Glen Ellyn Police - 2018 (PDF)

VILLAGE OF GLEN ELLYN
POLICE PENSION FUND

ACTUARIAL VALUATION
AS OF JANUARY 1, 2019

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING DECEMBER 31, 2020

GASB 67/68 DISCLOSURE INFORMATION
AS OF DECEMBER 31, 2018

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

May 8, 2019

Ms. Christina Coyle
Finance Director
Village of Glen Ellyn
535 Duane St.
Glen Ellyn, IL 60137

Re: Actuarial Valuation Report (including GASB Statements No. 67 and No. 68) – Village of Glen Ellyn Police Pension Fund

Dear Ms. Coyle:

We are pleased to present to the Village this report of the annual actuarial valuation of the Village of Glen Ellyn Police Pension Fund. Included are the related results for GASB Statements No. 67 and No. 68. The funding valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. The calculation of the liability for GASB results was performed for the purpose of satisfying the requirements of GASB Statements No. 67 and No. 68. Use of the results for other purposes may not be applicable and produce significantly different results.

The valuations have been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Article 3, Illinois Pension Code, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by the Board, financial reports prepared by the custodian bank and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

The total pension liability, net pension liability, and certain sensitivity information shown in the GASB results are based on an actuarial valuation performed as of the valuation date.

184 Shuman Blvd, Suite 305 Naperville, IL 60563 · (630) 620-0200 · Fax (239) 481-0634 · www.foster-foster.com

The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the Village of Glen Ellyn, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Village of Glen Ellyn Police Pension Fund. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 630-620-0200.

Respectfully submitted,

Foster & Foster, Inc.

By: Jason L. Franken
Jason L. Franken, FSA, EA, MAAA

By: Heidi Andorfer
Heidi E. Andorfer, FSA, EA, MAAA

By: Paul M. Baugher
Paul M. Baugher, FSA, EA, MAAA

JLF/lke
Enclosures

TABLE OF CONTENTS

SUMMARY OF REPORT

The regular annual actuarial valuation of the Village of Glen Ellyn Police Pension Fund, performed as of January 1, 2019, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ended December 31, 2020.

The contribution requirements, compared with those set forth in the January 1, 2018 actuarial report, are as follows:

Valuation Date	1/1/2019	1/1/2018
Applicable to Fiscal Year Ending	12/31/2020	12/31/2019
Total Recommended Contribution	$2,278,462	$2,116,079
% of Projected Annual Payroll	63.8%	60.7%
Member Contributions (Est.)	353,887	345,430
% of Projected Annual Payroll	9.9%	9.9%
Village Recommended Contribution	1,924,575	1,770,649
% of Projected Annual Payroll	53.9%	50.8%

As you can see, the Total Recommended Contribution shows an increase when compared to the results determined in the January 1, 2018 actuarial valuation report. The increase is attributable to unfavorable plan experience and a change of actuarial assumptions.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. Sources of unfavorable experience included an investment return of 3.79% (Actuarial Asset Basis) which fell short of the 6.50% assumption, more retirements than expected, and unfavorable turnover experience. These losses were offset in part by a gain associated with more inactive mortality than expected.

CHANGES SINCE PRIOR VALUATION

Plan Changes Since Prior Valuation

No plan changes have occurred since the prior valuation.

Actuarial Assumption/Method Changes Since Prior Valuation

The mortality rates were updated to reflect the PubS-2010 tables. Given the recent release of a report by the Society of Actuaries on public pension mortality, we feel that these tables are the most representative of the population in question. These tables are the first to consider only public plan mortality experience, analyzing the data from over 78 public pension plans which included 46 million life-years of exposure and around 580,000 deaths. To address expected future mortality improvement, we have projected the tables 5 years past the valuation date using the MP-2018 projection table which is the most recent table available for mortality projection.

There were no method changes since the prior valuation.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump 1/1/2019	Old Assump 1/1/2019	1/1/2018
A. Participant Data			
Number Included			
Actives	38	38	38
Service Retirees	29	29	28
Beneficiaries	3	3	3
Disability Retirees	3	3	3
Terminated Vested	6	6	7
Total	79	79	79
Total Annual Payroll	$3,571,005	$3,571,005	$3,485,670
Payroll Under Assumed Ret. Age	3,571,005	3,571,005	3,485,670
Annual Rate of Payments to:			
Service Retirees	1,948,059	1,948,059	1,794,291
Beneficiaries	128,311	128,311	128,311
Disability Retirees	136,000	136,000	134,595
Terminated Vested	116,879	116,879	0
B. Assets			
Actuarial Value	31,371,025	31,371,025	30,118,735
Market Value	28,842,655	28,842,655	30,480,565
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	21,150,822	21,023,893	23,234,984
Disability Benefits	2,010,195	2,013,788	1,953,379
Death Benefits	221,190	384,299	389,536
Vested Benefits	2,064,183	2,081,289	1,933,943
Service Retirees	30,550,878	29,647,657	26,667,133
Beneficiaries	1,397,429	1,363,207	1,387,458
Disability Retirees	1,855,336	1,810,365	1,815,481
Terminated Vested	1,903,648	1,887,831	115,046
Total	61,153,681	60,212,329	57,496,960

C. Liabilities - (Continued)	New Assump 1/1/2019	Old Assump 1/1/2019	1/1/2018
Present Value of Future Salaries	40,457,054	40,343,132	36,843,243
Present Value of Future Member Contributions	4,009,294	3,998,004	3,651,165
Normal Cost (Retirement)	599,931	596,871	622,881
Normal Cost (Disability)	105,282	105,517	105,894
Normal Cost (Death)	10,265	16,359	16,382
Normal Cost (Vesting)	110,890	112,257	101,337
Total Normal Cost	826,368	831,004	846,494
Present Value of Future Normal Costs	8,349,089	8,393,856	8,172,139
Accrued Liability (Retirement)	14,875,452	14,773,164	17,062,127
Accrued Liability (Disability)	888,030	889,198	893,189
Accrued Liability (Death)	122,487	227,263	236,053
Accrued Liability (Vesting)	1,211,332	1,219,788	1,148,334
Accrued Liability (Inactives)	35,707,291	34,709,060	29,985,118
Total Actuarial Accrued Liability	52,804,592	51,818,473	49,324,821
Unfunded Actuarial Accrued Liability (UAAL)	21,433,567	20,447,448	19,206,086
Funded Ratio (AVA / AL)	59.4%	60.5%	61.1%

	New Assump 1/1/2019	Old Assump 1/1/2019	1/1/2018
D. Actuarial Present Value of Accrued Benefits			
Vested Accrued Benefits			
Inactives	35,707,291	34,709,060	29,985,118
Actives	4,080,900	4,090,529	6,308,890
Member Contributions	3,153,467	3,153,467	3,420,534
Total	42,941,658	41,953,056	39,714,542
Non-vested Accrued Benefits	1,152,265	1,124,925	865,303
Total Present Value Accrued Benefits	44,093,923	43,077,981	40,579,845
Funded Ratio (MVA / PVAB)	65.4%	67.0%	75.1%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	1,015,942	0	
New Accrued Benefits	0	2,111,075	
Benefits Paid	0	(2,179,786)	
Interest	0	2,566,847	
Other	0	0	
Total	1,015,942	2,498,136	

	New Assump	Old Assump	
Valuation Date	1/1/2019	1/1/2019	1/1/2018
Applicable to Fiscal Year Ending	12/31/2020	12/31/2020	12/31/2019
E. Pension Cost			
Normal Cost [1]	$880,082	$885,019	$901,516
% of Total Annual Payroll [1]	24.6	24.8	25.9
Administrative Expenses [1]	20,517	20,517	18,402
% of Total Annual Payroll [1]	0.6	0.6	0.5
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 22 years (as of 1/1/2019) [1]	1,377,863	1,314,471	1,196,161
% of Total Annual Payroll [1]	38.6	36.8	34.3
Total Recommended Contribution	2,278,462	2,220,007	2,116,079
% of Total Annual Payroll [1]	63.8	62.2	60.7
Expected Member Contributions [1]	353,887	353,887	345,430
% of Total Annual Payroll [1]	9.9	9.9	9.9
Expected Village Contribution	1,924,575	1,866,120	1,770,649
% of Total Annual Payroll [1]	53.9	52.3	50.8

F. Past Contributions	
Plan Years Ending:	12/31/2018
Total Recommended Contribution	2,166,493
Village Requirement	1,817,304
Actual Contributions Made:	
Members (excluding buyback)	349,189
Village	1,959,000
Total	2,308,189
G. Net Actuarial (Gain)/Loss	1,464,161

[1] Contributions developed as of 1/1/2019 displayed above have been adjusted to account for assumed interest.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

Year	Projected Unfunded Accrued Liability
2019	21,433,567
2020	21,448,886
2021	21,416,975
2026	20,369,004
2031	17,248,873
2036	10,973,577
2041	0

I. (i) 3 Year Comparison of Actual and Assumed Salary Increases

		Actual	Assumed
Year Ended	12/31/2018	8.67%	4.89%
Year Ended	12/31/2017	4.92%	5.57%
Year Ended	12/31/2016	0.99%	5.00%

(ii) 3 Year Comparison of Investment Return on Actuarial Value

		Actual	Assumed
Year Ended	12/31/2018	3.79%	6.50%
Year Ended	12/31/2017	5.64%	6.50%
Year Ended	12/31/2016	4.62%	6.75%

DEVELOPMENT OF JANUARY 1, 2019 AMORTIZATION PAYMENT

(1)	Unfunded Actuarial Accrued Liability as of January 1, 2018	$19,206,086
(2)	Sponsor Normal Cost developed as of January 1, 2018	501,064
(3)	Expected administrative expenses for the year ended December 31, 2018	17,279
(4)	Expected interest on (1), (2) and (3)	1,281,526
(5)	Sponsor contributions to the System during the year ended December 31, 2018	1,959,000
(6)	Expected interest on (5)	63,668
(7)	Expected Unfunded Actuarial Accrued Liability as of December 31, 2018, (1)+(2)+(3)+(4)-(5)-(6)	18,983,287
(8)	Change to UAAL due to Assumption Change	986,119
(9)	Change to UAAL due to Actuarial (Gain)/Loss	1,464,161
(10)	Unfunded Accrued Liability as of January 1, 2019	21,433,567
(11)	UAAL Subject to Amortization (100% AAL less Actuarial Assets)	21,433,567

Date Established	Years Remaining	1/1/2019 Amount	Amortization Amount
1/1/2019	22	21,433,567	1,293,768

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1)	Unfunded Actuarial Accrued Liability (UAAL) as of January 1, 2018	$19,206,086
(2)	Expected UAAL as of January 1, 2019	18,983,287
(3)	Summary of Actuarial (Gain)/Loss, by component:	
	Investment Return (Actuarial Asset Basis)	818,113
	Salary Increases	286,367
	Active Decrements	695,395
	Inactive Mortality	(381,805)
	Other	46,091
	Change in UAAL due to (Gain)/Loss	1,464,161
	Assumption Changes	986,119
(4)	Actual UAAL as of January 1, 2019	$21,433,567

RECONCILIATION OF CHANGES IN CONTRIBUTION REQUIREMENT

(1)	Contribution Determined as of January 1, 2018	$1,770,649
(2)	Summary of Contribution Impact by component:	
	Change in Normal Cost	(16,497)
	Change in Assumed Administrative Expense	2,115
	Investment Return (Actuarial Asset Basis)	52,593
	Salary Increases	18,409
	New Entrants	-
	Active Decrements	44,704
	Inactive Mortality	(24,544)
	Data Corrections	-
	Contributions (More) or Less than Recommended	(9,405)
	Increase in Amortization Payment Due to Payroll Growth Assumption	41,866
	Change in Expected Member Contributions	(8,457)
	Assumption Change	58,455
	Other	(5,313)
	Total Change in Contribution	153,926
(3)	Contribution Determined as of January 1, 2019	$1,924,575

STATUTORY MINIMUM REQUIRED CONTRIBUTION

Contribution requirements shown on this page are calculated according to statutory minimum funding requirements of the Illinois Pension Code. We do not believe this method is sufficient to fund future benefits; as such, we recommend funding according to the contributions developed in Section E of this report.

	New Assump	Old Assump	
Valuation Date	1/1/2019	1/1/2019	1/1/2018
Applicable to Fiscal Year Ending	12/31/2020	12/31/2020	12/31/2019
Actuarial Accrued Liability (PUC)	50,487,731	49,486,720	47,021,904
Actuarial Value of Assets	31,371,025	31,371,025	30,118,735
Unfunded Actuarial Accrued Liability (UAAL)	19,116,706	18,115,695	16,903,169
UAAL Subject to Amortization	14,067,933	13,167,023	12,200,979
Normal Cost [1]	$974,187	$978,576	$1,023,056
% of Total Annual Payroll [1]	27.3	27.4	29.3
Administrative Expenses [1]	20,517	20,517	18,402
% of Total Annual Payroll [1]	0.6	0.6	0.5
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 22 years (as of 1/1/2019) [1]	904,361	846,446	759,881
% of Total Annual Payroll [1]	25.3	23.7	21.9
Total Required Contribution	1,899,065	1,845,539	1,801,339
% of Total Annual Payroll [1]	53.2	51.7	51.7
Expected Member Contributions [1]	353,887	353,887	345,430
% of Total Annual Payroll [1]	9.9	9.9	9.9
Expected Village Contribution	1,545,178	1,491,652	1,455,909
% of Total Annual Payroll [1]	43.3	41.8	41.8

Assumptions and Methods:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	90% Funding by 2040

All other assumptions and methods are as described in the Actuarial Assumptions and Methods section.

[1] Contributions developed as of 1/1/2019 displayed above have been adjusted to account for assumed interest.

PROJECTION OF BENEFIT PAYMENTS

Year	Payments for Current Actives	Payments for Current Inactives	Total Payments
2019	91,938	2,207,290	2,299,228
2020	160,855	2,339,156	2,500,011
2021	218,671	2,394,761	2,613,432
2022	271,340	2,440,599	2,711,939
2023	317,643	2,484,466	2,802,109
2024	359,555	2,525,820	2,885,375
2025	398,663	2,577,579	2,976,242
2026	440,953	2,615,159	3,056,112
2027	500,012	2,648,365	3,148,377
2028	580,250	2,676,489	3,256,739
2029	723,799	2,698,835	3,422,634
2030	924,874	2,714,738	3,639,612
2031	1,113,004	2,723,603	3,836,607
2032	1,325,525	2,724,939	4,050,464
2033	1,543,073	2,718,405	4,261,478
2034	1,796,103	2,703,827	4,499,930
2035	2,030,992	2,681,175	4,712,167
2036	2,245,166	2,650,587	4,895,753
2037	2,443,787	2,612,294	5,056,081
2038	2,641,214	2,566,637	5,207,851
2039	2,835,933	2,513,993	5,349,926
2040	2,997,218	2,479,254	5,476,472
2041	3,151,745	2,437,266	5,589,011
2042	3,368,377	2,368,234	5,736,611
2043	3,528,982	2,294,028	5,823,010
2044	3,732,863	2,215,271	5,948,134
2045	3,870,309	2,132,574	6,002,883
2046	4,030,175	2,046,496	6,076,671
2047	4,190,755	1,957,514	6,148,269
2048	4,331,928	1,866,051	6,197,979
2049	4,521,355	1,772,417	6,293,772
2050	4,631,337	1,676,879	6,308,216
2051	4,741,177	1,579,674	6,320,851
2052	4,824,683	1,481,017	6,305,700
2053	4,894,610	1,381,144	6,275,754
2054	4,952,300	1,280,482	6,232,782
2055	4,999,132	1,179,625	6,178,757
2056	5,034,258	1,079,318	6,113,576
2057	5,058,138	980,486	6,038,624
2058	5,068,909	884,157	5,953,066

ACTUARIAL ASSUMPTIONS AND METHODS

Interest Rate	6.50% per year compounded annually, net of investment related expenses.
Mortality Rate	***Active Lives:*** PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2018. 10% of active deaths are assumed to be in the line of duty.
	Inactive Lives: PubS-2010 Healthy Retiree mortality, projected 5 years past the valuation date with Scale MP-2018.
	Beneficiaries: PubS-2010 Survivor mortality, projected 5 years past the valuation date with Scale MP-2018.
	Disabled Lives: PubS-2010 Disabled mortality, projected 5 years past the valuation date with Scale MP-2018.
	The mortality assumptions sufficiently accommodate anticipated future mortality improvements.
Retirement Age	See table later in this section. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.
Disability Rate	See table later in this section. 60% of the disabilities are assumed to be in the line of duty. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.
Termination Rate	See table later in this section. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.

Salary Increases	See table below. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.

Salary Scale

Service	Rate
0	11.00%
1	10.75%
2	8.75%
3	8.50%
4	7.00%
5	6.25%
6	5.25%
7	4.25%
8 - 16	4.00%
17 - 32	3.75%
32+	3.50%

Inflation	2.50%.
Cost-of-Living Adjustment	Tier 1: 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55. Tier 2: 1.25% per year after the later of attainment of age 60 or first anniversary of retirement.
Marital Status	80% of Members are assumed to be married.
Spouse's Age	Males are assumed to be three years older than females.
Funding Method	Entry Age Normal Cost Method.
Actuarial Asset Method	Investment gains and losses are smoothed over a 5-year period.
Funding Policy Amortization Method	The UAAL is amortized according to a Level Percentage of Payroll method over a period ending in 2041. The initial amortization amount is 100% of the Accrued Liability less the Actuarial Value of Assets.
Payroll Growth	3.50% per year.
Administrative Expenses	Expenses paid out of the fund other than investment-related expenses are assumed to be equal to those paid in the previous year.

Decrement Tables

% Terminating During the Year		% Becoming Disabled During the Year		% Retiring During the Year (Tier 1)		% Retiring During the Year (Tier 2)	
Age	Rate	Age	Rate	Age	Rate	Age	Rate
20	14.00%	20	0.000%	50 - 51	15%	50 - 54	5%
25	10.40%	25	0.030%	52 - 54	20%	55	40%
30	5.60%	30	0.140%	55 - 64	25%	56 - 64	25%
35	3.10%	35	0.260%	65 - 69	40%	65 - 69	40%
40	1.90%	40	0.420%	70+	100%	70+	100%
45	1.50%	45	0.590%				
50	1.50%	50	0.710%				
56+	0.00%	55	0.900%				
		60	1.150%				

GLOSSARY

Total Annual Payroll is the projected annual rate of pay for the fiscal year following the valuation date of all covered members.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

Normal (Current Year's) Cost is the current year's cost for benefits yet to be funded.

Unfunded Accrued Liability is a liability which arises when a pension plan is initially established or improved and such establishment or improvement is applicable to all years of past service.

Total Recommended Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over a period ending in 2041. The recommended amount is adjusted for interest according to the timing of contributions during the year.

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

(a) The normal cost accrual rate equals:

(i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by

(ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

(b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

(c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

(d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined under various assumption scenarios. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. Whenever possible, the recommended assumptions in this report reflect conservatism to allow for some margin of unfavorable future plan experience. However, it is still possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- Investment Return: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.

- Salary Increases: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.

- Payroll Growth: The plan's payroll growth assumption, if one is used, causes a predictable annual increase in the plan's amortization payment in order to produce an amortization payment that remains constant as a percentage of payroll if all assumptions are realized. If payroll does not increase according to the plan's payroll growth assumption, the plan's amortization payment can increase significantly as a percentage of payroll even if all assumptions other than the payroll growth assumption are realized.

- Demographic Assumptions: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, disability, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

- Contribution risk: Risks associated with the items outlined above will inherently create varying liabilities and assets resulting in volatility in contributions. Actuarial losses on assets and liabilities will lead to higher contribution amounts, while actuarial gains on assets and liabilities will lead to lower contribution amounts.

It is important to note that the actuary has identified the risks above as the most significant risks based on the characteristics of the plan and the nature of the project, however, it is not an exhaustive list of potential risks that could be considered. Additional advanced modelling, as well as the identification of additional risks, can be provided at the request of the reader.

STATEMENT OF FIDUCIARY NET POSITION
December 31, 2018

ASSETS	MARKET VALUE
Cash and Cash Equivalents:	
Money Market	484,702
Total Cash and Equivalents	484,702
Receivables:	
From Other Funds	886
Accrued Past Due Interest	84,460
Total Receivable	85,346
Investments:	
Municipal Obligations	30,209
Corporate Bonds	6,334,544
U.S. Gov't and Agency Obligations	4,312,138
Insurance Company Contracts	2,095,688
Mutual Funds	15,500,503
Total Investments	28,273,082
Total Assets	28,843,130
LIABILITIES	
Liabilities:	
Payable:	
Expenses	475
Total Liabilities	475
Net Assets:	
Active and Retired Members' Equity	28,842,655
NET POSITION RESTRICTED FOR PENSIONS	28,842,655
TOTAL LIABILITIES AND NET ASSETS	28,843,130

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED December 31, 2018
Market Value Basis

<u>ADDITIONS</u>		
Contributions:		
Member	349,189	
Village	1,959,000	
Total Contributions		2,308,189
Investment Income:		
Net Realized Gain (Loss)	30,855	
Unrealized Gain (Loss)	(2,550,405)	
Net Increase in Fair Value of Investments		(2,519,550)
Interest & Dividends		855,293
Less Investment Expense [1]		(82,791)
Net Investment Income		(1,747,048)
Total Additions		561,141
<u>DEDUCTIONS</u>		
Distributions to Members:		
Benefit Payments	2,152,083	
Refund of Contributions/Transfers	27,703	
Total Distributions		2,179,786
Administrative Expenses		19,265
Total Deductions		2,199,051
Net Increase in Net Position		(1,637,910)
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		30,480,565
End of the Year		28,842,655

[1] Investment Related expenses include investment advisory, custodial and performance monitoring fees.

ACTUARIAL ASSET VALUATION

December 31, 2018

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a five year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of the Market Value of Assets.

Gains/(Losses) Not Yet Recognized

Plan Year Ending	Gain/(Loss)	Amounts Not Yet Recognized by Valuation Year 2019	2020	2021	2022	2023
12/31/2015	(1,829,216)	(365,843)	0	0	0	0
12/31/2016	(194,370)	(77,748)	(38,874)	0	0	0
12/31/2017	1,501,145	900,687	600,458	300,229	0	0
12/31/2018	(3,731,832)	(2,985,466)	(2,239,099)	(1,492,733)	(746,366)	0
Total		(2,528,370)	(1,677,515)	(1,192,504)	(746,366)	0

Development of Investment Gain/Loss

Market Value of Assets, 12/31/2017	30,480,565
Contributions Less Benefit Payments & Administrative Expenses	109,138
Expected Investment Earnings[1]	1,984,784
Actual Net Investment Earnings	(1,747,048)
2018 Actuarial Investment Gain/(Loss)	(3,731,832)

[1] Expected Investment Earnings = 6.50% x (30,480,565 + 0.5 x 109,138)

Development of Actuarial Value of Assets

Market Value of Assets, 12/31/2018	28,842,655
(Gains)/Losses Not Yet Recognized	2,528,370
Actuarial Value of Assets, 12/31/2018	31,371,025
(A) 12/31/2017 Actuarial Assets:	30,118,735
(I) Net Investment Income:	
1. Interest and Dividends	855,293
2. Realized Gains (Losses)	30,855
3. Change in Actuarial Value	339,795
4. Investment Expenses	(82,791)
Total	1,143,152
(B) 12/31/2018 Actuarial Assets:	31,371,025
Actuarial Asset Rate of Return = (2 x I) / (A + B - I):	3.79%
Market Value of Assets Rate of Return:	-5.72%
12/31/2018 Limited Actuarial Assets:	31,371,025
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	(818,113)

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2018
Actuarial Asset Basis

INCOME		
Contributions:		
Member	349,189	
Village	1,959,000	
Total Contributions		2,308,189
Earnings from Investments		
Interest & Dividends	855,293	
Net Realized Gain (Loss)	30,855	
Change in Actuarial Value	339,795	
Total Earnings and Investment Gains		1,225,943
EXPENSES		
Administrative Expenses:		
Investment Related[1]	82,791	
Other	19,265	
Total Administrative Expenses		102,056
Distributions to Members:		
Benefit Payments	2,152,083	
Refund of Contributions/Transfers	27,703	
Total Distributions		2,179,786
Change in Net Assets for the Year		1,252,290
Net Assets Beginning of the Year		30,118,735
Net Assets End of the Year[2]		31,371,025

[1] Investment Related expenses include investment advisory, custodial and performance monitoring fees.
[2] Net Assets may be limited for actuarial consideration.

STATISTICAL DATA [1]

	1/1/2016	1/1/2017	1/1/2018	1/1/2019
Actives - Tier 1				
Number	32	29	27	24
Average Current Age	N/A	40.4	41.9	41.6
Average Age at Employment	N/A	25.4	25.5	25.5
Average Past Service	N/A	15.0	16.4	16.1
Average Annual Salary	N/A	$98,152	$102,584	$105,527
Actives - Tier 2				
Number	6	11	11	14
Average Current Age	N/A	26.9	27.2	27.5
Average Age at Employment	N/A	25.1	24.9	24.9
Average Past Service	N/A	1.8	2.3	2.6
Average Annual Salary	N/A	$59,474	$65,082	$74,168
Service Retirees				
Number	25	28	28	29
Average Current Age	N/A	66.2	67.2	66.8
Average Annual Benefit	$57,466	$62,467	$64,082	$67,174
Beneficiaries				
Number	7	4	3	3
Average Current Age	N/A	77.3	72.1	73.1
Average Annual Benefit	$27,646	$36,095	$42,770	$42,770
Disability Retirees				
Number	3	3	3	3
Average Current Age	N/A	61.3	62.3	63.3
Average Annual Benefit	$43,612	$44,080	$44,865	$45,333
Terminated Vested				
Number	0	7	7	6
Average Current Age	N/A	34.1	35.6	40.9
Average Annual Benefit [2]	N/A	N/A	N/A	$58,440

[1] Foster & Foster does not have enough historical data to include complete data prior to 1/1/2017.
We will add historical data going forward.

[2] Average Annual Benefit for Terminated Vested members reflects the benefit for members entitled to a future annual benefit from the plan.

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	1	0	0	0	0	0	0	0	0	0	0	1
25 - 29	2	2	3	1	0	0	0	0	0	0	0	8
30 - 34	0	1	0	0	0	4	1	0	0	0	0	6
35 - 39	0	0	0	0	0	0	5	3	0	0	0	8
40 - 44	0	0	0	0	0	0	4	7	0	0	0	11
45 - 49	0	0	0	0	0	0	0	0	0	0	0	0
50 - 54	0	0	0	0	0	0	0	0	1	1	0	2
55 - 59	0	0	0	0	0	0	0	0	1	0	1	2
60 - 64	0	0	0	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	3	3	3	1	0	4	10	10	2	1	1	38

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 1/1/2018	38
b. Terminations	
i. Vested (partial or full) with deferred benefits	(1)
ii. Non-vested or full lump sum distribution received	(1)
iii. Transferred service to other fund	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(2)
f. Continuing participants	34
g. New entrants	4
h. Total active life participants in valuation	38

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested Deferred	Total
a. Number prior valuation	28	3	3	7	41
Retired	2	0	0	0	2
Vested Deferred	0	0	0	1	1
Death, With Survivor	0	0	0	0	0
Death, No Survivor	(1)	0	0	0	(1)
Disabled	0	0	0	0	0
Refund of Contributions	0	0	0	(2)	(2)
Rehires	0	0	0	0	0
Expired Annuities	0	0	0	0	0
Data Corrections	0	0	0	0	0
Hired/Termed in Same Year	0	0	0	0	0
b. Number current valuation	29	3	3	6	41

SUMMARY OF CURRENT PLAN

Article 3 Pension Fund	The Plan is established and administered as prescribed by "Article 3. Police Pension Fund – Municipalities 500,000 and Under" of the Illinois Pension Code.
Plan Administration	The Plan is administered by a Board of Trustees comprised of: a) Two members appointed by the Municipality, b) Two active Members of the Police Department elected by the Membership, and c) One retired Member of the Police Department elected by the Membership.
Credited Service	Complete years of service as a sworn police officer employed by the Municipality.
Normal Retirement	
Date	**Tier 1**: Age 50 and 20 years of Credited Service. **Tier 2:** Age 55 with 10 years of Credited Service.
Benefit	**Tier 1:** 50% of annual salary attached to rank on last day of service plus 2.50% of annual salary for each year of service over 20 years, up to a maximum of 75% of salary. The minimum monthly benefit is $1,000 per month. **Tier 2**: 2.50% per year of service times the average salary for the eight consecutive years prior to retirement times the number of years of service, up to a maximum of 75% of average salary. The minimum monthly benefit is $1,000 per month.
Form of Benefit	**Tier 1:** For married retirees, an annuity payable for the life of the Member; upon the death of the member, 100% of the Member's benefit payable to the spouse until death. For unmarried retirees, the normal form is a Single Life Annuity. **Tier 2**: Same as above, but with 66 2/3% of benefit continued to spouse.
Early Retirement	
Date	**Tier 1**: Age 60 and 8 years of Credited Service. **Tier 2:** Age 50 with 10 years of Credited Service.
Benefit	**Tier 1:** Normal Retirement benefit with no minimum. **Tier 2**: Normal Retirement benefit, reduced 6% each year before age 55, with no minimum benefit.
Form of Benefit	Same as Normal Retirement.

Disability Benefit

Eligibility — Total and permanent as determined by the Board of Trustees.

Benefit Amount — A maximum of:

a.) 65% of salary attached to the rank held by Member on last day of service, and;
b.) The monthly retirement pension that the Member is entitled to receive if he or she retired immediately.

For non-service connected disabilities, a benefit of 50% of salary attached to rank held by Member on last day of service.

Cost-of-Living Adjustment — **Tier 1:**

Retirees: An annual increase equal to 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55.

Disabled Retirees: An annual increase equal to 3.00% per year of the original benefit amount beginning at age 60. Those that become disabled prior to age 60 receive an increase of 3.00% of the original benefit amount for each year since benefit commencement upon reaching age 60.

Tier 2: An annual increase each January 1 equal to 3.00% per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension start date whichever is later.

Pre-Retirement Death Benefit

Service Incurred — 100% of salary attached to rank held by Member on last day of service.

Non-Service Incurred — A maximum of:

a.) 50% of salary attached to the rank held by Member on last day of service, and;
b.) The monthly retirement pension earned by the deceased Member at the time of death, regardless of whether death occurs before or after age 50.

For non-service deaths with less than 10 years of service, a refund of member contributions is provided.

Vesting (Termination)

Vesting Service Requirement	**Tier 1:** 8 years. **Tier 2**: 10 years.
Non-Vested Benefit	Refund of Member Contributions.
Vested Benefit	Either the termination benefit, payable upon reaching age 60 (55 for Tier 2), provided contributions are not withdrawn, or a refund of member contributions. The termination benefit is 2.50% of annual salary held in the year prior to termination (8-year final average salary for Tier 2) times creditable service.

Contributions

Employee	9.91% of Salary.
Municipality	Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability.

SUMMARY OF PARTICIPANT DATA

Plan Membership:

	1/1/2019	1/1/2018
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	35	34
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	6	7
Active Plan Members	38	38
Total	79	79
Covered Payroll	$3,571,005	$3,485,670

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

GASB 68 Reporting Period Ending	12/31/2018	12/31/2017
Measurement Date	12/31/2018	12/31/2017
Total Pension Liability		
Service Cost	868,643	936,254
Interest	3,154,921	3,206,541
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	664,880	(176,284)
Changes of Assumptions	993,650	(705,405)
Benefit Payments, Including Refunds of Employee Contributions	(2,179,786)	(2,141,300)
Net Change in Total Pension Liability	3,502,308	1,119,806
Total Pension Liability - Beginning	48,758,493	47,638,687
Total Pension Liability - Ending (a)	$ 52,260,801	$ 48,758,493
Plan Fiduciary Net Position		
Contributions - Employer	1,959,000	1,613,000
Contributions - Employee	349,189	347,262
Net Investment Income	(1,747,048)	3,275,894
Benefit Payments, Including Refunds of Employee Contributions	(2,179,786)	(2,141,300)
Administrative Expense	(19,265)	(17,278)
Net Change in Plan Fiduciary Net Position	(1,637,910)	3,077,578
Plan Fiduciary Net Position - Beginning	30,480,565	27,402,987
Plan Fiduciary Net Position - Ending (b)	$ 28,842,655	$ 30,480,565
Net Pension Liability - Ending (a) - (b)	$ 23,418,146	$ 18,277,928
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	55.19%	62.51%
Covered Payroll	$ 3,571,005	$ 3,485,670
Net Pension Liability as a Percentage of Covered Payroll	655.79%	524.37%

Changes reflected in December 31, 2018 results:
The results reflect the assumption changes noted in the assumptions section of the report.

STATEMENT OF CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2017	$ 48,758,493	$ 30,480,565	$ 18,277,928
Changes for a Year:			
Service Cost	868,643	-	868,643
Interest	3,154,921	-	3,154,921
Differences Between Expected and Actual Experience	664,880	-	664,880
Changes of Assumptions	993,650	-	993,650
Changes of Benefit Terms	-	-	-
Contributions - Employer	-	1,959,000	(1,959,000)
Contributions - Employee	-	349,189	(349,189)
Net Investment Income	-	(1,747,048)	1,747,048
Benefit Payments, Including Refunds of Employee Contributions	(2,179,786)	(2,179,786)	-
Administrative Expense	-	(19,265)	19,265
Net Changes	3,502,308	(1,637,910)	5,140,218
Balances at December 31, 2018	$ 52,260,801	$ 28,842,655	$ 23,418,146

Sensitivity of Net Pension Liability to changes in the Discount Rate:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Sponsor's Net Pension Liability	$ 31,470,325	$ 23,418,146	$ 16,918,581

Pension Plan Fiduciary Net Position

Detailed information about the Pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
YEAR-END DECEMBER 31, 2018

For the year ended December 31, 2018, the Sponsor will recognize a pension expense of $3,176,157. On December 31, 2018, the Sponsor reported deferred outflows of resources and deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	839,937	160,656
Changes of assumptions	2,039,470	1,092,166
Net difference between projected and actual earnings on pension plan investments	2,528,368	0
Total	$5,407,775	$1,252,822

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year-ended December 31:	
2019	$1,467,300
2020	$958,601
2021	$418,836
2022	$836,350
2023	$236,933
Thereafter	$236,933

COMPONENTS OF PENSION EXPENSE
YEAR-END DECEMBER 31, 2018

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning Balance	$ 18,277,928	$ 2,832,245	$ 3,064,137	
Total Pension Liability Factors:				
Service Cost	868,643	-	-	868,643
Interest	3,154,921	-	-	3,154,921
Changes in Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience With Regard to Economic or Demographic Assumptions	664,880	-	664,880	-
Current Year Amortization	-	(53,641)	(184,995)	131,354
Changes in Assumptions About Future Economic or Demographic Factors or Other Inputs	993,650	-	993,650	-
Current Year Amortization	-	(324,866)	(809,957)	485,091
Benefit Payments, Including Refunds of Employee Contributions	(2,179,786)	-	-	-
Net Change	3,502,308	(378,507)	663,578	4,640,009
Plan Fiduciary Net Position:				
Contributions - Employer	1,959,000	-	-	-
Contributions - Employee	349,189	-	-	(349,189)
Projected Net Investment Income	1,984,784	-	-	(1,984,784)
Difference Between Projected and Actual Earnings on Pension Plan Investments	(3,731,832)	-	3,731,832	-
Current Year Amortization	-	(300,229)	(1,151,085)	850,856
Benefit Payments, Including Refunds of Employee Contributions	(2,179,786)	-	-	-
Administrative Expenses	(19,265)	-	-	19,265
Net Change	(1,637,910)	(300,229)	2,580,747	(1,463,852)
Ending Balance	$ 23,418,146	$ 2,153,509	$ 6,308,462	$ 3,176,157

AMORTIZATION SCHEDULE – EXPERIENCE

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience

Year Base Established	Differences Between Expected and Actual Experience	Recognition Period (Years)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2018	$ 664,880	7	$ 94,982	$ 94,983	$ 94,983	$ 94,983	$ 94,983	$ 94,983	$ 94,983	$ -	$ -	$ -	$ -
2017	$ (176,284)	6	$ (29,381)	$ (29,381)	$ (29,381)	$ (29,381)	$ (29,381)	$ -	$ -	$ -	$ -	$ -	$ -
2016	$ 540,079	6	$ 90,013	$ 90,013	$ 90,013	$ 90,013	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2015	$ (140,172)	5.78	$ (24,260)	$ (24,260)	$ (18,872)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ 131,354	$ 131,355	$ 136,743	$ 155,615	$ 65,602	$ 94,983	$ 94,983	$ -	$ -	$ -	$ -

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AMORTIZATION SCHEDULE – CHANGES OF ASSUMPTIONS

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions

Year Base Established	Effects of Changes in Assumptions	Recognition Period (Years)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
2018	$ 993,650	7	$ 141,950	$ 141,950	$ 141,950	$ 141,950	$ 141,950	$ 141,950	$ 141,950	$ -	$ -	$ -	$ -
2017	$ (705,405)	6	$ (117,568)	$ (117,568)	$ (117,568)	$ (117,568)	$ (117,568)	$ -	$ -	$ -	$ -	$ -	$ -
2016	$ (1,243,789)	6	$ (207,298)	$ (207,298)	$ (207,298)	$ (207,298)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2015	$ 3,830,149	5.78	$ 668,007	$ 668,007	$ 519,763	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ 485,091	$ 485,091	$ 336,847	$ (182,916)	$ 24,382	$ 141,950	$ 141,950	$ -	$ -	$ -	$ -

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AMORTIZATION SCHEDULE – INVESTMENTS

Year Base Established	Differences Between Projected and Actual Earnings	Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising from the Recognition of the of Differences Between Projected and Actual Earnings on Pension Plan Investments 2018	2019	2020	2021	2022	2023
2018	$ 3,731,832	5	$ 746,368	$ 746,366	$ 746,366	$ 746,366	$ 746,366	$ -
2017	$ (1,501,145)	5	$ (300,229)	$ (300,229)	$ (300,229)	$ (300,229)	$ -	$ -
2016	$ 194,370	5	$ 38,874	$ 38,874	$ 38,874	$ -	$ -	$ -
2015	$ 1,829,215	5	$ 365,843	$ 365,843	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ 850,856	$ 850,854	$ 485,011	$ 446,137	$ 746,366	$ -

SCHEDULE OF CONTRIBUTIONS

Plan Year-End	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2018	1,817,304	1,959,000	(141,696)	3,571,005	54.86%
12/31/2017	1,613,000	1,613,000	-	3,485,670	46.28%

The following assumptions were used to determine the Actuarially Determined Contribution as of January 1, 2017:

Calculation Timing	The Actuarially Determined Contribution is calculated as of January 1 two years prior to the year in which contributions are reported.
Interest Rate	6.75%
Mortality Rate	RP 2014 Mortality Table with a blue collar adjustment, projected to the valuation date using improvement scale MP-2015.
Disabled Mortality Rate	RP 2014 Disabled Mortality Table, projected to the valuation date using improvement scale MP-2015.
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the January 1, 2017 Actuarial Valuation Report for the Village of Glen Ellyn Police Pension Fund prepared by Foster & Foster.

SCHEDULE OF INVESTMENT RETURNS

For the year ended December 31, 2018, the annual money-weighted return on Pension Plan investments, net of pension plan investment expense, was -5.67 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Plan Year-End	Annual Money-Weighted Rate of Return Net of Investment Expense
12/31/2018	-5.67%
12/31/2017	11.98%

ASSUMPTIONS – TOTAL PENSION LIABILITY

The valuation reflects the following assumption changes :

- The mortality rates were updated to reflect the PubS-2010 tables.

The following assumptions were used to determine the Net Pension Liability:

Valuation Date	January 1, 2019
Measurement Date	December 31, 2018
GASB 68 Expense Measurement Period	January 1, 2018 - December 31, 2018
Reporting Period	January 1, 2018 - December 31, 2018
Discount Rate	6.50%
Interest Rate	6.50% per year compounded annually, net of investment related expenses.
Mortality Rate	***Active Lives:*** PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2018. 10% of active deaths are assumed to be in the line of duty. ***Inactive Lives:*** PubS-2010 Healthy Retiree mortality, projected 5 years past the valuation date with Scale MP-2018. ***Beneficiaries:*** PubS-2010 Survivor mortality, projected 5 years past the valuation date with Scale MP-2018. ***Disabled Lives:*** PubS-2010 Disabled mortality, projected 5 years past the valuation date with Scale MP-2018. The mortality assumptions sufficiently accommodate anticipated future mortality improvements.
Retirement Age	See table later in this section. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.
Disability Rate	See table later in this section. 60% of the disabilities are assumed to be in the line of duty. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.

Termination Rate	See table later in this section. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.
Salary Increases	See table below. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.

Salary Scale	
Service	Rate
0	11.00%
1	10.75%
2	8.75%
3	8.50%
4	7.00%
5	6.25%
6	5.25%
7	4.25%
8 - 16	4.00%
17 - 32	3.75%
32+	3.50%

Inflation	2.50%.
Cost-of-Living Adjustment	Tier 1: 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55. Tier 2: 1.25% per year after the later of attainment of age 60 or first anniversary of retirement.
Marital Status	80% of Members are assumed to be married.
Spouse's Age	Males are assumed to be three years older than females.
Funding Method	Entry Age Normal Cost Method.
Actuarial Asset Method	Investment gains and losses are smoothed over a 5-year period.
Funding Policy Amortization Method	The UAAL is amortized according to a Level Percentage of Payroll method over a period ending in 2041. The initial amortization amount is 100% of the Accrued Liability less the Actuarial Value of Assets.
Payroll Growth	3.50% per year.

Decrement Tables

% Terminating During the Year	
Age	Rate
20	14.00%
25	10.40%
30	5.60%
35	3.10%
40	1.90%
45	1.50%
50	1.50%
56+	0.00%

% Becoming Disabled During the Year	
Age	Rate
20	0.000%
25	0.030%
30	0.140%
35	0.260%
40	0.420%
45	0.590%
50	0.710%
55	0.900%
60	1.150%

% Retiring During the Year (Tier 1)	
Age	Rate
50 - 51	15%
52 - 54	20%
55 - 64	25%
65 - 69	40%
70+	100%

% Retiring During the Year (Tier 2)	
Age	Rate
50 - 54	5%
55	40%
56 - 64	25%
65 - 69	40%
70+	100%

NOTES TO THE FINANCIAL STATEMENTS

Support for Long-Term Expected Rate of Return

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation adopted as of December 31, 2018, as provided by Marquette Associates, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Fixed Income	35.0%	1.1%
US Equity	30.0%	5.3%
International Equity	20.0%	5.2%
Global Tactical	5.0%	3.6%
Real Estate - Core	10.0%	4.9%
Total	100.0%	

Inflation rate of investment advisor 2.30%

Concentrations

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's fiduciary net position.

Discount Rate

The Discount Rate used to measure the Total Pension Liability was 6.50 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate ant that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments (6.50 percent) was applied to all periods of projected benefit payments to determine the Total Pension Liability.

For the purpose of this valuation, the expected rate of return on pension plan investments is (6.50 percent. The municipal bond rate is 4.10 percent (based on the weekly rate closest to, but not later than the measurement date of the Bond Buyer 20-Bond Index as published by The Bond Buyer). The resulting single discount rate is 6.50 percent.

SUMMARY OF CURRENT PLAN

Article 3 Pension Fund	The Plan is established and administered as prescribed by "Article 3. Police Pension Fund – Municipalities 500,000 and Under" of the Illinois Pension Code.
Plan Administration	The Plan is administered by a Board of Trustees comprised of: a) Two members appointed by the Municipality, b) Two active Members of the Police Department elected by the Membership, and c) One retired Member of the Police Department elected by the Membership.
Credited Service	Complete years of service as a sworn police officer employed by the Municipality.
Normal Retirement	
Date	**Tier 1**: Age 50 and 20 years of Credited Service. **Tier 2:** Age 55 with 10 years of Credited Service.
Benefit	**Tier 1:** 50% of annual salary attached to rank on last day of service plus 2.50% of annual salary for each year of service over 20 years, up to a maximum of 75% of salary. The minimum monthly benefit is $1,000 per month. **Tier 2**: 2.50% per year of service times the average salary for the eight consecutive years prior to retirement times the number of years of service, up to a maximum of 75% of average salary. The minimum monthly benefit is $1,000 per month.
Form of Benefit	**Tier 1:** For married retirees, an annuity payable for the life of the Member; upon the death of the member, 100% of the Member's benefit payable to the spouse until death. For unmarried retirees, the normal form is a Single Life Annuity. **Tier 2**: Same as above, but with 66 2/3% of benefit continued to spouse.
Early Retirement	
Date	**Tier 1**: Age 60 and 8 years of Credited Service. **Tier 2:** Age 50 with 10 years of Credited Service.
Benefit	**Tier 1:** Normal Retirement benefit with no minimum. **Tier 2**: Normal Retirement benefit, reduced 6% each year before age 55, with no minimum benefit.
Form of Benefit	Same as Normal Retirement.

Disability Benefit

Eligibility	Total and permanent as determined by the Board of Trustees.
Benefit Amount	A maximum of: a.) 65% of salary attached to the rank held by Member on last day of service, and; b.) The monthly retirement pension that the Member is entitled to receive if he or she retired immediately. For non-service connected disabilities, a benefit of 50% of salary attached to rank held by Member on last day of service.

Cost-of-Living Adjustment

Tier 1:

Retirees: An annual increase equal to 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55.

Disabled Retirees: An annual increase equal to 3.00% per year of the original benefit amount beginning at age 60. Those that become disabled prior to age 60 receive an increase of 3.00% of the original benefit amount for each year since benefit commencement upon reaching age 60.

Tier 2: An annual increase each January 1 equal to 3.00% per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension start date whichever is later.

Pre-Retirement Death Benefit

Service Incurred	100% of salary attached to rank held by Member on last day of service.
Non-Service Incurred	A maximum of: a.) 50% of salary attached to the rank held by Member on last day of service, and; b.) The monthly retirement pension earned by the deceased Member at the time of death, regardless of whether death occurs before or after age 50. For non-service deaths with less than 10 years of service, a refund of member contributions is provided.

Vesting (Termination)

Vesting Service Requirement	**Tier 1:** 8 years. **Tier 2**: 10 years.
Non-Vested Benefit	Refund of Member Contributions.
Vested Benefit	Either the termination benefit, payable upon reaching age 60 (55 for Tier 2), provided contributions are not withdrawn, or a refund of member contributions. The termination benefit is 2.50% of annual salary held in the year prior to termination (8-year final average salary for Tier 2) times creditable service.

Contributions

Employee	9.91% of Salary.
Municipality	Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability.