Agenda
Village of Glen Ellyn
Finance Commission
Regular Meeting
Friday, April 10, 2015
7:00 AM
Glen Ellyn Civic Center, Room 301

A. Call to Order

B. Public Comment (Non Agenda Items)

C. Approval of Minutes

1. Approve the Finance Commission Minutes for the February 13, 2015 Meeting

2. Approve the Finance Commission Minutes for the March 13, 2015 Meeting

D. Financial Update

1. Financial Update as of March 31, 2015

E. Draft Police Pension Actuary Report

1. Draft Actuary Report for the Glen Ellyn Police Pension Fund as of December 31, 2014

F. Other Business

1. Economic Development

G. Investment Subcommittee

H. Adjournment

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.

Finance Commission
535 Duane St.
Glen Ellyn, IL 60137

Meeting: 04/10/15 07:00 AM
Department: Finance Commission
Department Head: Christina Coyle
Category: Minutes
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 1697) DOC ID: 1697

Approve the Finance Commission Minutes for the February 13, 2015 Meeting

Attached are the minutes for the February 13, 2015 meeting.

ATTACHMENTS:

- 2-13-15 Finance Commission Minutes (PDF)

MINUTES (DRAFT)

BOARD / COMMISSION: Finance Commission	DATE: February 13, 2015
MEETING: Regular	CALLED TO ORDER: 7:05 AM
QUORUM: Yes	ADJOURNED: 8:43 AM
MEMBER ATTENDANCE:	PRESENT: Chairman Ford, Commissioners Cleaver, DeLeon, Greeno, Rackl, Van Ek, Wallace and Student Commissioner Jacklich
ABSENT:	Commissioners Halkyard, and Nathwani
ALSO PRESENT:	Village Manager Franz, Finance Director Coyle, Assistant Finance Director Lori Thomas, Village Attorney Gary Matthews, Stephan Roberts from Bond Financial Advisor Robert W. Baird, Recording Secretary Blake

A. CALL TO ORDER:

This Regular Meeting of the Glen Ellyn Finance Commission was called to order at 7:05 AM by Commissioner Ford in Room 301 at the Civic Center at 535 Duane Street; Glen Ellyn, Illinois. Roll was taken, and it was determined that a quorum was present.

B. PUBLIC COMMENT

None

C. APPROVAL OF MINUTES

Commissioner Wallace moved, and Commissioner Greeno seconded, to approve the November 21, 2014 meeting minutes. The motion was approved unanimously.

Commissioner Wallace moved, and Commissioner Rackl seconded, to approve the December 12, 2014 Investment Subcommittee meeting minutes. The motion was approved unanimously.

D. PROJECT FUNDING – POLICE STATION AND OTHER PROJECTS

Village Manager Franz said that a Civic Center space needs analysis was conducted by an outside architecture firm approximately 2 years ago to assess the needs of the Village and a modern police station. The Board of Trustees has directed staff to recommend a location for a new police station. That recommendation has focused on Village-owned property at Panfish Park. By moving the police station out of the Civic Center staff can spread out, off-site staff can be relocated and parking issues will be eased. Now is the time to consider funding for the new station.

The Board will be discussing finance options at its next meeting. In addition to the police station, the cost of which will stay below $12 million pursuant to Board direction, other unfunded project costs could be included in the anticipated bond issue such as Lake Ellyn improvements and downtown streetscape improvements. Other needed improvements, such as replacing Fire Station 1 will not be done within the three year window required by a bond issue.

Director Coyle discussed the possible scenarios covering different levels of improvements to be met in the bond proceeds: (1) fund only the police station; (2) fund the police station and Lake Ellyn improvements; (3) fund the police station, Lake Ellyn and one-half of the central business district improvements; (4) fund the police station, Lake Ellyn improvements and all of the Central Business District work. In all but scenario 4, scheduled capital projects would have to be deferred and/or reduced in scope. Commissioners reviewed the possible effects on the capital plan, noting that property taxes, utility and telecommunication taxes and real estate transfer taxes along with some grant revenues make up the capital budget. This income is fairly fixed. The possibility of annexations was discussed in reference to the possible effects on the capital budget. Manager Franz noted that other desired improvements are not included in any of the above scenarios, such as parking garages, a pedestrian underpass at the train station, or an over/underpass (which could only move forward with Federal dollars).

Mr. Roberts from R.W. Baird noted that bond rates are currently low. If more is borrowed now, the Village would be paying debt service on funds which might not be used right away. On the other hand, if interest rates increase, it would make more sense to borrow more now at the lower rates. Commissioners discussed at length the advantages and disadvantages of borrowing more now. Because a substantial amount of the bond proceeds must be used within three years, it would mean including the Lake Ellyn improvements with the immediate needs of the new police station construction if the offering was done now. If more than one bond offering was done, the administrative costs would be paid for each offering. The capital project plan includes an estimated 5% per year escalator in the cost. Given current interest rates, that would indicate a preference for borrowing more now.

Mr. Roberts said that the Village's bond ratings from Moody's and S&P have been reviewed. The Village was rated Aa1 by Moody's in 2012, and Moody's has indicated that the Village may never achieve its highest rating because of its size. It is more realistic that the Village would achieve AAA rating with S&P, and will be helped by the fact that the pension situation is in better shape that most municipalities.

After additional discussion, the consensus among the Commissioners is that the issue is timing, and not whether to do the projects and improvements at all. The Commission approved the following recommendation without a formal vote:

> **That the Village borrow $13.5 million in bonds based on the analysis for Scenario 2 to fund a new police station and other stormwater improvement projects using the bond proceeds, additional amounts available in the budget and issuing additional bonds as needed.**

E. <u>IMET UPDATE</u>

Director Coyle reviewed the current situation with IMET concerning investment fraud. The Village received an initial repayment of funds from the liquidating trust at IMET. All Village funds have been pulled out. Commissioners discussed the possible liability of the various players in this situation. There are several entities that have a lien priority equal to that of the Village.

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F. <u>SHORT FISCAL YEAR 2014 BUDGET REPORT</u>

Director Coyle reviewed the Budget Report, noting that all funds but one performed better than budgeted. She highlighted several items impacting the budget: sales, home rule sales and income taxes continued to outperform budget; the timing of capital projects delayed payment of associated expenses; the $793,000 payment for the Taft Avenue extension; the Village Attorney was brought on staff; and that the Village Links/Reserve 22 saw a profit of $59,000 after debt service payments. The Village has recognized the loss of the IMET fund.

The entire budget report is available on the Village website.

G. STAFF REPORT

INVESTMENT SUBCOMMITTEE

This subcommittee of the Finance Commission will focus on investment timing. It is possible that investment decisions can be brought in-house at a future time. Chairman Ford and Commissioner Halkyard currently make up the subcommittee, and Chairman Ford asked that other Commissioners consider participating.

ELECTRONIC PACKETS

This meeting marked the first use of the electronic packets. Director Coyle reported some formatting issues, but the process generally works fine.

AUDIT RFP RESULTS

A new auditor will be used this year. Lauterbach & Amen in Warrenville is a smaller firm, and known for pension expertise.

UBCIS CONVERSION

The installation of utility billing software permitting e-billing went well, although there are some migration adjustments to be made.

ECONOMIC DEVELOPMENT

Village Manager Franz reported that the Giesche project was presented to the Architectural Review Commission. There will be a joint meeting with the Plan Commission and Architectural Review, and then the project will go back before the Board of Trustees. There also has been interest in other potential redevelopment sites in the downtown area. Manager Franz reviewed the current and possible future activity on Roosevelt Road. However, there are no concrete plans for the Dominick's site nor on the south side at Route 53.

H. OTHER BUSINESS

Chairman Ford reported that he attended the recent Police Pension Board meeting, and expressed the Commission's opinion on investment earnings assumptions. He would like to have a meeting with the Police Pension Board's actuary in the future.

The next Finance Commission meeting will be Friday, March 13, 2015 at 7:00 AM at the Civic Center.

IX. ADJOURNMENT

Commissioner Cleaver moved, and Commissioner Greeno seconded to adjourn the meeting. The February 13, 2014 meeting ended at 8:23 AM.

Submitted by Karen Blake, Recording Secretary
Reviewed by Finance Director Coyle

Finance Commission
535 Duane St.
Glen Ellyn, IL 60137

Meeting: 04/10/15 07:00 AM
Department: Finance Commission
Department Head: Christina Coyle
Category: Minutes
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 1702) DOC ID: 1702

Approve the Finance Commission Minutes for the March 13, 2015 Meeting

Please see the attachment for the draft minutes of the March 13, 2015 meeting.

ATTACHMENTS:

- 3-13-15 Finance Commission Minutes (PDF)

MINUTES (DRAFT)

BOARD / COMMISSION: Finance Commission		DATE:	March 13, 2015
MEETING: Regular		CALLED TO ORDER:	7:04 AM
QUORUM: Yes		ADJOURNED:	8:08 AM

MEMBER ATTENDANCE: PRESENT: Chairman Ford, Commissioners Greeno, Halkyard, Rackl, Van Ek, and Student Commissioner Jacklich

ABSENT: Commissioners Cleaver, DeLeon, Nathwani and Wallace

ALSO PRESENT: Village Manager Franz, Finance Director Coyle, Assistant Finance Director Lori Thomas

A. CALL TO ORDER:

This Regular Meeting of the Glen Ellyn Finance Commission was called to order at 7:04 AM by Commissioner Ford in Room 301 at the Civic Center at 535 Duane Street; Glen Ellyn, Illinois. Roll was taken, and it was determined that a quorum was present.

B. PUBLIC COMMENT

Resident Ken Claus of 350 Ridgewood Avenue expressed comments and concerns about the proposed development for the Geische, etc. site. He suggested adding property to the development to square off the site, and to create a taller structure facing the side street and a greater setback on Main Street. He expressed concern about moving the flower clock.

Manager Franz said that there have been discussions at the Board level concerning these and other aspects of the proposal, and that the Finance Commission has reviewed various components of it. The proposal is far from approved by the Village. He also provided background on the various elements that make up the current site.

C. APPROVAL OF MINUTES

The minutes from the last meeting were not included in the meeting packet. Therefore, they will be considered at the April meeting.

D. FINANCIAL UPDATE

Director Coyle said that it is too early in the new fiscal year for any trends to be evident. Sales tax revenue is slightly behind budget. Income tax revenue is behind by $50,000 and will be monitored. The economic development increase is a timing difference. The increase in Administrative costs over the previous year is due to bringing the Village attorney in house. In response to questions, Manager Franz said that having the attorney in house has resulted in better access and more efficiency.

The Links experienced an operating loss for January, which is typical for that month. Debt service payments as well as the cost of the new sign were made in December. There was discussion concerning the expectation of the impact of restaurant operations on the overall performance. Chairman Ford asked for future financial reports to show monthly results broken down between the restaurant and golf operations. It appears to still be very dependent on golf rounds. Manager Franz noted that the highest number of rounds was in the 1990s. The Links is performing well compared to similar courses. Statistically, golf is a stagnant industry.

E. LOCAL GOVERNMENT DISTRIBUTIVE FUND (LGDF) PROPOSAL

LGDF monies are State-collected income taxes that are allocated back to local governments on a per-capita basis. The program is 46 years old. Director Coyle reported that Governor Rauner has proposed permanently cutting in half LGDF revenues to municipalities. This would be a $1.35 million loss to the Village. The Village has been part of the Illinois Municipal League and DuPage Mayors and Managers Conference efforts to educate Springfield on the local impacts of such a move. The situation is being monitored closely. At this time, the Village's response has been to continue to add to reserves to respond to any changes affecting 2015.

Commissioners discussed the situation. The consensus is that there will be some reduction in funds received from the State. As the LGDF reduction is proposed to be permanent, looking to Village fund reserves would not be sufficient in the long run. Director Coyle noted that staff did an analysis identifying core Village services during the last economic downturn. Commissioner Halkyard suggested placing this item on the agenda for the next few meetings so that it can be monitored.

The impact on the new police station construction was discussed. The possibility of postponing the bond purchase until the State situation is clearer versus risking higher bond costs due to rising interest rates was considered. Income taxes are not being used for the station, but property taxes will be, and one strategy to respond to a reduction in General Fund revenues could be to shift property tax dollars to the Capital Projects Fund. The police station development is scheduled to be back before the Village Board in about 30 days with engineering matters. Chairman Ford said that he would share with Finance Commission Trustee Liaison O'Shea and President Demos that the consensus of the Commission is to postpone the bond purchase until the situation in Springfield is clearer.

Chairman Ford asked if there should be a joint meeting between this Commission and the Police Pension Board. Director Coyle said that their next meeting would be in April, and that she would be scheduling a conference call with the actuary, the Pension Board President, and the Finance Commission chair. There was discussion among the Commissioners concerning the differing viewpoints and constituencies of the Finance Commission and the Police Pension Board. Director Coyle said that there is a good relationship between the Village and the Pension Board, noting that in other municipalities it can be very challenging.

F. <u>PROJECT FUNDING UPDATE – POLICE STATION AND OTHER PROJECTS</u>

Chairman Ford asked for clarification on the plan to add $850,000 to the Capital Projects schedule for an overpass/underpass engineering study. Manager Franz said that while a vehicle overpass has been eliminated as a future possibility, an underpass is still under consideration west of Prospect. There are several sources for grants that may mitigate the expense. The project would be very expensive.

Manager Franz said that of the three possible improvements across the railroad tracks that have been considered recently, the pedestrian tunnel at Taylor is going forward now. It will relieve some traffic problems and allow for better fire apparatus travel.

G. <u>OTHER BUSINESS</u>

IMET UPDATE

Director Coyle said that there was a participants meeting earlier in the month. The Village has received its first recovery check in the amount of $12,000. Full recovery will take years. The Village recognized the loss in November 2014, thus any recovery will be considered income.

Chairman Ford noted that IMET's errors and omissions insurance coverage seems low. Commissioner Halkyard said that he would pursue the matter.

ECONOMIC DEVELOPMENT

Manager Franz said that there is no specific time table for approval of the Geische site redevelopment. He reiterated that the first floor will be retail and the upper floors will be residential. St. Petronille church has added land for a garage. At other downtown locations, there is some interest in the McChesney's location and recent interest in the building next to the Post Office, which has been vacant for a long time.

The Commissioners discussed the possibility of a new tenant in the Dominick's location on Roosevelt Road. The lease is being paid and the other tenants are thriving; thus reducing the incentive for the owner to release the location.

The Ross Dress store has opened next to Staples on Roosevelt Road. It was also noted that two payments have been made by Haggerty for pursuant to its incentive agreement. The location on Park next to the Fannie May will probably be a breakfast restaurant. Although there are parking issues to resolve, it will be a nicer building. The Village made its $793,000 payment to improve Taft behind the Fresh Market.

H. <u>OTHER BUSINESS</u>

Chairman Ford asked about laddering some Village investments based on the yearly cash flow needs. Director Coyle said that staff is looking at how much to ladder and creating a schedule. Staff is considering CDs or Treasuries.

The next Finance Commission meeting will be Friday, April 10, 2015 at 7:00 AM at the Civic Center.

IX. <u>ADJOURNMENT</u>

The meeting was adjourned by consensus at 8:08 AM.

Submitted by Karen Blake, Recording Secretary
Reviewed by Finance Director Coyle

Finance Commission
535 Duane St.
Glen Ellyn, IL 60137

Meeting: 04/10/15 07:00 AM
Department: Finance Commission
Department Head: Christina Coyle
Category: Discussion Item
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 1703) DOC ID: 1703

Financial Update as of March 31, 2015

Background
The monthly financial update focuses on the General Fund and the Village Links/Reserve 22 Fund. This memo examines some of the key items of note as of March 31, 2015.

General Fund Dashboard: Page 1
For the month, revenues were slightly behind the prior year at $1.07 million (6% behind last year) and almost on budget (-1% budget variance). The variance from the prior year is due to a change in the ambulance service model where the Village no longer directly receives ambulance revenues. For the month, expenditures were below last year by 12% and below budget by 13%. The variance from last year is again explained by a change in the ambulance contract model. As the Village no longer directly collects the revenues (the revenues are collected by the paramedic provider), the payments to the paramedic provider for service are also reduced. This trend will be notable through the calendar year as the contract model changed in June 2014. The variance from budget is due to a timing variance for the Economic Development budget and also due timing of EMS payments. The monthly budget for the Economic Development is derived from historical averages. Last year, retail/façade grants of $28,000 were paid, which is factored into the monthly budget. This year, no retail/façade grants were paid in March. For EMS, historically a DuComm and Paramedic payment are paid during March. The DuComm and March Paramedic payment were instead paid in April.

Year-to-date as of March 31, the General Fund revenues are performing very slightly ahead of last year (1% ahead) and above the year-to-date budget (by 4%). Year-to-date revenues are $3.18 million. Expenditures of $3.45 million are 6% below last year and 7% below the year-to-date budget. Please see the discussion below for notable items.

This culminates in a year-to-date net loss of $278,129. This is ahead of the year-to-date budget which projected a net loss of $670,000 and ahead of the prior year net loss of $503,000. By reviewing the 5-year trend graph, it can be noted that 2015 is trending in line with prior years.

General Fund Budget Summary: Page 2
Key revenues are discussed on Page 3 of the report. Other notable variances include:

- Commercial SSA Revenue: In March, the Village received its preliminary tax rates from DuPage County. The Village's EAV decreased 0.8% from the prior year. We had hoped for a slight increase as data received from the township indicated a 0.8% increase from the current year. The decrease may be due to assessment appeals done at the county level. The decrease in EAV will not affect our overall property tax levy as the Village levies a dollar amount rather than a rate. The decrease in assessment will impact our commercial special service areas (SSA's) as those levy a not-to-exceed rate. The county will levy $136,883 for all of our SSA's. Our budget was for $144,000.

- Building Permits: Due to continued economic recovery and recovery in the residential housing market, building permits were anticipated to increase from the prior year. In the current quarter, a large payment of $14,335 was received by the Aspen Group for interior renovation of Parkview Community Church.
- Ambulance Service Fees: Ambulance service fees will fluctuate from the prior year due to the change in the contract structure to a turnkey model. As noted above, the Village will no longer receive revenues under the new contract model and will, in turn, also pay a lower expense for paramedic service. The Village has continued to receive some revenues as run-off collections continue for the prior contract.
- Police/Court Fines: DuPage County sends checks to the Village for traffic fines collected. Typically in March, three payments are received. This year, only two payments were received. This is anticipated to be a timing issue rather than a reduction in the revenue.
- Miscellaneous Income: Federal Drug Forfeiture revenues are only budgeted to the extent that we intend to use the dollars during the year. The receipt of dollars is dependent on the number and magnitude of seizures as well as timing of when the Department of Justice releases payment to the Village. In the current month, $25,896 in forfeitures was received. Year-to date we have received $86,099. These funds can only be used for very specific and limited purposes.
- Village Board and Clerk: The prior year included a reclassification of a miscoded expense to the Facilities Maintenance Reserve Fund for Board Room improvements.
- Village Manger's Office: Noted variances are timing issues for payments for the spring newsletter and legal payments.
- Law: Legal services were brought in-house in July 2014. Starting in 2015, the Law department is broken out as its own cost center.
- Information Technology: Microsoft Office 2013 licenses were purchased, with a cost of $21,844, as our current version will no longer be supported. As part of the 2015 budget, certain software, copier and communications costs were relocated to the Information Technology cost center which will create a variance from the prior year. This was in order to centralize information technology and like costs to provide better cost tracking.
- Finance – Administration: The Assistant Finance Director position was vacant during January 2015.
- Economic Development: The annual contribution to the Alliance of Downtown Glen Ellyn is paid at the beginning of the fiscal year. With the transition to the calendar year fiscal year, this payment was made in January instead of May.
- Fire and EMS: Variances from the prior year are due to the change in the Paramedic/Ambulance contract as well as timing of the DuComm payment for dispatch services and timing of the ambulance payment.

Key General Fund Revenues: Page 3

Sales Tax: The sales tax payment received in March is for December sales. This payment is closely monitored as it includes the activity from holiday purchases. The payment was 1% over last year, but 2% behind our monthly budget. It is the second highest March payment in the last 5 years, behind 2012. Year-to-date sales taxes are $18,300 behind the year-to-date budget. We will continue to monitor this revenue.

Home Rule Sales Tax: The March Home Rule Sales Tax payment is also for December sales and was 2% ($4,165) ahead of last year and slightly below our budget by $1,629. It is the second highest March payment in the past 5 years, behind 2012. Year-to-date Home Rule Sales Taxes are 3% ahead of last year and only slightly behind budget by $1,400. March was another record high in the 12 month rolling trend for home rule sales taxes. Home Rule Sales Tax is not collected on vehicle sales and food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food which has been prepared for immediate consumption) and certain other medical prescriptions and supplies.

State Income Tax: The March income tax was behind the prior year and budget. However, year-to-date income tax is ahead of last year by $30,047 and ahead of the YTD budget by $15,755. This was due to a strong February.

Village Links/Reserve 22 Fund Dashboard: Page 4

This page includes information relative to the Village Links/Reserve 22 performance.

The top left graph depicts the cumulative net income for the fund to date. March 2015 is ahead of both 2011 and 2013. Years 2012 and 2013 are not included in this graph as renovation of the driving range and clubhouse made those years incomparable with a normal year. March 2015 saw the course open on March 14 versus March 29 in the prior year, which improved March's financial performance. February of 2014 included the last construction payment to contractor E.P Doyle, which accounts for the variance from the 2014 trend.

The top right graph depicts cumulative operating income for the fund. Operating income excludes capital and debt payments. On an operating basis, through March, the fund is performing ahead of all years except 2012. In 2012, favorable golf weather in March (temperatures in the 70 to 80 degree range) greatly boosted the performance for that year.

The golf round information in the middle of the page demonstrates that the earlier opening of the golf course led to increased rounds in March over the prior year. Year-to-date golf rounds are up 145% over the prior year.

At the bottom of the page, new charts are presented for March. The Commission asked in the prior meeting to depict the operating results of Reserve 22 separately from the golf operations. The year-to-date operating loss for Reserve 22 is $28,411 versus a loss of $31,740 in the prior year. For golf operations, the loss was $227,241 in the current year versus $284,015 in the prior year.

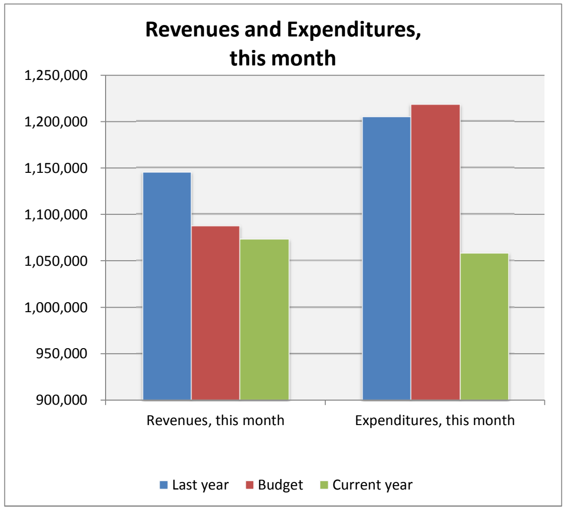
For Reserve 22, positive trends have been seen in the cost of goods percentage which was 29.2% January through March 2015 and 40.4% January through March 2014. Our target is 33% in the 2015 budget. Starting in January, we modified the accounting procedures to transition to a Cost of Goods Sold system such that the expense item in the budget report is a true Cost of Goods Sold rather than food purchases for the period. The target for personnel expense in the 2015 budget was

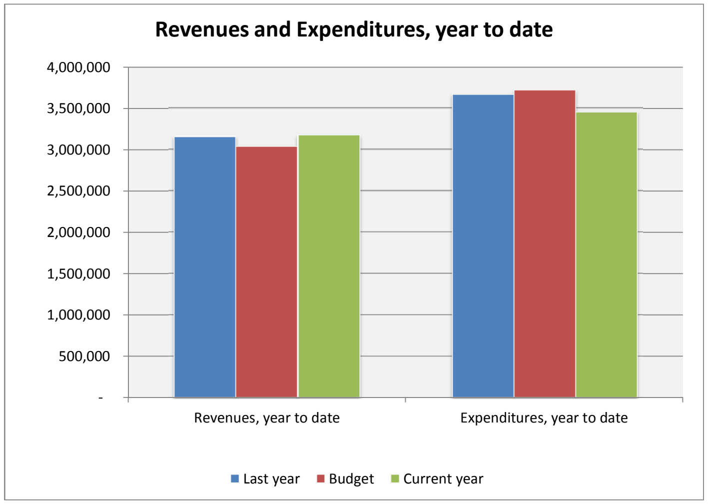
35.8%. The restaurant was closed on Mondays in January and February 2015. The payroll expense percentage for January through March 2015 was 56.7%.

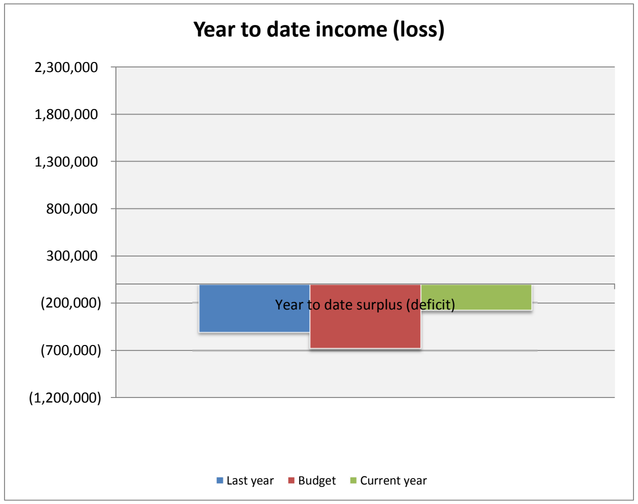
ATTACHMENTS:

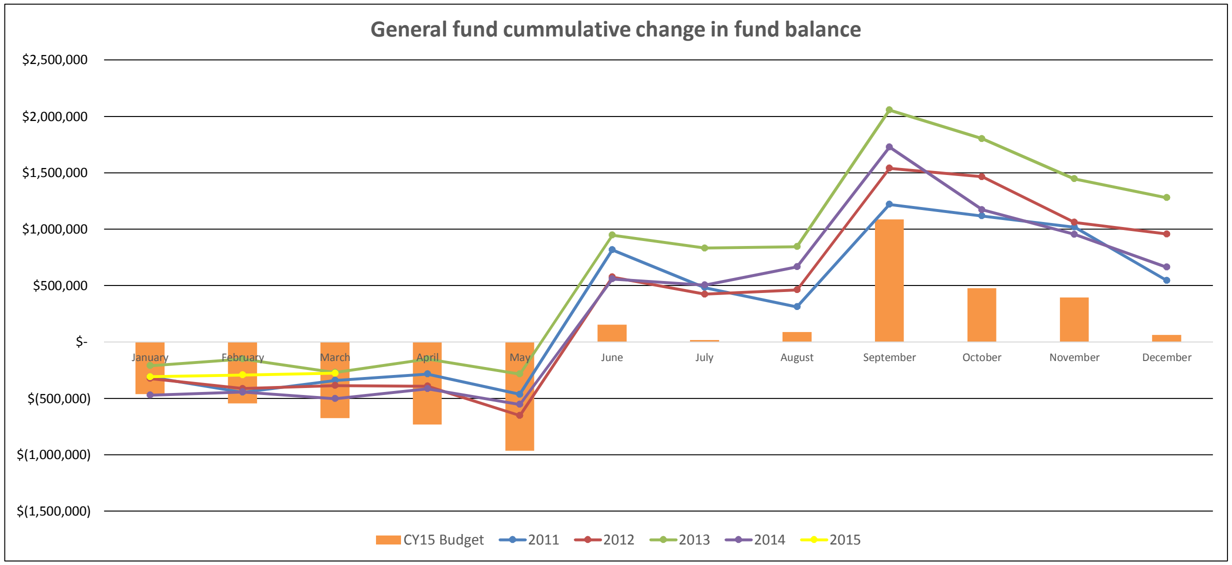
- Monthly Financials - March 2015 (PDF)

General Fund Budget Summary
For the Period Ended March 31, 2015





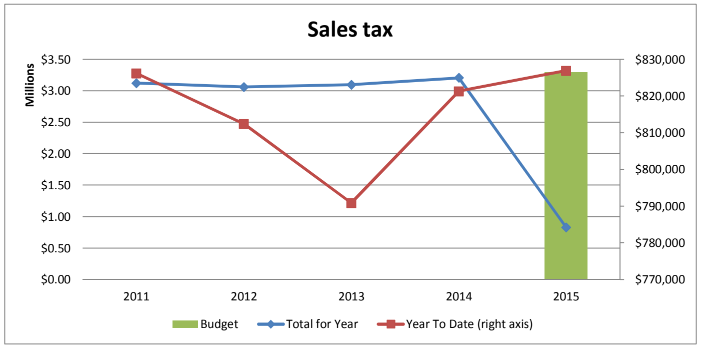


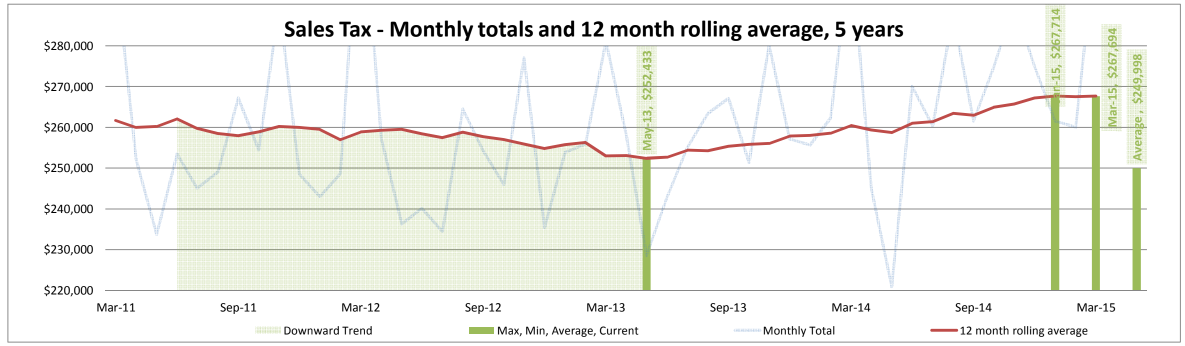


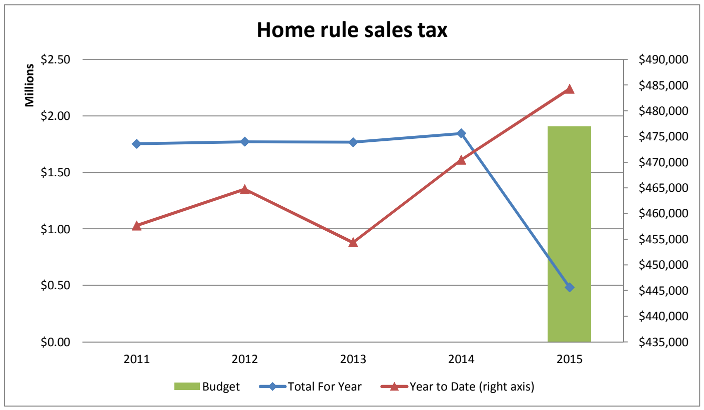
General Fund Budget Summary
For the Period Ended March 31, 2015

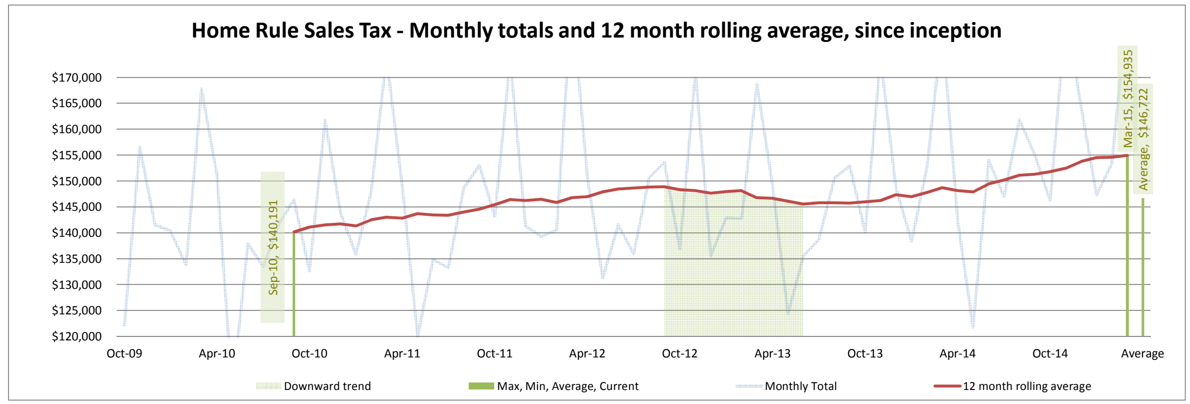
	MONTH							YTD						
	Last Year	Current Budget	Current Year	Variance from LY $	%	Variance from Budget $	%	Last Year	Current Budget	Current Year	Variance from LY $	%	Variance YTD Budget $	%
REVENUES														
TAXES														
Property Tax	-	-	44	44	100%	44	100%	9,942	9,961	493	(9,449)	-95%	(9,468)	-1921%
Econ Dev SSA Tax	-	-	11	11	100%	11	100%	588	592	11	(577)	-98%	(581)	-5286%
Fire SSA Tax	-	-	-	-	0%	-	0%	900	-	-	(900)	-100%	-	0%
Sales Tax	303,413	312,239	305,367	1,954	1%	(6,872)	-2%	821,328	845,220	826,938	5,610	1%	(18,282)	-2%
Home Rule Sales Tax	179,396	185,190	183,561	4,165	2%	(1,629)	-1%	470,443	485,637	484,261	13,818	3%	(1,376)	0%
State Income Tax	152,873	156,121	145,544	(7,329)	-5%	(10,577)	-7%	672,732	687,024	702,779	30,047	4%	15,755	2%
Other Taxes	80,796	76,239	93,575	12,779	16%	17,336	23%	209,127	196,720	230,352	21,225	10%	33,632	15%
Subtotal Taxes	**716,478**	**729,789**	**728,102**	**11,624**	**2%**	**(1,687)**	**0%**	**2,185,060**	**2,225,154**	**2,244,834**	**59,774**	**3%**	**19,680**	**1%**
LICENSES & PERMITS														
Vehicle Licenses	141,473	128,088	124,424	(17,049)	-12%	(3,664)	-3%	149,365	135,233	132,661	(16,704)	-11%	(2,572)	-2%
Business Registration	600	582	550	(50)	-8%	(32)	-5%	5,340	5,176	1,620	(3,720)	-70%	(3,556)	-219%
Liquor Licenses	40	42	40	-	0%	(2)	-4%	180	188	1,285	1,105	614%	1,097	85%
Building Permits/Reg./Fees	46,177	44,715	48,153	1,976	4%	3,438	8%	104,420	101,032	127,393	22,973	22%	26,361	21%
Subtotal Licenses & Permits	**188,290**	**173,426**	**173,167**	**(15,123)**	**-8%**	**(259)**	**0%**	**259,305**	**241,630**	**262,959**	**3,654**	**1%**	**21,329**	**8%**
CHARGES & FEES														
Cable Franchise Fees	-	-	-	-	0%	-	0%	115,780	112,635	140,014	24,234	21%	27,379	20%
Ambulance Service Fees	59,293	692	2,557	(56,736)	-96%	1,865	269%	153,346	1,790	5,748	(147,598)	-96%	3,958	69%
Police Service Reimbursements	4,912	5,151	2,984	(1,928)	-39%	(2,167)	-42%	8,018	8,301	13,456	5,438	68%	5,155	38%
Service Fees - GWA/Library	10,850	10,598	10,642	(208)	-2%	44	0%	32,550	31,794	31,926	(624)	-2%	132	0%
Subtotal Charges & Fees	**75,055**	**16,441**	**16,183**	**(58,872)**	**-78%**	**(258)**	**-2%**	**309,694**	**154,520**	**191,144**	**(118,550)**	**-38%**	**36,624**	**19%**
OTHER														
Police/Court Fines	71,383	70,679	44,322	(27,061)	-38%	(26,357)	-37%	148,774	146,440	135,389	(13,385)	-9%	(11,051)	-8%
Investment Income	2,099	2,083	144	(1,955)	-93%	(1,939)	-93%	6,504	6,250	4,780	(1,724)	-27%	(1,470)	-31%
Miscellaneous Income	26,050	18,723	35,869	9,819	38%	17,146	92%	50,454	32,342	109,977	59,523	118%	77,635	71%
Transfers from Other Funds	66,500	76,633	75,800	9,300	14%	(833)	-1%	200,325	229,900	227,400	27,075	14%	(2,500)	-1%
Subtotal Other	**166,032**	**168,119**	**156,135**	**(9,897)**	**-6%**	**(11,984)**	**-7%**	**406,057**	**414,933**	**477,546**	**71,489**	**18%**	**62,613**	**13%**
Revenue Totals	**1,145,855**	**1,087,775**	**1,073,587**	**(72,268)**	**-6%**	**(14,188)**	**-1%**	**3,160,116**	**3,036,237**	**3,176,483**	**16,367**	**1%**	**140,246**	**4%**
EXPENDITURES														
Village Board & Clerk	(6,421)	2,120	2,061	8,482	-132%	(59)	-3%	(1,913)	6,134	6,820	8,733	-457%	686	11%
Village Manager's Office	61,889	48,689	59,111	(2,778)	-4%	10,422	21%	177,440	139,594	159,009	(18,431)	-10%	19,415	14%
Law	-	18,093	14,627	14,627	100%	(3,466)	-19%	-	51,874	45,271	45,271	100%	(6,603)	-13%
Facilities Maintenance	39,609	37,561	39,106	(503)	-1%	1,545	4%	117,722	111,635	120,995	3,273	3%	9,360	8%
Senior Services	4,381	4,645	4,747	366	8%	102	2%	18,565	19,685	24,155	5,590	30%	4,470	23%
History Park	2,394	3,421	1,360	(1,034)	-43%	(2,061)	-60%	10,829	15,474	9,109	(1,720)	-16%	(6,365)	-41%
Information Technology*	16,662	28,368	52,885	36,223	217%	24,517	86%	45,018	76,646	113,939	68,921	153%	37,293	49%
Finance*	68,205	-	-	(643)	-1%	-	N/A	188,535	-	-	(13,910)	-7%	-	0%
Finance - Administration	-	46,566	41,435			(5,131)	-11%	-	127,608	102,628			(24,980)	-20%
Finance - Cashiers Office	-	25,165	26,127			962	4%	-	75,494	71,997			(3,497)	-5%
Planning & Development	98,425	-	-	(4,017)	-4%	-	N/A	297,777	-	-	(45,878)	-15%	-	0%
Planning & Zoning	-	39,464	38,094			(1,370)	-3%	-	119,395	85,848			(33,547)	-28%
Building	-	62,457	56,314			(6,143)	-10%	-	188,958	166,051			(22,907)	-12%
Economic Development	33,907	69,780	15,208	(18,699)	-55%	(54,572)	-78%	13,074	113,081	143,592	130,518	998%	30,511	27%
Police	459,943	-	-	10,459	2%	-	N/A	1,518,495	-	-	37,559	2%	-	0%
Police - Administration	-	87,944	104,888			16,944	19%	-	290,347	330,418			40,071	14%
Police - Operations	-	328,668	309,989			(18,679)	-6%	-	1,085,094	1,038,494			(46,600)	-4%
Police - Investigations	-	58,573	55,525			(3,048)	-5%	-	193,379	187,142			(6,237)	-3%
Fire	193,139	44,559	26,073	(166,919)	-86%	(18,486)	-41%	509,028	117,437	89,580	(343,181)	-67%	(27,857)	-24%
EMS	-	63,623	147			(63,476)	-100%	-	167,681	76,267			(91,414)	-55%
Public Works - Admin & Eng.**	55,193	66,592	53,291	(1,902)	-3%	(13,301)	-20%	155,457	187,563	153,353	(2,104)	-1%	(34,210)	-18%
Public Works - Operations**	178,155	-	-	(20,451)	-11%	-	N/A	613,499	-	-	(83,555)	-14%	-	0%
Public Works - Streets	-	106,202	98,375			(7,827)	-7%	-	365,720	360,488			(5,232)	-1%
Public Works - Forestry	-	75,939	59,329			(16,610)	-22%	-	261,505	169,456			(92,049)	-35%
...iture Totals	**1,205,481**	**1,218,429**	**1,058,692**	**(146,789)**	**-12%**	**(159,737)**	**-13%**	**3,663,526**	**3,714,304**	**3,454,612**	**(208,914)**	**-6%**	**(259,692)**	**-7%**
...plus / (Deficit)	**(59,626)**	**(130,654)**	**14,895**	**74,521**		**145,549**		**(503,410)**	**(678,067)**	**(278,129)**	**225,281**		**399,938**	

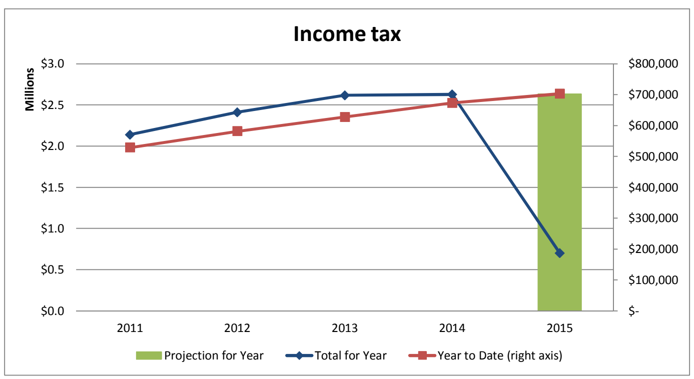
Key General Fund Revenues
For the Period Ended March 31, 2015

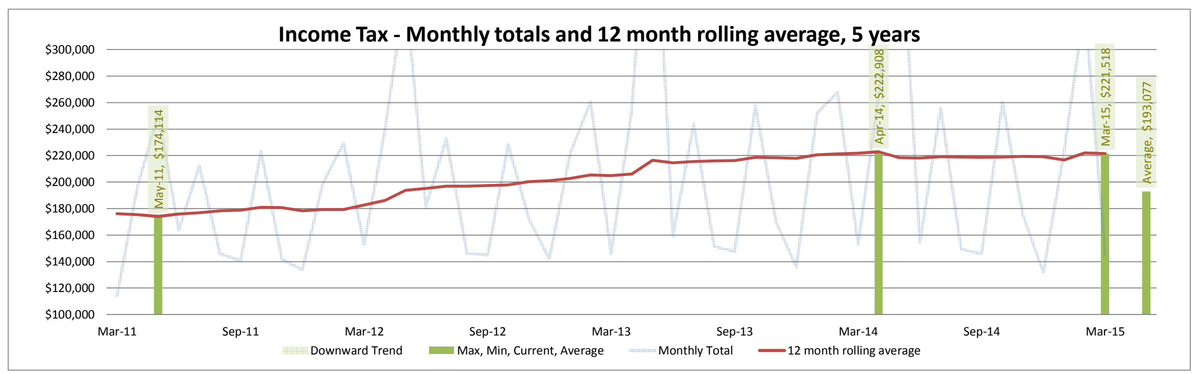




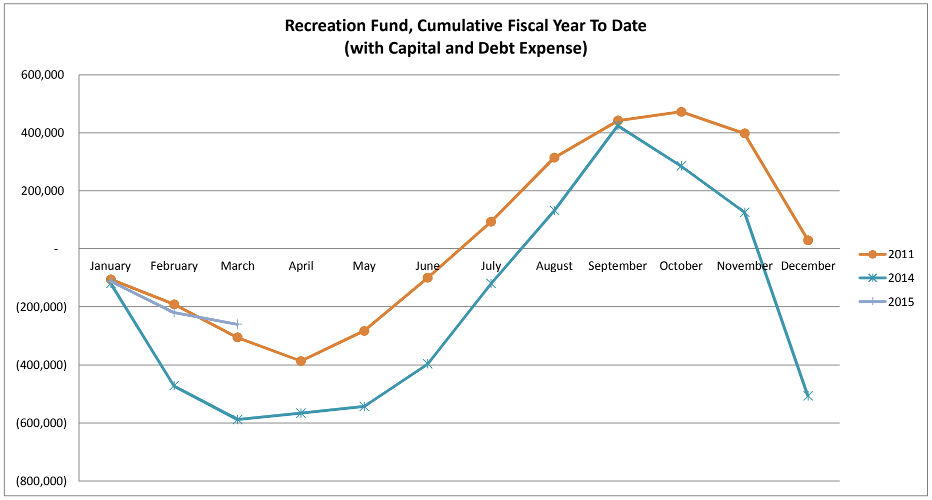


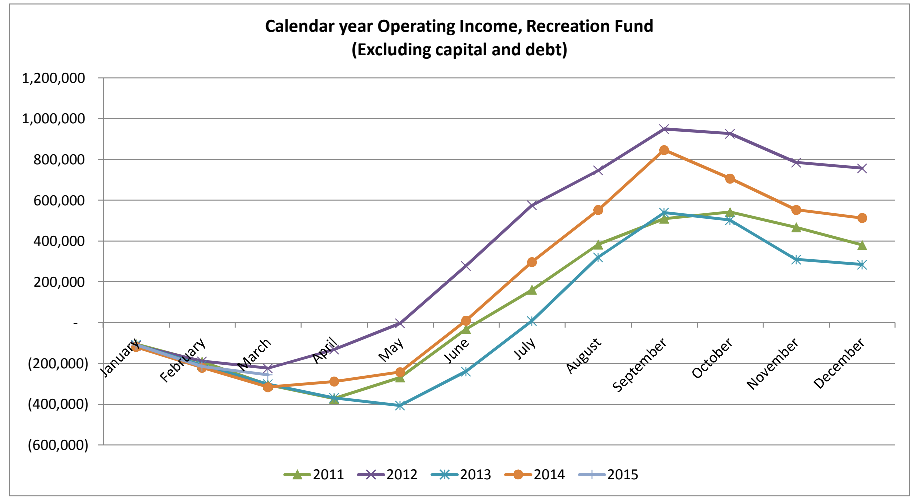


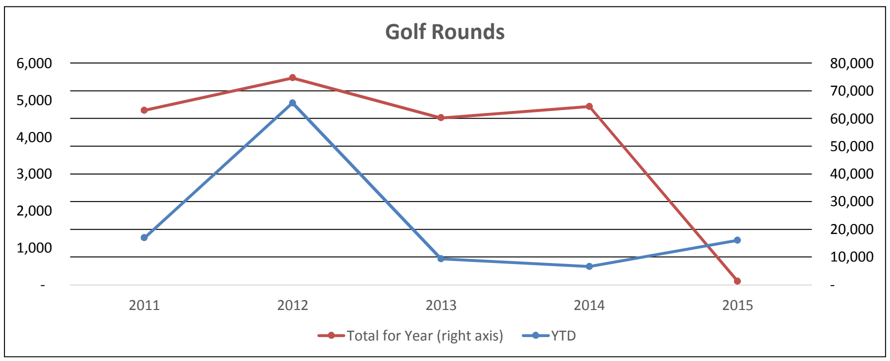




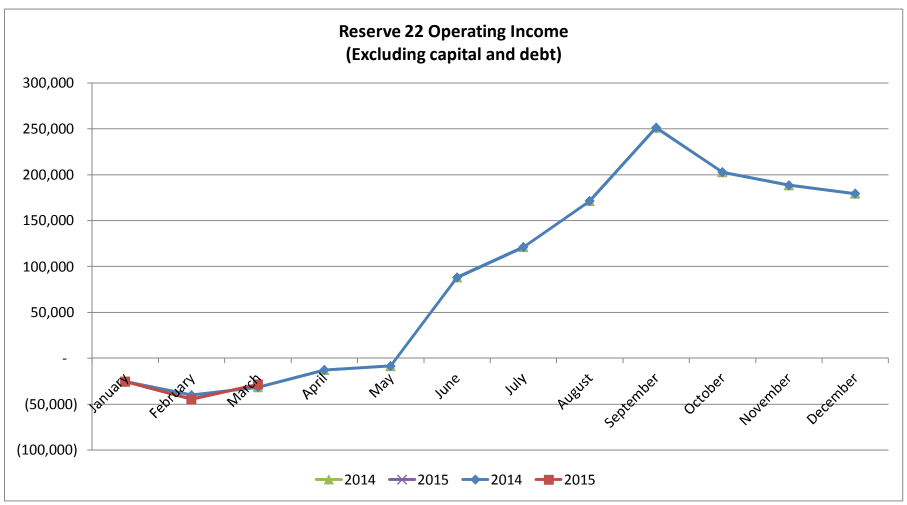
Village Links/Reserve 22 Fund
For the Period Ended March 31, 2015

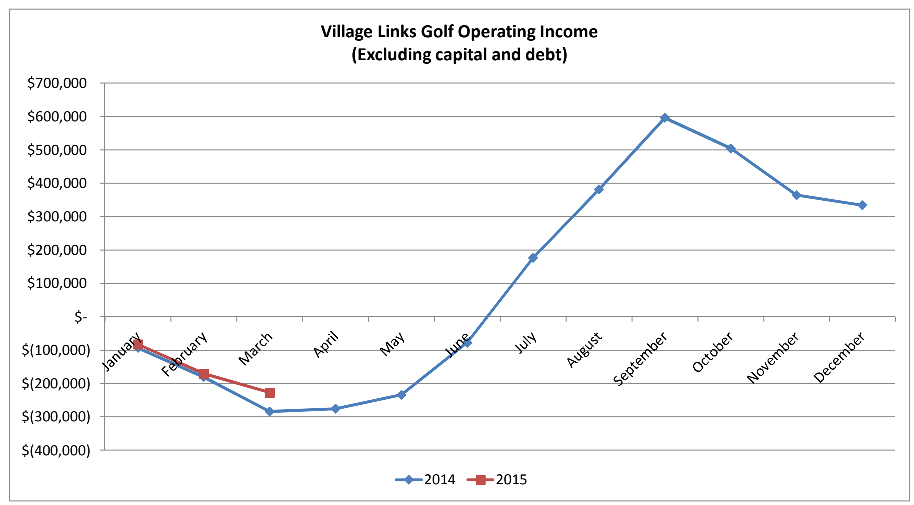






Green Fee Rounds	2011	2012	2013	2014	2015	Change From Prior Year
January	12	405	94	1	12	1100%
February	43	231	25	1	0	-100%
March	1209	4283	577	486	1186	144%
April	4301	6621	3681	4641		
May	8,387	10,272	7,442	8,826		
June	10,856	12,359	9,856	10,769		
July	11,648	10,896	11,338	12,226		
August	12,420	11,823	12,042	11,567		
September	8,865	9,747	9,291	8,953		
October	2,497	5,202	4,778	5,481		
November	2,319	1,850	1,081	951		
December	345	979	15	423		
Total	**62,902**	**74,668**	**60,220**	**64,325**	**1,198**	
YTD	**1,264**	**4,919**	**696**	**488**	**1,198**	**145%**





Packet Pg. 20

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Finance Commission
535 Duane St.
Glen Ellyn, IL 60137

Meeting: 04/10/15 07:00 AM
Department: Finance Commission
Department Head: Christina Coyle
Category: Discussion Item
Prepared By: Christina Coyle

SCHEDULED

AGENDA ITEM (ID # 1698) DOC ID: 1698

Draft Actuary Report for the Glen Ellyn Police Pension Fund as of December 31, 2014

Background
Each year, the Police Pension Board engages an actuary to produce an actuarial report for the Police Pension Fund. This report is used to both provide information required by the Governmental Accounting Standards Board (GASB) that is included in the annual audited financial statements as well as to provide information for the tax levy request to the Village Board.

Due to the transition to a calendar year fiscal year, an actuarial report was required for our Short Fiscal Year (May 1, 2014 to December 31, 2014).

Notable Items
Highlights of this year's report include:

Page 4: This page discusses highlights of the report as well as changes from the previous report. This year, mortality rates, disability rates, turnover rates, and retirement rates have been changed to the new rates most recently published by the Illinois Department of Insurance (September 2012). The average annual salary increase was 4.4%. The investment return for the past year was 7.28%. The Village's tax levy requirement increased to $1,192,842, an increase of 3.5%. The percent funded increased to 64.8% (up from 64.7%).

Page 10: This page outlines the annual tax levy requirement for the next levy (2015 levy which is received by the Pension fund in 2016). Based upon the funding policy, the Village's contribution to the pension fund will be $1,192,842. This page also outlines that the state minimum would be $1,155,294.

Page 15: This page includes the information on the actuarial assumptions used in the report. This report has been prepared using a 7.00% investment return and a 5% salary scale.

Page 17: This page presents the disclosure information required by GASB 25 & 27 and presents a schedule of funding progress in accordance with this requirements. From 4/30/14 to 12/31/14, the funding level decreased from 65.2% to 64.0%. This is due to a change in the investment return assumption during 2014 from 7.25% to 7.00%.

Page 20-22: This year, the breadth of the actuary report was expanded due to new disclosures required in the annual financial statements by GASB. One new disclosure at the bottom of page 20 includes a sensitivity disclosure related to changes in the discount rate. This analysis discloses what the net pension liability (new terminology under GASB 68) would be if the discount rate was 1% lower or 1% higher. The new terminology "net pension liability" is similar to the previous term "unfunded accrued actuarial liability.

A conference call was held on April 6, 2015 with our actuary Tim Sharpe, Finance Commission Chair Ford and Police Pension Board President Adduci. Tim Sharpe presented highlights of the report and answered any questions. Chairman Ford will provide an update of this call during the Finance Commission meeting.

Next Steps

This report will be finalized to be used in our December 31, 2014 financial statements. The Village Board requested last year that the Police Pension Board and the Finance Commission again review the investment rate return assumption in 2015 and provide a recommendation to the Village Board on any changes to be made to that assumption. This will be discussed at a later Finance Commission meeting.

ATTACHMENTS:

- Glen Ellyn Police Report Actuary Report 2015-01-01 DRAFT (PDF)

DRAFT

TSW
Actuary

VILLAGE OF GLEN ELLYN

GLEN ELLYN POLICE PENSION FUND

Actuarial Valuation Report

For the Year

Beginning January 1, 2015

And Ending December 31, 2015

Timothy W. Sharpe, Actuary, Geneva, IL (630) 262-0600

DRAFT

TABLE OF CONTENTS

INTRODUCTION

Police-sworn personnel of the Village of Glen Ellyn are covered by the Police Pension Plan that is a defined-benefit, single-employer pension plan. The purpose of this report is to provide to the Intended Users of this report, specifically the Intended Users are the Village Officials, the Pension Board and the Village and Pension Board auditors, the reporting requirements of the Illinois Pension Code, the GASB Statements No. 25 & 27 and 67 & 68 financial information and related actuarial information for the year stated in this report. This report is not intended for distribution or usage to or by anyone who is not an Intended User and should not be used for any other purpose.

The valuation results reported herein are based on the employee data, plan provisions and the financial data provided by the Village. The actuary has relied on this information and does not assume responsibility for the accuracy or completeness of this information. I hereby certify that to the best of my knowledge this report is complete and accurate and fairly presents the actuarial position of the Fund in accordance with generally accepted actuarial principles and procedures. In my opinion, the assumptions used are reasonably related to the experience of the Plan and to reasonable expectations. A reasonable request for supplementary information not included in this report should be directed to the undersigned actuary.

The actuary cautions the Intended Users of the possibility of uncertainty or risks in any of the results in this report.

I, Timothy W. Sharpe, am an Enrolled Actuary and a member of the American Academy of Actuaries, and I meet the Qualifications Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,

Timothy W. Sharpe, EA, MAAA
Enrolled Actuary No. 14-4384

____

Date

SUMMARY OF RESULTS

There was a change with respect to Actuarial Assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates and retirement rates. The mortality rates, disability rates, turnover rates and retirement rates have been changed to the new rates most recently published by the Illinois Department of Insurance (September 2012).

There were no changes with respect to Plan Provisions or Actuarial Methods from the prior year. The fiscal year has been changed from April 30 to the calendar year.

Based on the plan sponsor's funding policy and future expected plan contributions and funded status, the plan is to be expected to produce adequate assets to make benefit payments when they are due.

The benefit payment default risk or the financial health of the plan sponsor was not deemed to be material.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.

There were no unexpected changes with respect to the participants included in this actuarial valuation (0 new members, 0 terminations, 0 retirements, 0 incidents of disability, annual payroll increase 4.4%, average salary increase 4.4%).

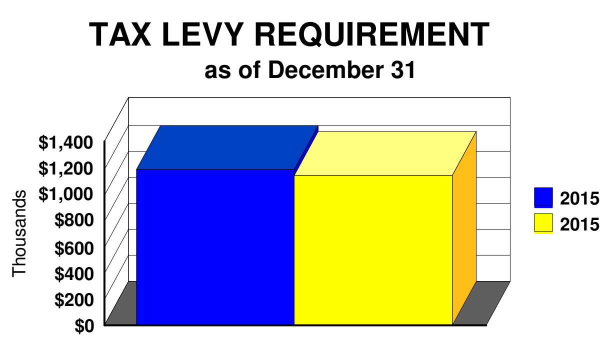
There were no unexpected changes with respect to the Fund's investments from the prior year (annual investment return 7.28%).

The Village's Tax Levy Requirement has increased from $1,152,455 last year to $1,192,842 this year (3.5%). The increase in the Tax Levy is due to the increase in salaries. The Percent Funded has increased slightly from 64.7% last year to 64.8% this year.

DRAFT

SUMMARY OF RESULTS (Continued)

	For Year Ending December 31	
	2015	4/30/2015
Tax Levy Requirement	$ 1,192,842	$ 1,152,455
	as of January 1	
	2015	5/1/2014
Village Normal Cost	423,066	427,779
Anticipated Employee Contributions	348,936	334,181
Accrued Liability	40,768,986	39,300,611
Actuarial Value of Assets	26,419,860	25,434,676
Unfunded Accrued Liability/(Surplus)	14,349,126	13,865,935
Amortization of Unfunded Accrued Liability/(Surplus)	691,740	649,282
Percent Funded	64.8%	64.7%
Annual Payroll	$ 3,521,045	$ 3,372,158

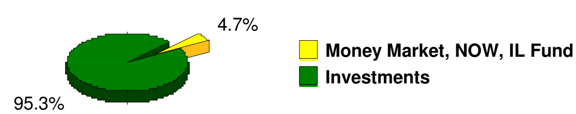


ACTUARIAL VALUATION OF ASSETS

		as of January 1 2015		5/1/2014
Money Market, NOW, IL Fund	$	1,227,062	$	1,522,233
Investments		24,796,108		23,326,203
Interest Receivable		88,727		32,093
Miscellaneous Receivable/(Payable)		(10,866)		(9,290)
Market Value of Assets		26,101,031		24,871,240
Actuarial Value of Assets	$	26,419,860	$	25,434,676

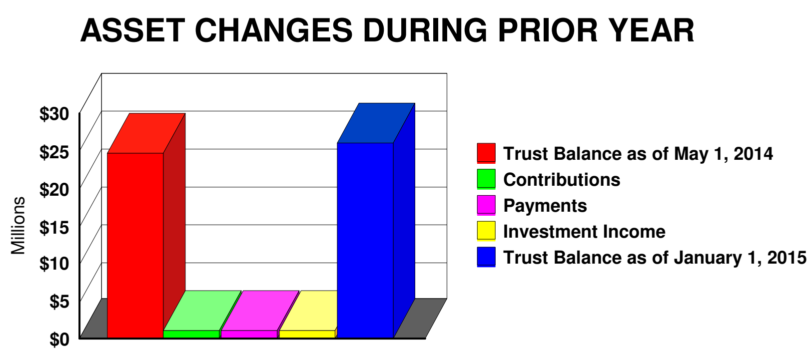
FYE 2012-2014 (Gain)/Loss: $689,628; $66,359; $336,817; ($46,111)

SUMMARY OF ASSETS
As Of January 1, 2015



ASSET CHANGES DURING PRIOR YEAR

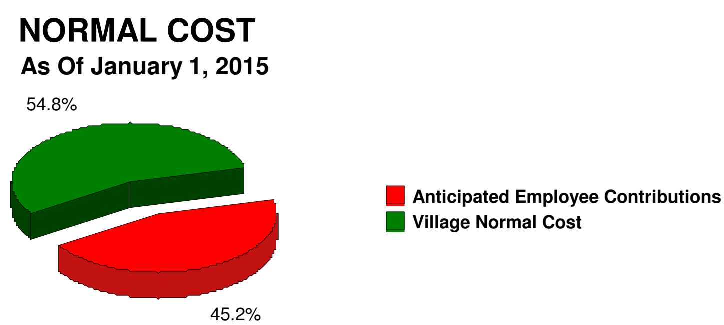
Trust Balance as of May 1, 2014		$	24,871,240
Contributions			
Village	981,000		
Employee	235,457		
Total			1,216,457
Payments			
Benefit Payments	1,139,863		
Expenses	54,097		
Total			1,193,960
Investment Income			1,207,293
Trust Balance as of January 1, 2015		$	26,101,031
Approximate Annual Rate of Return			7.28%



NORMAL COST

The Normal Cost is the actuarial present value of the portion of the projected benefits that are expected to accrue during the year based upon the actuarial valuation method and actuarial assumptions employed in the valuation.

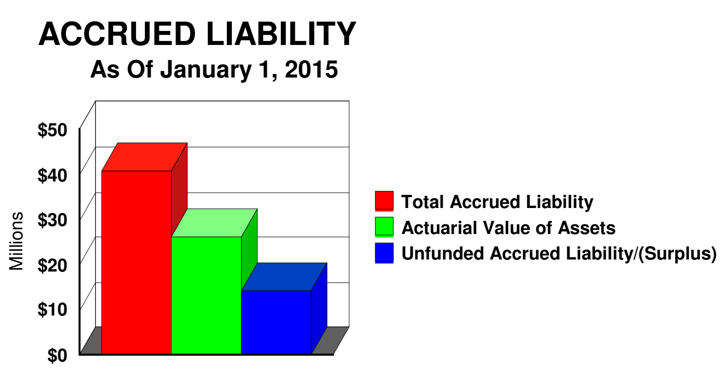
		as of January 1		
		2015		5/1/2014
Total Normal Cost	$	772,002	$	761,960
Anticipated Employee Contributions		348,936		334,181
Village Normal Cost		423,066		427,779
Normal Cost Payroll	$	3,521,045	$	3,372,158
Village Normal Cost Rate		12.02%		12.69%
Total Normal Cost Rate		21.93%		22.60%



ACCRUED LIABILITY

The Accrued Liability is the actuarial present value of the portion of the projected benefits that has been accrued as of the valuation date based upon the actuarial valuation method and actuarial assumptions employed in the valuation. The Unfunded Accrued Liability is the excess of the Accrued Liability over the Actuarial Value of Assets.

		as of January 1		
Accrued Liability		2015		5/1/2014
Active Employees	$	20,640,630	$	18,913,119
Children Annuities		0		0
Disability Annuities		1,747,334		1,770,312
Retirement Annuities		16,512,793		17,470,522
Surviving Spouse Annuities		1,868,229		1,146,658
Terminated Vested Annuities		0		0
Total Annuities		20,128,356		20,387,492
Total Accrued Liability		40,768,986		39,300,611
Actuarial Value of Assets		26,419,860		25,434,676
Unfunded Accrued Liability/(Surplus)	$	14,349,126	$	13,865,935
Percent Funded		64.8%		64.7%



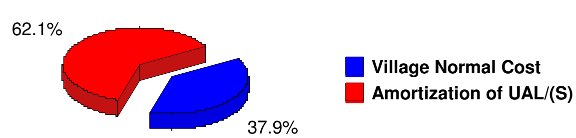
TAX LEVY REQUIREMENT

The Public Act 096-1495 Tax Levy Requirement is determined as the annual contribution necessary to fund the normal cost, plus the amount to amortize the excess (if any) of ninety percent (90%) of the accrued liability over the actuarial value of assets as a level percentage of payroll over a thirty (30) year period which commenced in 2011, plus an adjustment for interest. Prior to 2011, the amortization amount was equal to the amount to amortize the unfunded accrued liability as a level percentage of payroll over a forty (40) year period which commenced in 1993. Beginning in 2011, the amortization period has been reset to 30 years.

		For Year Ending December 31		
		2015		4/30/2015
Village Normal Cost as of Beginning of Year	$	423,066	$	427,779
Amortization of Unfunded Accrued Liability/(Surplus)		691,740		649,282
Interest for One Year		78,036		75,394
Tax Levy Requirement as of End of Year	$	1,192,842	$	1,152,455
Public Act 096-1495 Tax Levy Requirement				
1) Normal Cost (PUC)		647,682		635,049
2) Accrued Liability (PUC)		39,313,019		37,443,862
3) Amortization Payment		432,032		387,005
4) Interest for One Year		75,580		71,544
5) PA 096-1495 Tax Levy Requirement (1 + 3 + 4)	$	1,155,294		1,093,598

TAX LEVY REQUIREMENT

For Fiscal Year Ending December 31, 2015



SUMMARY OF PLAN PARTICIPANTS

The actuarial valuation of the Plan is based upon the employee data furnished by the Village. The information provided for Active participants included:

Name
Sex
Date of Birth
Date of Hire
Compensation
Employee Contributions

The information provided for Inactive participants included:

Name
Sex
Date of Birth
Date of Pension Commencement
Monthly Pension Benefit
Form of Payment

Membership	2015		2015	2014		2014
Current Employees						
Vested	28			27		
Nonvested	11			12		
Total	39			39		
Inactive Participants			Annual Benefits			Annual Benefits
Children	0	$	0	0	$	0
Disabled Employees	3		129,430	3		129,430
Retired Employees	24		1,325,945	25		1,376,540
Surviving Spouses	7		192,767	6		133,823
Terminated Vesteds	0		0	0		0
Total	34		1,648,142	34		1,639,793
Annual Payroll		$	3,521,045		$	3,372,158

SUMMARY OF PLAN PARTICIPANTS (Continued)

Age and Service Distribution

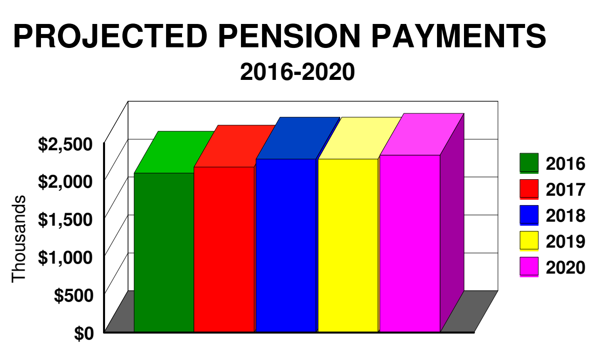
Service Age	0-4	5-9	10-14	15-19	20-24	25-29	30+	Total	Salary
20-24									
25-29	6	2						8	67,662
30-34		5	2					7	86,674
35-39		3	6	3				12	90,010
40-44		1						1	81,432
45-49				1	2	1		4	108,170
50-54				1		6		7	111,256
55-59									
60+									
Total	6	11	8	5	2	7	0	39	90,283
Salary	62,861	85,409	90,402	89,898	117,842	113,714			

Average Age: 37.4 Average Service: 12.8

DURATION (years) Active Members: 19.5 Retired Members: 9.7 All Members: 14.6

PROJECTED PENSION PAYMENTS

2015	2016	2017	2018	2019
$2,107,907	$2,185,161	$2,300,282	$2,295,211	$2,347,141



SUMMARY OF PLAN PROVISIONS

The Plan Provisions have not been changed from the prior year.

The Village of Glen Ellyn Police Pension Fund was created and is administered as prescribed by "Article 3. Police Pension Fund - Municipalities 500,000 and Under" of the Illinois Pension Code (Illinois Compiled Statutes, 1992, Chapter 40). A brief summary of the plan provisions is provided below.

Employees attaining the age of (50) or more with (20) or more years of creditable service are entitled to receive an annual retirement benefit of (2.5%) of final salary for each year of service up to (30) years, to a maximum of (75%) of such salary.

Employees with at least (8) years but less than (20) years of credited service may retire at or after age (60) and receive a reduced benefit of (2.5%) of final salary for each year of service.

Surviving spouses receive the greater of (50%) of final salary or the employee's retirement benefit.

Employees disabled in the line of duty receive (65%) of final salary.

The monthly pension of a covered employee who retired with (20) or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least (55) years, by (3%) of the originally granted pension. Beginning with increases granted on or after July 1, 1993, the second and subsequent automatic annual increases shall be calculated as (3%) of the amount of the pension payable at the time of the increase.

Employees are required to contribute (9.91%) of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than (20) years of service, accumulated employee contributions may be refunded without accumulated interest.

For Employees hired after January 1, 2011, the Normal Retirement age is attainment of age 55 and completion of 10 years of service; Early Retirement age is attainment of age 50, completion of 10 years of service and the Early Retirement Factor is 6% per year; the Employee's Accrued Benefit is based on the Employee's final 8-year average salary not to exceed $106,800 (as indexed); Cost-of-living adjustments are simple increases (not compounded) of the lesser of 3% or 50% of CPI beginning the later of the anniversary date and age 60; Surviving Spouse's Benefits are 66 2/3% of the Employee's benefit at the time of death.

ACTUARIAL METHODS

The Actuarial Methods employed for this valuation are as follows:

Projected Unit Credit Cost Method (for years beginning on or after 2011 for PA 096-1495)

Under the Projected Unit Credit Cost Method, the Normal Cost is the present value of the projected benefit (including projected salary increases) earned during the year.

The Accrued Liability is the present value of the projected benefit (including projected salary increases) earned as of the actuarial valuation date. The Unfunded Accrued Liability is the excess of the Accrued Liability over the plan's assets. Experience gains or losses adjust the Unfunded Accrued Liability.

Entry Age Normal Cost Method

Under the Entry Age Normal Cost Method the Normal Cost for each participant is computed as the level percentage of pay which, if paid from the earliest age the participant is eligible to enter the plan until retirement or termination, will accumulate with interest to sufficiently fund all benefits under the plan. The Normal Cost for the plan is determined as the greater of a) the sum of the Normal Costs for all active participants, and b) 17.5% of the total payroll of all active participants.

The Accrued Liability is the theoretical amount that would have accumulated had annual contributions equal to the Normal Cost been paid. The Unfunded Accrued Liability is the excess of the Accrued Liability over the plan's assets. Experience gains or losses adjust the Unfunded Accrued Liability.

ACTUARIAL ASSUMPTIONS

The Actuarial Assumptions used for determining the Tax Levy Requirement and GASB Statements No. 25 & 27 and 67 & 68 Disclosure Information are the same (except where noted) and have been changed from the prior year (discussion on page 4). The methods and assumptions disclosed in this report may reflect statutory requirements and may reflect the responsibility of the Principal and its advisors. Unless specifically noted otherwise, each economic and demographic assumption was selected in accordance with Actuarial Standards of Practice 27 and 35 and may reflect the views and advice of advisors to the Principal. In the event a method or assumption conflicts with the actuary's professional judgment, the method or assumption is identified in this report. The Actuarial Assumptions employed for this valuation are as follows:

Valuation Date	January 1, 2015
Asset Valuation Method	5-year Average Market Value (PA 096-1495)
Investment Return	7.00% net of investment expenses.
Salary Scale	5.00%
Mortality	RP 2000 Mortality Table (CHBCA). There is no margin for future mortality improvement beyond the valuation date.
Withdrawal	Based on studies of the Fund and the Department of Insurance, Sample Rates below
Disability	Based on studies of the Fund and the Department of Insurance, Sample Rates below
Retirement	Based on studies of the Fund and the Department of Insurance, Sample Rates below (100% by age 70)
Marital Status	80% Married, Female spouses 3 years younger

ACTUARIAL ASSUMPTIONS *(Continued)*

Sample Annual Rates Per 100 Participants

Age	Mortality	Withdrawal	Disability	Retirement
20	0.03	10.00	0.05	
25	0.04	7.50	0.05	
30	0.07	5.00	0.22	
35	0.11	3.00	0.26	
40	0.14	2.00	0.40	
45	0.18	2.00	0.65	
50	0.24	3.50	0.95	20.00
55	0.42	3.50	1.30	25.00
60	0.83	3.50	1.65	33.00
65	1.55	3.50	2.00	50.00
70	2.68			100.00

GASB STATEMENTS NO. 25 & 27 DISCLOSURE INFORMATION

The Governmental Accounting Standards Board (GASB) issued Statements No. 25 & 27 that established generally accepted accounting principles for the annual financial statements for defined benefit pension plans. The required information is as follows:

Membership in the plan consisted of the following as of:

	December 31, 2014	April 30, 2014
Retirees and beneficiaries receiving benefits	34	34
Terminated plan members entitled to but not yet receiving benefits	0	0
Active vested plan members	28	27
Active nonvested plan members	11	12
Total	73	73
Number of participating employers	1	1

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
04/30/13	23,876,846	35,367,041	11,490,195	67.5%	3,330,413	345.0%
04/30/14	24,871,240	38,121,122	13,249,882	65.2%	3,372,158	392.9%
12/31/14	26,101,031	40,768,986	14,667,955	64.0%	3,521,045	416.6%

GASB STATEMENTS NO. 25 & 27 DISCLOSURE INFORMATION (Continued)

ANNUAL PENSION COST AND NET PENSION OBLIGATION

	December 31, 2014	April 30, 2014
Annual required contribution	980,948	979,909
Interest on net pension obligation	(26,238)	(26,515)
Adjustment to annual required contribution	17,886	17,505
Annual pension cost	972,596	970,899
Contributions made	981,000	980,000
Increase (decrease) in net pension obligation	(8,404)	(9,101)
Net pension obligation beginning of year	(374,826)	(365,725)
Net pension obligation end of year	(383,230)	(374,826)

THREE-YEAR TREND INFORMATION

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
04/30/13	959,453	101.0%	(365,725)
04/30/14	970,899	100.9%	(374,826)
12/31/14	972,596	100.9%	(383,230)

GASB STATEMENTS NO. 25 & 27 DISCLOSURE INFORMATION (Continued)

FUNDING POLICY AND ANNUAL PENSION COST

Contribution rates:		
Village	27.86%	29.06%
Plan members	9.91%	Same
Annual pension cost	972,596	970,899
Contributions made	981,000	980,000
Actuarial valuation date	12/31/2014	04/30/2014
Actuarial cost method	Entry age	Same
Amortization period	Level percentage of pay, closed	Same
Remaining amortization period	26 years	27 years
Asset valuation method	Market	Same
Actuarial assumptions:		
Investment rate of return*	7.00%	7.25%
Projected salary increases*	5.00%	Same
*Includes inflation at	3.00%	Same
Cost-of-living adjustments	Tier 1: 3.00% per year, compounded Tier 2: 2.00% per year, simple	Same

STATEMENTS NO. 67 & 68 DISCLOSURE INFORMATION

Plan Membership	December 31, 2014
Inactive plan members or beneficiaries currently receiving benefits	34
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	39
Total	73

Net Pension Liability of the Village	
Total pension liability	40,768,986
Plan fiduciary net position	26,101,031
Village's net pension liability	14,667,955
Plan fiduciary net position as a percentage of the total pension liability	64.02%

Actuarial Assumptions	
Inflation	3.00%
Salary increases	5.00%
Investment rate of return	7.00% net of expenses

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Village 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 members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Based on those assumptions, the discount rate was determined in accordance with paragraphs 40-45. Therefore, the discount rate was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability	20,244,505	14,667,955	10,097,435

STATEMENTS NO. 67 & 68 DISCLOSURE INFORMATION (continued)

Schedule of Changes in the Village's Net Pension Liability and Related Ratios

Total Pension Liability	December 31, 2014
Service cost	815,297
Interest	2,711,148
Changes of benefit terms	0
Differences between expected and actual experience	(974,878)
Changes of assumptions	56,671
Benefit payments, including refunds of member contributions	1,139,863
Net change in total pension liability	1,468,375
Total pension liability - beginning	39,300,611
Total pension liability - ending	40,768,986
Plan Fiduciary Net Position	
Contributions - employer	981,000
Contributions - member	235,457
Net investment income	1,207,293
Benefit payments, including refunds of member contributions	1,139,863
Administrative expense	54,097
Other	0
Net change in plan fiduciary net position	1,229,791
Plan fiduciary net position - beginning	24,871,240
Plan fiduciary net position - ending	26,101,031
Village's net pension liability	14,667,955
Plan fiduciary net position as a percentage of the total pension liability	64.02%
Covered-employee payroll	3,521,045
Village's net pension liability as a percentage of covered-employee payroll	416.58%

STATEMENTS NO. 67 & 68 DISCLOSURE INFORMATION (continued)

Schedule of Village Contributions

	December 31, 2014
Actuarially determined contribution	980,948
Contributions in relation to the actuarially determined contribution	981,000
Contribution deficiency (Excess)	(52)
Covered-employee payroll	3,521,045
Contributions as a percentage of covered-employee payroll	27.86%

Notes to schedule

Valuation date	December 31, 2014
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay
Remaining amortization period	26 years
Asset valuation method	Market Value
Inflation	3.00%
Salary increases	5.00%
Investment rate of return	7.00%
Retirement age	50-70
Mortality	RP 2000 CHBCA
Other	

Mortality rates were based on the RP-2000 CHBCA Mortality Table. The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.