Agenda
Village of Glen Ellyn
Finance Commission Meeting
Friday, November 12, 2021
7:00 AM
Glen Ellyn Civic Center
Room 306

Any individual with a disability requiring a reasonable accommodation in order to participate in a meeting should contact The Village of Glen Ellyn ADA Coordinator, (630) 469-5000, in advance of the next scheduled meeting. All matters on the Agenda may be discussed, amended, and acted upon.

A. Call to Order

B. Public Comment (Non Agenda Items)

C. Minutes

1) Minutes - September 20, 2021

D. Financial Reports

1) Village Links/Reserve 22 Financial Statements - September 2021

2) General Fund Financial Report - September 2021

E. Pension Funding Policy

1) Motion to recommend approval to the Village Board of the revised Pension Funding Policy.

F. Budget Update

1) Finance Director Coyle will update the Commission on the 2022 Budget

G. Trustee Liaison's Report

H. Chairman's Report

I. Other Business

1) Economic Development Update

2) Next Meeting: Friday, December 10, 7:00 AM

J. Adjournment

SPECIAL FINANCE COMMISSION MEETING
MINUTES
SEPTEMBER 20, 2021

CALL TO ORDER:

Jeremy S. VanEk	Chairman	Present
Michael Campagna	Commissioner	Present
Lea Dan	Commissioner	Present
Lisa A. Cleaver	Commissioner	Present
Scott R. Greeno	Commissioner	Present
Christopher Oakes	Commissioner	Present
Jose DeLeon	Commissioner	Excused Absence
Brenton J. Peck	Commissioner	Excused Absence

Also, present: Trustee Christiansen, Trustee Payne, Village Manager Franz, Finance Director Coyle, Assistant Finance Director Patrick Brankin, and Recording Secretary Haslett.

A. **Call To Order**

The special meeting was called to order at 7:00AM.

B. **Public Comment (Non-Agenda Item)**

None.

C. **Approval of Minutes**

1) Minutes - August 11, 2021
2) Minutes - September 2, 2021

MOVE TO APPROVE MINUTES OF FINANCE COMMISSION MEETINGS AS PRESENTED FROM 8/11/2021 and 9/2/22021.

RESULT **Motion Unanimously Carried**
MOVER: **Commissioner Cleaver**
SECONDER: **Commissioner Greeno**
AYES: **Campagna, Cleaver, Dan, Greeno, J. VanEk, and Oakes**
ABSENT: **DeLeon and Peck**

D. **Debt Policy**

1) Finance Director Coyle will brief the Commission on a proposed update to the Village's Debt Management Policy.

Finance Director Coyle referenced the updated debt policy included in the agenda packet. Finance Director Coyle said although the revamped policy is substantially similar to the current policy, there are some key differences. The updated policy now includes a debt

limitation of 5% of the equalized assessed valuation (EAV) which represents about $77.5 million. Home-rule communities do not have a debt limitation, compared to non-home rule communities which are limited by state statue to 8.625% of EAV. Chairman VanEk asked how much is the current outstanding debt. Finance Director Coyle replied about $40 million. Chairman VanEk asked where the Village is positioned with the other GFOA recommended metrics. Finance Director Coyle responded that she will pull these other metrics together. Finance Director Coyle noted the Village is triple AAA rated because the Village is doing really well with all the metrics the rating company reviews. Commissioner Oakes inquired if the new 5% limitation would impact the Village's rating in the future. Finance Director Coyle said it would positively impact the Village's rating because of the lower permissible debt. Chairman VanEk commended Finance Director Coyle's debt policy update.

2) Motion to recommend that the Village Board approve the updated Debt Management Policy.

MOTION TO RECOMMEND THAT THE VILLAGE BOARD APPROVE THE UPDATED DEBT MANAGEMENT POLICY.

RESULT	**Motion Unanimously Carried**
MOVER:	**Commissioner Oakes**
SECONDER:	**Commissioner Campagna**
AYES:	**Campagna, Cleaver, Dan, Greeno, J. VanEk, and Oakes**
ABSENT:	**DeLeon and Peck**

E. **Financial Reports**

1) Finance Director Coyle will present the second quarter financial report.

Finance Director referenced the second quarter General Fund report include in the packet covering the period of January 1, 2021 through June 30, 2021. Some of the Village's revenues exceeded the prior year actuals. Income taxes are up $600,000 above last year. Expenditures are trending below budget with personnel about $500,000 under budget, with turnover created a positive budget variance. 2021 year-to-date revenues through June 30, 2021 are at $10,596,429, while expenses are at $9,590,283. Sales tax, home rule sales tax, and income taxes are tending above budget. Sales taxes are at about 59% of budget at June 30, 2021. Sales taxes are higher due to recent tax law changes which became effective on January 1, 2021. Sales tax application is now based upon the destination address, unless the business has a physical premise in Illinois or if there is a distribution center in Illinois. Municipalities with distribution centers receive the sales tax and not the delivery destination.

Lower staffing expenses in 2021 were experienced for the Information Technology, Planning, and Police Departments. Also, lower Covid expenditures in 2021 caused the Village Manager's Office to be below budget as well. Food and beverage taxes remain fairly constant partially due to the strong grocer presence in the Village. In 2020, the food and beverage tax amounted to $1.3 million, which is about $150,000 above the original projections. Real estate transfer taxes are performing well with the recent high market trend.

The Village committed about $2.85 to purchase the hotels on Roosevelt Road and a budget amendment will be needed for this.

All of the Village funds are above the cash reserve levels. The Village Links is now above the cash reserve level for the first time since June of 2017. The Police Pension performance target is 6.5% for actuarial modeling and the year-to-date performance is 7.5%, thereby exceeding the target.

2) Sales Tax and Home Rule Sales Tax by Standard Industrial Code as of June 30, 2021

Finance Director Coyle discussed the Standard Industrial Code (SIC) sales and home rule sales tax report as of June 30, 2021. The food sector performs really well in the Village. Drugs and miscellaneous retail are doing good as well. Automotive and filing stations taxes are more volatile, because they are dependent upon the economy. The biggest growth category for the Village's sales tax is eating and drinking places.

3) Village Links/Reserve 22 Financial Report, as of July 31, 2021

July 2021 was a great month for golf due to the mild and dry weather. Through July 31, 2021 the Village Links and Reserve 22 experienced a positive change in net position of $1,022,419, compared to $235,970 last year. The Village Links cash reserves for June 2022 are projected at $3.0 million under a best-case scenario, $1.5 at an average scenario, and $22,000 at worst.

4) Comprehensive Annual Financial Report as of December 31, 2020

Finance Director Coyle noted the Village received an unmodified opinion for the 2020 audit, which is the highest rating possible from the independent auditor. Finance Director Coyle noted the police pension actuary will be attending the October 2021 meeting. Finance Director Coyle said the IMRF pension is funded at 107.29%. The Village paid 8.92% of payroll in 2020 to IMRF for non-sworn staff and the rates was lowered to 6.85% in 2021.

The Village has been increasing the funded status for the police pension, which stands at 65.03% funded. The 2020 weighted rate of return was 9.69%. Finance Director Coyle anticipates pension consolidation at the state level will begin in October 2021 for the fire pensions first and next year for the police pensions. Once the consolidation is complete, the Village will no longer control the investments for the police pension, but will still control the funding assumptions. Finance Director Coyle said there were no significant management letter comments.

5) General Fund Update, as of August 31, 2021

Finance Director Coyle distributed a food and beverage tax report. Finance Director Coyle reported that on a budget basis, overall General Fund revenues are up 11%. Vehicle stickers, liquor licenses, building permit, court fines, and investment income revenues are down for

the year. Finance Director Coyle projected that transfers into the General Fund from other funds would not be needed in 2021. The positive expense variances are caused by staff turnover and position vacancies.

F. **Trustee Liaison's Report**

Trustee Payne updated the Finance Commission on recent Village Board activities.

G. **Chairman's Report**

Chairman VanEk thanked Assistant Finance Director Brankin for reviewing the applications for the Finance Commission. Chairman VanEk said he has done some outreach for a student commissioner.

H. **Other Business**

1) Economic Development Update

Finance Director Coyle shared the recent economic development activity with the Finance Commission.

2) Next Meeting: Friday, October 8, 7:00AM

I. **Adjournment**

1. Motion to Adjourn

Commissioner Oakes moved and Commissioner Cleaver seconded, to adjourn the meeting. The meeting was adjourned at 8:14AM.

Submitted by Aileen Haslett, Recording Secretary

Glen Ellyn Finance Commission
535 Duane Street
Glen Ellyn, IL 60137

Meeting 11/12/2021 7:00 AM
Department: Village Links
Department Head: Jeff Vesevick
Category: Report
Prepared By: Ann Pedersen, Jeff Vesevick

AGENDA ITEM (ID # 2021-1648)

DOC ID: 2021-1648

Village Links/Reserve 22 Financial Statements - September 2021

Statement of the Issue:

Analysis:

Budget Impact:

Action Requested:

Attachments:
1. Managers Report Sept21
2. Village Links - Financial Statements - September 2021
3. COH Scenarios

VILLAGE LINKS
GLEN ELLYN

RESERVE
22
TWENTY-TWO

"Committed to Excellence since 1967"

Manager's Report for September 2021

Submitted by Jeff Vesevick, General Manager

September 2021, was another excellent month for golfers, as rain fell on only 3 days, and totaled 1.2", nearly 2 inches below normal. Temperatures were consistently warm and comfortable, the course was dry, providing the fast and firm conditions many golfers enjoy. Diners flocked to the patio and driving range, enjoying the summer like beginning to the fall season.

High Temperatures/Precipitation in September																						
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
100º days																						
90º days			1	3	7	1	1		2	1	2			2	3		4			3	1	2
80º days	15	5	8	11	5	12	11	6	7	6	3	8	7	7	14	4	14	15	12	13	7	9
70º days	12	15	15	6	12	12	13	14	12	14	7	15	17	13	9	14	8	12	10	11	10	9
60º days	3	8	6	7	6	4	5	5	8	6	13	5	5	7	4	10	4	3	6	3	10	8
50º days		2		3		1		5	1	3	5	2	1	1		2			2		2	2
40º days																						
Rain	1.2"	2.9"	7.6"	2.8"	0.5"	1.9"	3.8"	2.4"	1.8"	1.8"	3.4"	2.1"	3.4"	10.9"	0.9"	5.5"	1.7"	0.3"	2.2"	2.0"	5.8"	5.1"

GOLF

Rounds played were down 2% for the month, and are up 15% for the year.

Green Fee revenue was up 10% for the month, and is up 25% for the year.

Driving Range revenue was up 8% for the month, and is up 58% for the year.

Motor Car revenue was up 12% for the month, and is up 33% for the year.

Pro Shop sales were down 21% for the month, and are up 27% for the year.

Golf Revenue September											
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Rounds	8,865	9,747	9,576	9,612	10,189	9,216	9,620	8,849	8,460	11,723	11,415
Green Fees	216,810	241,225	234,590	231,421	254,798	245,672	254,974	249,558	244,080	343,264	376,962
Driving Range	19,938	23,341	27,614	33,388	30,545	29,124	30,957	30,528	32,156	56,129	60,650
Pro Shop	19,003	18,903	22,319	24,039	26,308	23,782	28,518	20,830	21,070	24,337	19,239
Carts	59,976	69,048	72,224	72,374	81,706	76,637	80,935	81,638	65,907	92,895	104,460
Resident Cards	362	260	610	380	220	300	300	150	140	500	200
Miscellaneous	3,134	12,059	3,040	5,159	4,007	5,686	6,782	5,741	5,073	26,112	3,103
Total Revenue	**319,227**	**364,829**	**360,243**	**366,760**	**397,583**	**381,201**	**402,465**	**388,444**	**368,426**	**543,236**	**564,615**
Golf Revenues were the best in the last 11 years											

There were 20 outside events in September, nine more than 2020. The outings were of various sizes, and generated 1,197 rounds, about 10% of the total rounds played. Outings continue to make a comeback from the pandemic, as organizers are feeling more comfortable gathering in groups.

Golf's Annual Fall Fest promotions were suspended again in 2021. Aimed at enticing golfers to continue to enjoy the game later into the season, the continued popularity of golf influenced the decision, as favorable weather conditions kept the tee sheets full.

The 4th annual fall version of the ***PGA Junior League*** attracted 50 junior golfers, roughly half of the successful summer league, virtually the same as a year ago. High School golf practices and matches began in August, and continued through September.

GROUNDS

September was tied for the 5th warmest on record (4°F above normal). Only 1.23" of rain received (O'Hare) which is 1.96" below normal. Carts were not grounded at all this month (100% availability). As of October 5th, we were in a Moderate Drought.

Grounds

1. Plant protectant apps continued, final in season apps for Tees & Fairways
2. Back to extremely low staff levels (9 people daily, including Full Time)
3. Divots filled almost daily (tees & fairways)
4. De littered parkways multiple times
5. We repaired 3 irrigation leaks in house
6. Native areas sprayed (Greenside 2, 4, 9, 14)
7. Continued Flail Mowing of Natives as time allowed
8. Old Range Net removed and New One Installed (75 feet wider and 9 feet taller, now 350 feet wide and 25 feet tall)

Mechanical and Building Maintenance

1. 5 pieces of equipment were repaired and/or serviced.
2. Grinding of reels and mower blades as needed
3. Fuse issues with Blue Heron South A/C Unit
4. Minor repairs made in Kitchen as needed.
5. New Patio Heater installed above Patio Bar
6. Fence at Range repaired from Wind Damage

Horticulture/Conservation

1. Tropical Plants and Hanging Baskets fertilized
2. Acres Group continuing with bi-weekly visits per maintenance contract, weeds finally getting under better control
3. Tropical plants trimmed and clean of dead leaves

RESERVE 22

While the weather was again perfect for outdoor dining, and demand remained high, staff unfortunately again had to limit availability due to labor shortages. Staff which was available did a nice job handling the still busy restaurant and bar, and while service levels and wait times were a bit challenging at times, we managed to remain open on a daily basis.

Reserve 22 - SEPTEMBER				Year to Date		
	2020	2021	+/-	2020	2021	+/-
Restaurant & Bar	217,956	183,130	*-16.0%*	1,221,581	1,414,602	*15.8%*
Banquets	26,777	96,339	*259.8%*	177,763	427,095	*140.3%*
from Outings	7,486	39,576	*428.7%*	12,406	80,799	*551.3%*
Beverage Cart	15,847	13,126	*-17.2%*	76,919	76,891	*0.0%*
Halfway House	20,815	19,194	*-7.8%*	99,554	128,684	*29.3%*
Other	9,100	20,398	*124.2%*	51,667	84,862	*64.2%*
Total Reserve 22	**290,495**	**332,187**	***14.4%***	**1,627,484**	**2,132,135**	***31.0%***

VILLAGE LINKS
GLEN ELLYN

RESERVE
22
TWENTY-TWO

VILLAGE LINKS / RESERVE 22
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
As of September 30, 2021

ORG	DESCRIPTION	2021 BUDGET	MONTH 2021	MONTH 2020	MONTH DIFF	MONTH % DIFF	YEAR-TO-DATE 2021	YEAR-TO-DATE 2020	YEAR-TO-DATE DIFF	YEAR-TO-DATE % DIFF
	REVENUES:									
5500	Village Links Revenues	$ 3,113,850	$ 568,586	$ 543,770	$ 24,816	5%	$ 3,472,157	$ 2,698,616	$ 773,540	29%
5520	Reserve 22 Revenues	2,731,000	332,187	290,495	41,692	14%	2,154,688	1,632,514	522,174	32%
	Total Revenues	**$ 5,844,850**	**$ 900,773**	**$ 834,265**	**$ 66,508**	**8%**	**$ 5,626,845**	**$ 4,331,130**	**$ 1,295,714**	**30%**
	EXPENDITURES:									
55700	Administration	$ 460,117	$ 36,209	$ 35,099	$ 1,110	3%	$ 340,014	$ 334,230	$ 5,784	2%
55710	Golf Course Maintenance	899,270	61,742	71,578	(9,836)	-14%	625,251	600,557	24,694	4%
55720	Golf Services	722,908	73,142	87,187	(14,045)	-16%	578,922	504,580	74,342	15%
55730	Reserve 22	2,420,256	293,573	344,795	(51,223)	-15%	1,773,825	1,557,543	216,282	14%
55740	Stormwater Management	28,814	1,866	480	1,386	288%	10,210	4,258	5,952	140%
55750	Pro Shop Merchandise	158,495	19,687	20,776	(1,089)	-5%	129,802	110,096	19,706	18%
55780	Motorized Carts	45,515	9,396	8,963	433	5%	45,212	33,772	11,440	34%
557X5	Mechanical Maintenance	196,841	11,486	14,828	(3,342)	-23%	137,833	118,954	18,879	16%
	Total Operating Expenses	$ 4,932,216	$ 507,101	$ 583,708	$ (76,606)	-13%	$ 3,641,068	$ 3,263,989	$ 377,079	12%
	Operating Income	**$ 912,634**	**$ 393,672**	**$ 250,558**	**$ 143,115**	**57%**	**$ 1,985,777**	**$ 1,067,141**	**$ 918,636**	**86%**
	Debt Service	656,084	-	-	-	0%	43,041	51,348	(8,306)	-16%
	Capital Expenditures	222,000	64,539	-	64,539	0%	144,578	24,568	120,010	488%
	CHANGE IN NET POSITION	**$ 34,550**	**$ 329,133**	**$ 250,558**	**$ 78,576**	**31%**	**$ 1,798,157**	**$ 991,226**	**$ 806,932**	**81%**

KEY METRICS

	Goal							
Personnel Expenses as % of Sales	*47%*	*27%*	*28%*	*-1%*	*34%*	*43%*	*-9%*	
Cash Balance (End of Month, in $000's)	*$ 1,234*	*$ 2,532*	*$ 1,605*	*$ 927*				

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 September 30, 2021

ORG/ OBJECT	DESCRIPTION	2021 BUDGET	MONTH 2021	MONTH 2020	MONTH DIFF	MONTH % DIFF	YEAR-TO-DATE 2021	YEAR-TO-DATE 2020	YEAR-TO-DATE DIFF	YEAR-TO-DATE % DIFF
5500	**VILLAGE LINKS REVENUES:**									
440550	Green Fees	$ 1,950,000	$ 376,962	$ 343,264	$ 33,699	10%	$ 2,180,883	$ 1,744,239	$ 436,644	25%
440554	Pro Shop - Sales	170,000	19,239	24,337	(5,097)	-21%	152,924	120,627	32,297	27%
440555	Motor Carts	500,000	104,460	92,895	11,565	12%	577,512	432,960	144,552	33%
440556	Driving Range	300,000	60,650	56,129	4,521	8%	416,274	264,502	151,772	57%
440557	Resident Cards	32,000	200	500	(300)	-60%	35,146	32,300	2,846	9%
460100	Investment Income	8,500	1,095	1	1,094	170948%	1,097	2,343	(1,246)	-53%
489000	Miscellaneous Revenue	126,550	3,649	26,689	(23,040)	-86%	88,632	102,328	(13,697)	-13%
489100	Miscellaneous - Over/Short	-	98	(45)	142	-319%	(411)	(683)	273	-40%
490800	Operating Transfer In	26,800	2,233	-	2,233	0%	20,100	-	20,100	0%
	Total Revenues	**$ 3,113,850**	**$ 568,586**	**$ 543,770**	**$ 24,816**	**5%**	**$ 3,472,157**	**$ 2,698,616**	**$ 773,540**	**29%**
	COST OF GOODS SOLD:									
520945	Cost of Goods Sold - Pro Shop	$ 127,500	$ 16,736	$ 18,136	$ (1,400)	-8%	$ 105,324	$ 86,808	$ 18,515	21%
	Total Cost of Goods Sold	**$ 127,500**	**$ 16,736**	**$ 18,136**	**$ (1,400)**	**-8%**	**$ 105,324**	**$ 86,808**	**$ 18,515**	**21%**
	Gross Profit	**$ 2,986,350**	**$ 551,850**	**$ 525,634**	**$ 26,216**	**5%**	**$ 3,366,833**	**$ 2,611,808**	**$ 755,025**	**29%**
	OTHER OPERATING EXPENSES:									
510100	Salaries - Pensionable	$ 943,660	$ 69,531	$ 68,156	$ 1,374	2%	$ 615,954	$ 538,429	$ 77,525	14%
510120	Salaries - Non-Pensionable	194,800	29,930	25,465	4,465	18%	210,661	259,530	(48,869)	-19%
510200	Salaries - Overtime	6,740	907	719	187	26%	4,989	3,135	1,854	59%
510400	FICA Taxes	86,408	7,456	6,986	470	7%	61,641	59,387	2,254	4%
510500	IMRF	82,774	6,019	5,986	33	1%	52,495	57,623	(5,127)	-9%
590600	Health Insurance	137,400	9,897	10,355	(458)	-4%	93,242	101,876	(8,633)	-8%
52XXXX	Contractual Services	624,178	59,431	65,809	(6,379)	-10%	473,866	404,018	69,848	17%
53XXXX	Commodities	308,500	13,622	37,299	(23,676)	-63%	249,071	195,641	53,430	27%
	Total Operating Expenses	**$ 2,384,460**	**$ 196,792**	**$ 220,776**	**$ (23,983)**	**-11%**	**$ 1,761,919**	**$ 1,619,638**	**$ 142,281**	**9%**
	Operating Income	**$ 601,890**	**$ 355,058**	**$ 304,858**	**$ 50,200**	**16%**	**$ 1,604,914**	**$ 992,169**	**$ 612,744**	**62%**
	Operating Income Percentage	**19%**	**62%**	**56%**			**46%**	**37%**		

KEY METRICS

	Goal							
Rounds Played	70,000	*11,415*	*11,723*	*(308)*	*71,046*	*61,914*	*9,132*	
Revenue Per Round	$ *44.48*	$ *49.81*	$ *46.38*	$ *3.43*	$ *48.87*	$ *43.59*	$ *5.29*	
Resident Cards Sold	*N/A*	*11*	*27*	*(16)*	*2,815*	*2,557*	*258*	
Cost of Goods Sold % - Pro Shop	*75%*	*87%*	*75%*	*12%*	*69%*	*72%*	*-3%*	
Personnel Expenses as % of Sales	*47%*	*22%*	*22%*	*0%*	*30%*	*38%*	*-8%*	

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 September 30, 2021

ORG/ OBJECT	DESCRIPTION	2021 BUDGET	MONTH 2021	MONTH 2020	MONTH DIFF	MONTH % DIFF	YEAR-TO-DATE 2021	YEAR-TO-DATE 2020	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:									
	Adult & Junior Golf Lessons		$ -	$ -	$ -		$ 52,015	$ 38,990	$ 13,025	
	Handicaps		-	21,520	(21,520)		-	37,280	(37,280)	
	Hand Cart Rentals		2,272	3,982	(1,710)		20,824	18,412	2,412	
	Golf Club Rentals		740	40	700		4,850	720	4,130	
	Golf Club Repairs		-	12	(12)		738	412	326	
	Locker Rentals		-	(80)	80		2,720	2,800	(80)	
	Illinois Sales Tax (1.75%)		496	530	(34)		2,558	2,033	525	
	Glen Ellyn Food & Beverage Tax (1%)		49	47	2		249	150	99	
	Misc. Outings		-	-	-		1,048	-	1,048	
	Misc. Tournament Prize		-	638	(638)		-	638	(638)	
	FootGolf Ball Rentals		-	-	-		15	70	(55)	
	ATM Machine Commission		-	-	-		11	28	(17)	
	Miscellaneous		91	-	91		3,604	795	2,809	
	Total	$ 126,550	$ 3,649	$ 26,689	$ (23,040)		$ 88,632	$ 102,328	$ (13,697)	

VILLAGE LINKS GLEN ELLYN | RESERVE 22 TWENTY-TWO

RESERVE 22
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
As of September 30, 2021

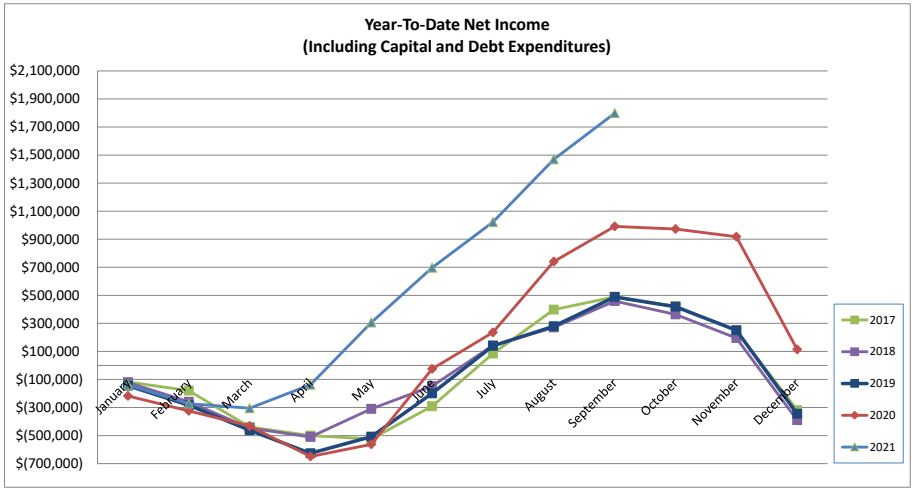
ORG/ OBJECT	DESCRIPTION	2021 BUDGET	MONTH 2021	MONTH 2020	MONTH DIFF	MONTH % DIFF	YEAR-TO-DATE 2021	YEAR-TO-DATE 2020	YEAR-TO-DATE DIFF	YEAR-TO-DATE % DIFF
5520	**RESERVE 22 REVENUES:**									
441100	Food	$ 1,500,000	$ 172,858	$ 146,602	$ 26,256	18%	$ 1,166,734	$ 869,920	$ 296,814	34%
441101	Liquor	260,000	34,822	36,092	(1,270)	-4%	229,338	172,050	57,287	33%
441102	Beer	485,000	66,646	66,768	(122)	0%	414,351	333,766	80,585	24%
441103	Wine	235,000	26,337	24,781	1,556	6%	167,618	144,203	23,415	16%
441104	NA Beverages	85,000	11,036	10,913	123	1%	80,010	72,100	7,910	11%
441106	Room Charges	4,000	1,500	-	1,500	0%	5,621	2,747	2,874	105%
441107	Service Charges	160,000	19,012	5,317	13,695	258%	82,981	36,061	46,920	130%
489000	Miscellaneous Revenue	2,000	(22)	23	(45)	-197%	8,036	1,667	6,369	382%
	Total Revenues	**$ 2,731,000**	**$ 332,187**	**$ 290,495**	**$ 41,692**	**14%**	**$ 2,154,688**	**$ 1,632,514**	**$ 522,174**	**32%**
55730	**COST OF GOODS SOLD:**									
530400	Cost of Goods Sold - Beer	$ 135,800	$ 23,975	$ 26,891	$ (2,916)	-11%	$ 106,334	$ 84,420	$ 21,914	26%
530401	Cost of Goods Sold - Wine	72,850	9,553	13,030	(3,477)	-27%	53,497	42,251	11,246	27%
530402	Cost of Goods Sold - Liquor	52,000	10,710	16,285	(5,575)	-34%	54,714	38,044	16,670	44%
530405	Cost of Goods Sold - NA Beverages	35,700	10,331	6,012	4,319	72%	46,566	29,137	17,429	60%
530420	Cost of Goods Sold - Food	480,000	79,977	82,464	(2,487)	-3%	402,062	293,480	108,582	37%
	Total Cost of Goods Sold	**$ 776,350**	**$ 134,545**	**$ 144,682**	**$ (10,136)**	**-7%**	**$ 663,173**	**$ 487,331**	**$ 175,841**	**36%**
	Gross Profit	**$ 1,954,650**	**$ 197,642**	**$ 145,813**	**$ 51,829**	**36%**	**$ 1,491,516**	**$ 1,145,183**	**$ 346,333**	**30%**
	Gross Profit Percentage	**72%**	**59%**	**50%**			**69%**	**70%**		
55730	**OTHER OPERATING EXPENSES:**									
510100	Salaries - Pensionable	$ 607,800	$ 45,398	$ 44,281	$ 1,117	3%	$ 366,730	$ 398,274	$ (31,544)	-8%
510120	Salaries - Non-Pensionable	460,000	46,543	51,606	(5,063)	-10%	345,784	261,942	83,841	32%
510200	Salaries - Overtime	5,000	6,544	1,265	5,280	418%	21,058	7,795	13,263	170%
510399	Tips Paid Through Payroll	-	(1,576)	(1,024)	(553)	54%	(9,213)	(2,027)	(7,187)	355%
510400	FICA Taxes	115,440	10,233	10,612	(379)	-4%	75,322	67,654	7,668	11%
510500	IMRF	53,520	5,754	5,111	643	13%	40,968	42,588	(1,620)	-4%
590600	Health Insurance	73,900	5,076	5,574	(497)	-9%	52,266	51,211	1,055	2%
52XXXX	Contractual Services	179,246	21,144	67,329	(46,185)	-69%	116,386	163,841	(47,455)	-29%
53XXXX	Commodities	149,000	19,911	15,360	4,551	30%	101,351	78,932	22,418	28%
	Total Operating Expenses	**$ 1,643,906**	**$ 159,028**	**$ 200,114**	**$ (41,086)**	**-21%**	**$ 1,110,653**	**$ 1,070,211**	**$ 40,441**	**4%**
	Operating Income (Loss)	**$ 310,744**	**$ 38,615**	**$ (54,300)**	**$ 92,915**	**-171%**	**$ 380,863**	**$ 74,972**	**$ 305,891**	**408%**
	Operating Income (Loss) Percentage	**11%**	**12%**	**-19%**			**18%**	**5%**		

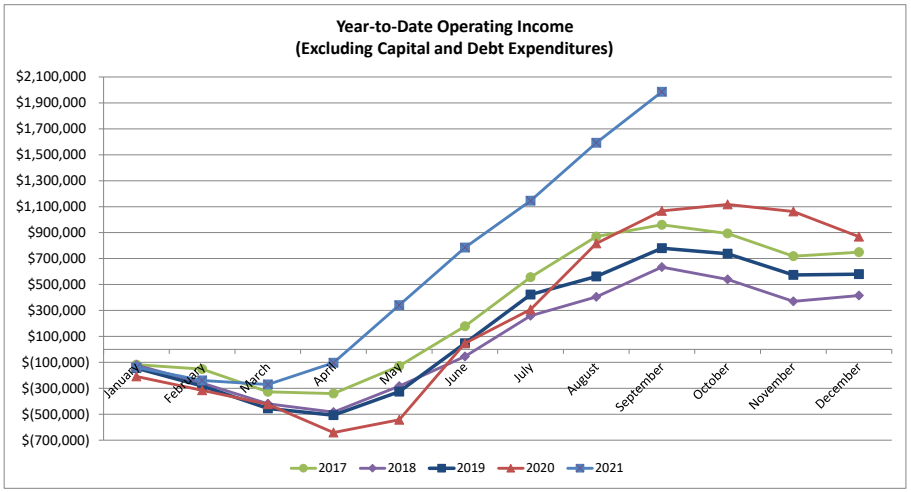
VILLAGE LINKS GLEN ELLYN | RESERVE 22 TWENTY-TWO

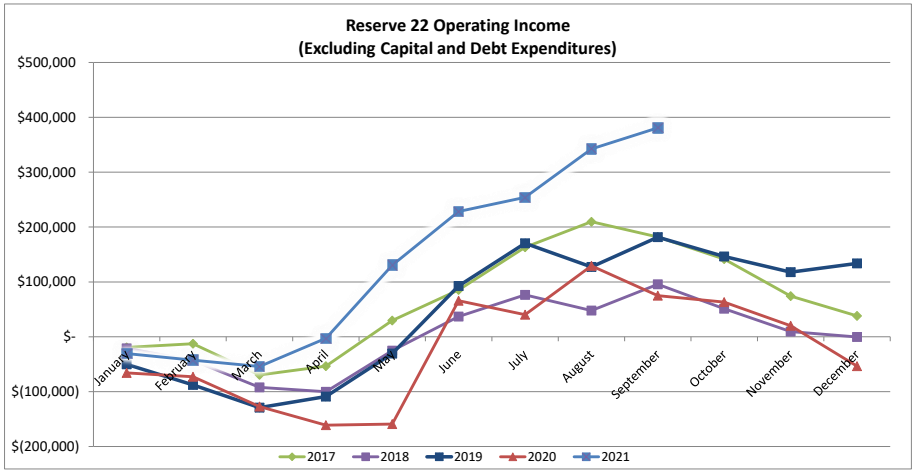
RESERVE 22
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
As of September 30, 2021

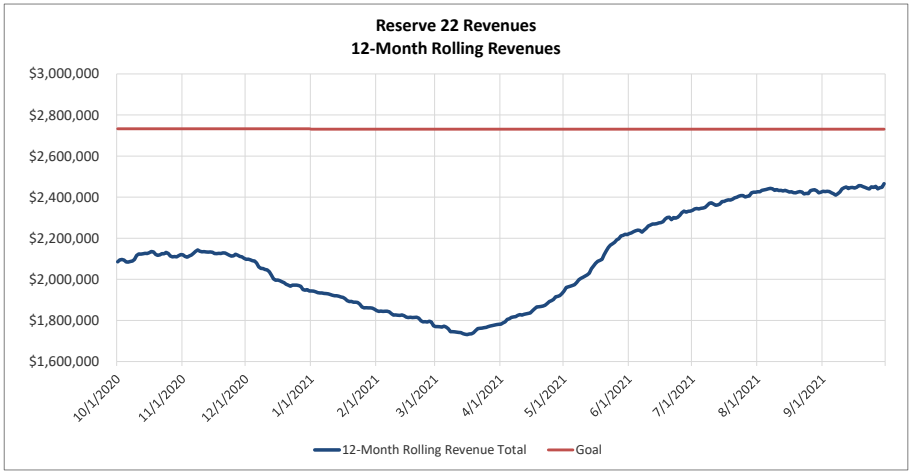
ORG/ OBJECT	DESCRIPTION	2021 BUDGET	MONTH 2021	MONTH 2020	MONTH DIFF	MONTH % DIFF	YEAR-TO-DATE 2021	YEAR-TO-DATE 2020	YEAR-TO-DATE DIFF	YEAR-TO-DATE % DIFF
	KEY METRICS									
		Goal								
	Revenue Source:									
	Restaurant/Bar	*N/A*	*$ 183,130*	*$ 217,943*	*$ (34,813)*	*-16%*	*$ 1,414,405*	*$ 1,221,252*	*$ 193,153*	*16%*
	Banquets	*N/A*	*110,990*	*31,041*	*79,949*	*258%*	*493,803*	*205,620*	*288,183*	*140%*
	Other	*N/A*	*38,067*	*41,511*	*(3,444)*	*-8%*	*246,479*	*205,642*	*40,837*	*20%*
	Total	*$ 2,731,000*	*$ 332,187*	*$ 290,495*	*$ 41,692*	*14%*	*$ 2,154,688*	*$ 1,632,514*	*$ 522,174*	*32%*
	Reserve 22 Revenues (Last 12 Months)	*$ 2,731,000*					$ 2,465,862	$ 2,089,640	*$ 376,223*	*18%*
	Reserve 22 Expenses (Last 12 Months)	*$ 2,420,256*					$ 2,213,470	$ 2,062,479	*$ 150,990*	*7%*
	# Guest Checks (Restaurant/Bar)	*N/A*	*4,944*	*5,154*	*(210)*		*36,563*	*29,080*	*7,483*	
	Revenue Per Guest Check	*N/A*	*$ 37.04*	*$ 42.29*	*$ (5.25)*		*$ 38.68*	*$ 42.00*	*$ (3.31)*	
	# Guests (Restaurant/Bar)	*N/A*	*8,062*	*9,153*	*(1,091)*		*61,647*	*51,070*	*10,577*	
	Average Guest Spend	*N/A*	*$ 22.72*	*$ 23.81*	*$ (1.10)*		*$ 22.94*	*$ 23.91*	*$ (0.97)*	
	Cost of Goods Sold %	*28%*	*41%*	*50%*	*-9%*		*31%*	*30%*	*1%*	
	Cost of Goods Sold % (By Category):									
	Cost of Goods Sold - Beer	*28%*	*36%*	*40%*	*-4%*		*26%*	*25%*	*0%*	
	Cost of Goods Sold - Wine	*31%*	*36%*	*53%*	*-16%*		*32%*	*29%*	*3%*	
	Cost of Goods Sold - Liquor	*20%*	*31%*	*45%*	*-14%*		*24%*	*22%*	*2%*	
	Cost of Goods Sold - NA Beverages	*42%*	*94%*	*55%*	*39%*		*58%*	*40%*	*18%*	
	Cost of Goods Sold - Food	*32%*	*46%*	*56%*	*-10%*		*34%*	*34%*	*1%*	
	Personnel Expenses as % of Sales	*48%*	*34%*	*41%*	*-7%*		*41%*	*51%*	*-10%*	
	Prime Cost (Cost of Goods Sold + Personnel Expenses) as % of Sales	*77%*	*76%*	*91%*	*-14%*		*73%*	*81%*	*-8%*	

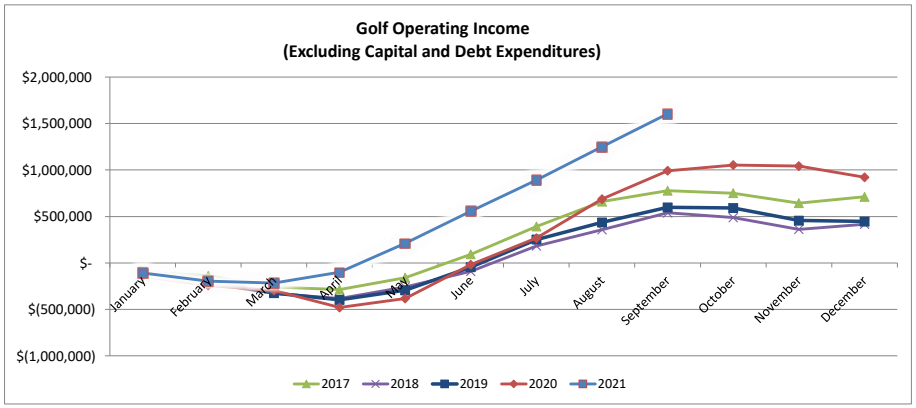
Village Links / Reserve 22
Dashboard Financial Report
As of September 30, 2021

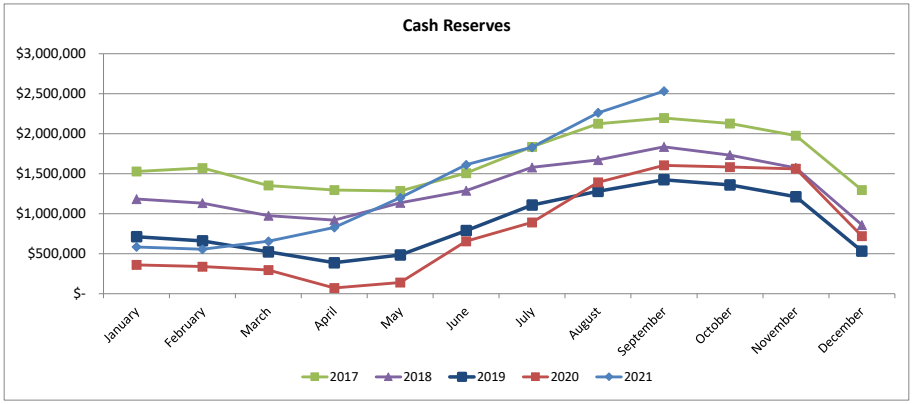












VILLAGE LINKS / RESERVE 22

MONTHLY CASH INCREASE/DECREASE HISTORY (000)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2014	(112)	(270)	(77)	50	130	30	306	177	138	10	(148)	(663)
2015	(100)	(63)	9	67	80	153	356	352	239	(97)	(42)	(689)
2016	(114)	(20)	41	(109)	206	296	186	237	160	36	(76)	(671)
2017	(114)	42	(218)	(57)	(11)	223	328	291	72	(69)	(151)	(681)
2018	(113)	(50)	(157)	(56)	216	153	291	92	165	(102)	(160)	(716)
2019	(144)	(53)	(138)	(136)	99	304	319	171	146	(64)	(148)	(680)
2020	(173)	(21)	(43)	(225)	69	516	237	500	214	(23)	(21)	(843)
2021	(135)	(26)	96	172	371	412	220	447	272			
Avg	(126)	(58)	(61)	(37)	145	261	280	283	176	(44)	(107)	(706)
Best	(100)	42	96	172	371	516	356	500	272	36	(21)	(671)
Worst	(173)	(270)	(218)	(225)	(11)	30	186	92	72	(102)	(160)	(843)

NEXT 12 MONTH CASH BALANCE SCENARIOS

	2021 SEP	2021 OCT	2021 NOV	2021 DEC	2022 JAN	2022 FEB	2022 MAR	2022 APR	2022 MAY	2022 JUN	2022 JUL	2022 AUG
Avg	2,532	2,488	2,381	1,675	1,550	1,492	1,431	1,394	1,539	1,797	2,077	2,361
Best	2,532	2,568	2,547	1,876	1,776	1,818	1,914	2,086	2,457	2,973	3,329	3,829
Worst	2,532	2,430	2,270	1,427	1,254	984	766	541	530	560	746	838
	actual											

Glen Ellyn Finance Commission
535 Duane Street
Glen Ellyn, IL 60137

Meeting 11/12/2021 7:00 AM
Department: Finance
Department Head: Christina Coyle
Category: Report
Prepared By: Christina Coyle

AGENDA ITEM (ID # 2021-1649)

DOC ID: 2021-1649

General Fund Financial Report - September 2021

Statement of the Issue:
Please see the attached report.

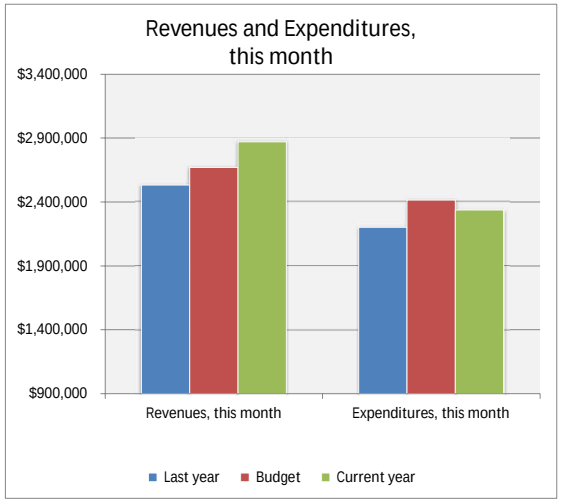
Analysis:
N/A

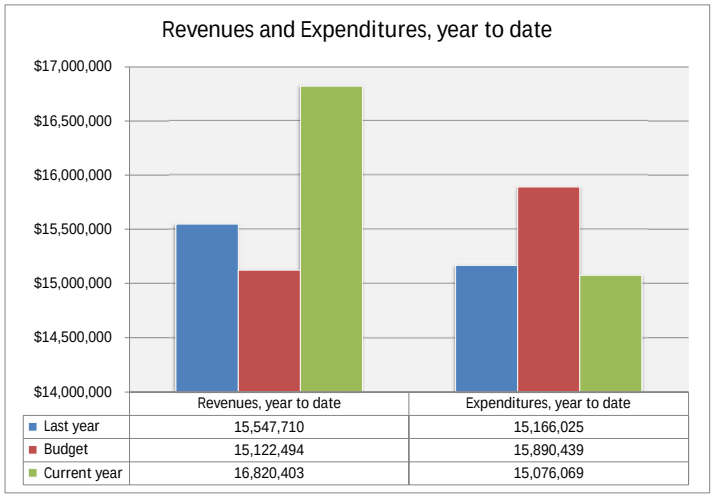
Budget Impact:
N/A

Action Requested:
Item is discussion only.

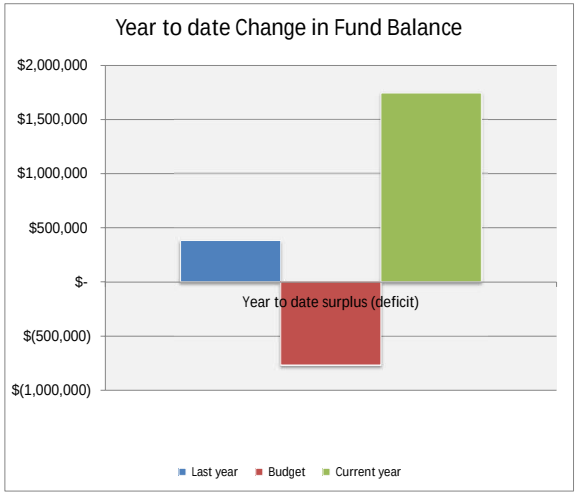
Attachments:
1. General Fund Update - 2021-09-30

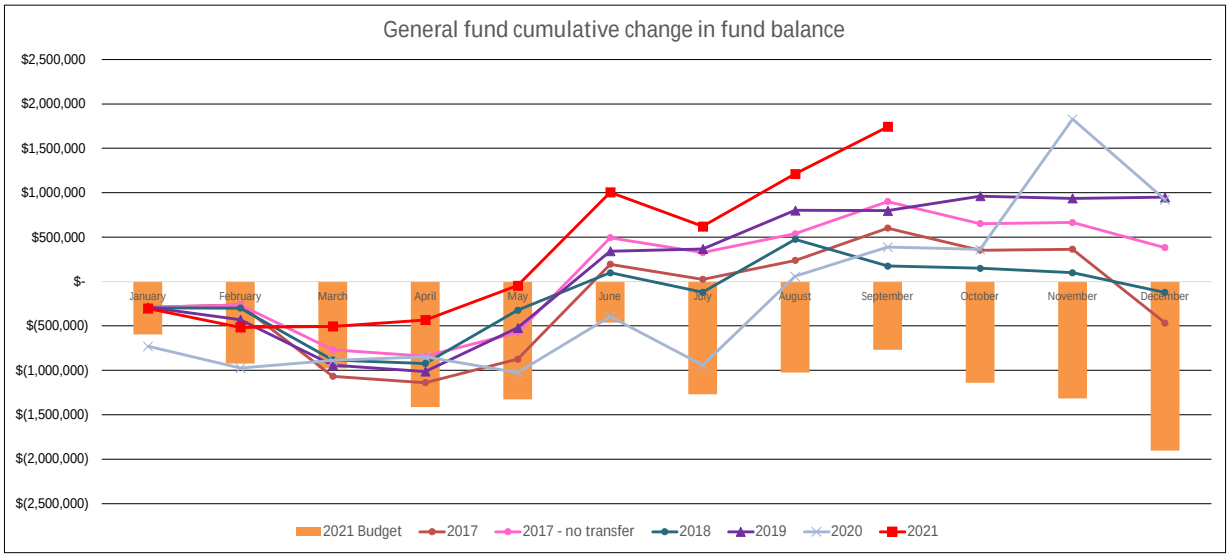
General Fund Budget Summary
For the Period Ended September 30, 2021





	Revenues, year to date	Expenditures, year to date
Last year	15,547,710	15,166,025
Budget	15,122,494	15,890,439
Current year	16,820,403	15,076,069

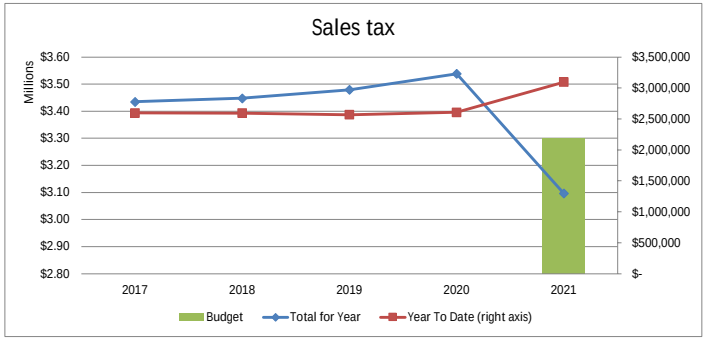


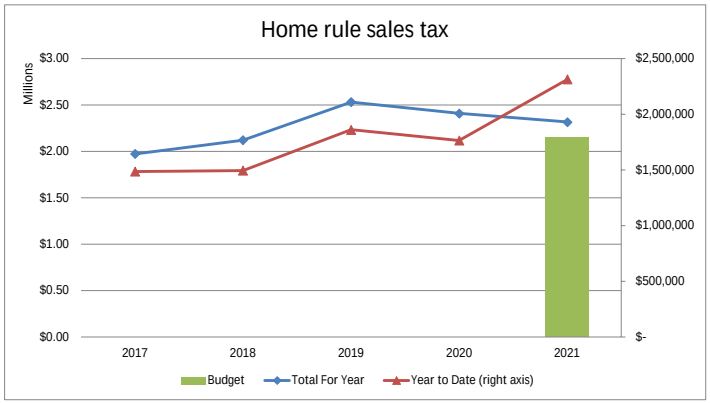


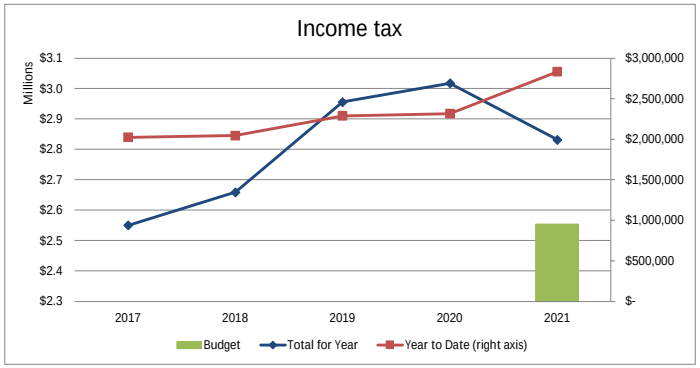
General Fund Budget Summary
For the Period Ended September 30, 2021

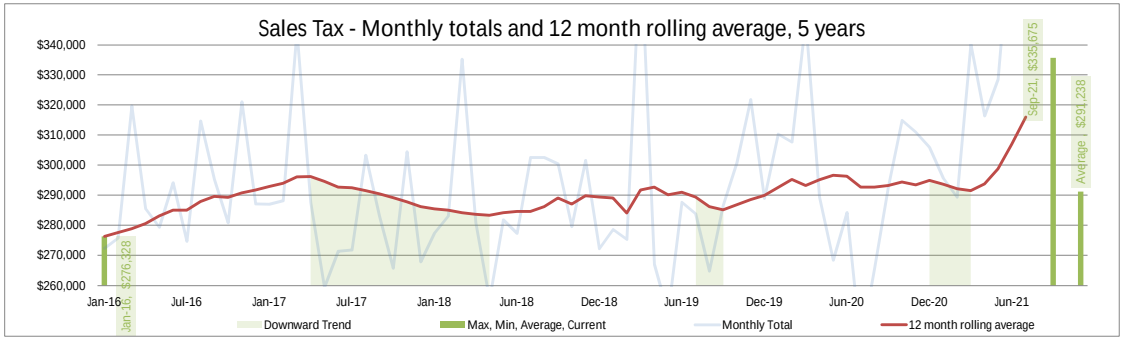
	MONTH							YTD						
	Last Year	Current Budget	Current Year	Variance from LY $	Variance from LY %	Variance from Budget $	Variance from Budget %	Last Year	Current Budget	Current Year	Variance from LY $	Variance from LY %	Variance YTD Budget $	Variance YTD Budget %
REVENUES														
TAXES														
Property Tax	1,224,078	1,304,239	1,289,034	64,956	5%	(15,205)	-1%	3,452,237	3,464,282	3,553,075	100,838	3%	88,793	2%
Econ Dev SSA Tax	45,647	52,486	41,896	(3,751)	-8%	(10,590)	-20%	126,285	141,918	141,242	14,957	12%	(676)	0%
Sales Tax	292,710	278,794	409,137	116,427	40%	130,343	47%	2,606,948	2,475,669	3,096,347	489,399	19%	620,678	20%
Home Rule Sales Tax	202,175	180,243	323,685	121,510	60%	143,442	80%	1,763,760	1,572,260	2,314,852	551,092	31%	742,592	32%
State Income Tax	213,314	152,710	218,081	4,767	2%	65,371	43%	2,314,997	2,007,942	2,831,771	516,774	22%	823,829	29%
Other Taxes	202,591	214,778	190,170	(12,421)	-6%	(24,608)	-11%	1,259,888	1,361,451	1,375,380	115,492	9%	13,929	1%
Subtotal Taxes	2,180,515	2,183,248	2,472,003	291,488	13%	288,755	12%	11,524,115	11,023,521	13,312,667	1,788,552	16%	2,289,146	17%
LICENSES & PERMITS														
Vehicle Licenses	5,899	6,183	5,703	(196)	-3%	(480)	-8%	309,378	348,782	313,490	4,112	1%	(35,292)	-11%
Business Registration	905	27,167	-	(905)	-100%	(27,167)	-100%	4,715	39,454	-	(4,715)	-100%	(39,454)	100%
Liquor Licenses	(1,773)	(166)	20	1,793	-101%	186	-112%	86,681	131,497	103,868	17,187	20%	(27,629)	-27%
Building Permits/Reg./Fees	80,934	120,269	86,065	5,131	6%	(34,204)	-28%	1,196,859	826,041	728,133	(468,726)	-39%	(97,908)	-13%
Subtotal Licenses & Permits	85,965	153,453	91,788	5,823	7%	(61,665)	-67%	1,597,633	1,345,774	1,145,491	(452,142)	-28%	(200,283)	-17%
CHARGES & FEES														
Cable Franchise Fees	(7,126)	-	-	7,126	-100%	-	0%	444,197	431,250	402,554	(41,643)	-9%	(28,696)	-7%
Ambulance Service Fees	25	-	-	(25)	-100%	-	0%	75	-	-	(75)	-100%	-	0%
Police Service Reimbursements	2,570	9,529	50,340	47,770	1859%	40,811	428%	165,648	177,438	95,013	(70,635)	-43%	(82,425)	-87%
Reimbursements - Other Agencies	11,286	10,777	11,543	257	2%	766	7%	157,441	106,184	103,887	(53,554)	-34%	(2,297)	-2%
Subtotal Charges & Fees	6,755	20,307	61,883	55,128	816%	41,576	67%	767,361	714,872	601,454	(165,907)	-22%	(113,418)	-19%
OTHER														
Police/Court Fines/Adjudication	27,275	46,630	34,676	7,401	27%	(11,954)	-26%	274,866	402,656	349,497	74,631	27%	(53,159)	-15%
Investment Income	1,089	3,589	8,007	6,918	635%	4,418	123%	60,703	30,655	11,814	(48,889)	-81%	(18,841)	-159%
Miscellaneous Income	43,348	10,970	46,456	3,108	7%	35,486	323%	124,583	193,234	252,225	127,642	102%	58,991	23%
Transfers from Other Funds	186,967	251,300	155,078	(31,889)	-17%	(96,222)	-38%	1,198,449	1,411,783	1,147,255	(51,194)	-4%	(264,528)	-23%
Subtotal Other	258,679	312,489	244,217	(14,462)	-6%	(68,272)	-22%	1,658,601	2,038,327	1,760,791	102,190	6%	(277,536)	-16%
Revenue Totals	2,531,914	2,669,497	2,869,891	337,977	13%	200,394	8%	15,547,710	15,122,494	16,820,403	1,272,693	8%	1,697,909	10%
EXPENDITURES														
Village Board & Clerk	2,096	8,495	4,573	2,477	118%	(3,922)	-46%	80,514	88,465	89,745	9,231	11%	1,280	1%
Village Manager's Office	65,006	102,565	68,078	3,072	5%	(34,487)	-34%	748,103	946,618	781,643	33,540	4%	(164,975)	-17%
Facilities Maintenance	57,796	66,964	62,578	4,782	8%	(4,386)	-7%	590,737	618,050	582,739	(7,998)	-1%	(35,311)	-6%
Information Technology*	35,753	67,224	44,842	9,089	25%	(22,382)	-33%	556,290	616,803	495,090	(61,200)	-11%	(121,713)	-20%
Senior Services	6,246	7,397	6,826	580	9%	(571)	-8%	67,435	68,991	64,445	(2,990)	-4%	(4,546)	-7%
History Park	1,308	2,325	2,071	763	58%	(254)	-11%	16,694	21,376	21,952	5,258	31%	576	3%
Law	50,016	25,674	26,512	(23,504)	-47%	838	3%	290,041	239,323	292,116	2,075	1%	52,793	22%
Finance - Administration	42,886	47,020	44,681	1,795	4%	(2,339)	-5%	463,211	441,440	453,323	(9,888)	-2%	11,883	3%
Finance - Cashiers Office	22,708	26,401	21,504	(1,204)	-5%	(4,897)	-19%	239,726	248,766	238,489	(1,237)	-1%	(10,277)	-4%
Planning	42,073	45,935	40,838	(1,235)	-3%	(5,097)	-11%	444,861	433,404	381,513	(63,348)	-14%	(51,891)	-12%
Building	105,432	111,815	108,474	3,042	3%	(3,341)	-3%	1,003,938	1,037,896	898,224	(105,714)	-11%	(139,672)	-13%
Economic Development	11,795	13,805	11,020	(775)	-7%	(2,785)	-20%	315,125	379,331	371,204	56,079	18%	(8,127)	-2%
Police - Administration	182,901	167,526	152,959	(29,942)	-16%	(14,567)	-9%	1,145,291	1,050,354	1,031,953	(113,338)	-10%	(18,401)	-2%
Police - Operations	1,080,454	1,161,577	1,158,345	77,891	7%	(3,232)	0%	5,323,147	5,672,031	5,467,904	144,757	3%	(204,127)	-4%
Police - Investigations	229,653	256,836	260,798	31,145	14%	3,962	2%	1,021,336	1,067,667	1,058,285	36,949	4%	(9,382)	-1%
Fire	23,058	24,030	40,729	17,671	77%	16,699	69%	226,816	257,985	261,401	34,585	15%	3,416	1%
EMS	34,969	35,767	61,010	26,041	74%	25,243	71%	404,007	386,100	467,740	63,733	16%	81,640	21%
Public Works - Admin & Eng.**	45,003	68,956	59,137	14,134	31%	(9,819)	-14%	612,008	648,919	551,620	(60,388)	-10%	(97,299)	-15%
Public Works - Streets	86,458	96,005	94,941	8,483	10%	(1,064)	-1%	927,169	951,481	959,602	32,433	3%	8,121	1%
Public Works - Forestry	76,295	77,842	67,418	(8,877)	-12%	(10,424)	-13%	689,576	715,439	607,081	(82,495)	-12%	(108,358)	-15%
Expenditure Totals	2,201,906	2,414,158	2,337,334	135,428	6%	(76,824)	-3%	15,166,025	15,890,439	15,076,069	(89,956)	-1%	(814,370)	-5%
Net Surplus / (Deficit)	330,008	255,339	532,557	202,549		277,218		381,685	(767,945)	1,744,334	1,362,649		2,512,279	

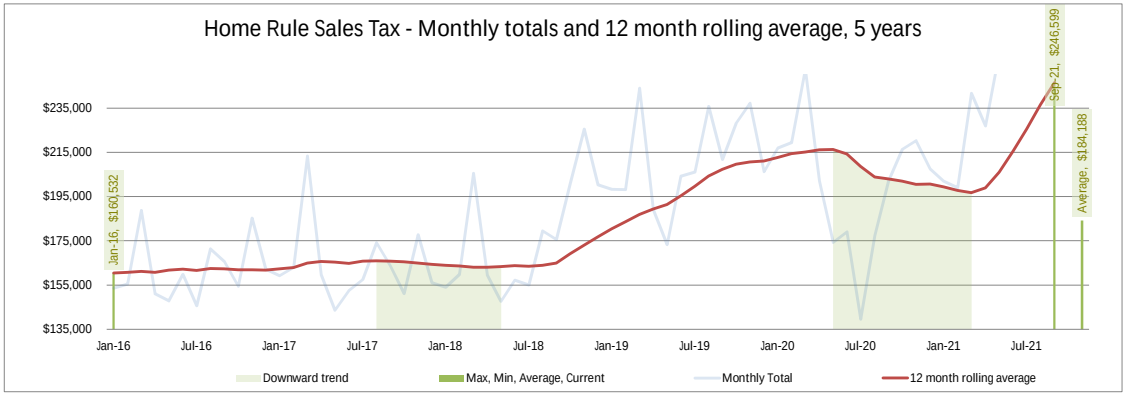
Key General Fund Revenues
For the Period Ended September 30, 2021

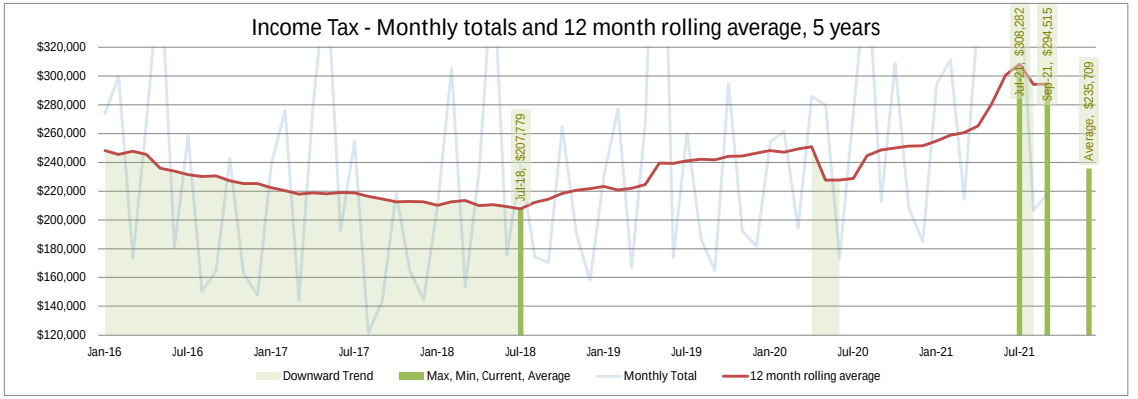












Glen Ellyn Finance Commission
535 Duane Street
Glen Ellyn, IL 60137

Meeting 11/12/2021 7:00 AM
Department: Finance
Department Head:
Category: Policy
Prepared By:

AGENDA ITEM (ID # 2021-1650)

DOC ID: 2021-1650

Motion to recommend approval to the Village Board of the revised Pension Funding Policy.

Statement of the Issue:
Each year, the Village is required to perform an actuarial valuation for its Police Pension Fund. This is required to determine the annual contribution for the next year in accordance with the Village's funding policy as well as state statutes.

Several years ago, the Village reviewed the concept of transitioning from a closed amortization period (which ends in 2040) to a rolling 15 year open amortization. Unfortunately, the time of the review coincided with state cuts to Village revenues and the issue did not proceed forward. The goal with a 15-year open model is to provide a more stable funding model as compared to a closed model which has highly escalating contributions as we near 2040. The one caveat is that, under state statutes, the Village is required to contribute a minimum contribution based upon the 2040 closed model. It is anticipated the state will move the 2040 target date; however, it has not done so to date.

At the previous meeting, Jason Franken presented the actuarial information to the Commission. However, a quorum was not present do the Commission could not make a recommendation on moving forward with any changes to the actuarial model. At the November meeting, staff will review the information with the Commissioners and will present the proposed amendments to the pension funding policy. Staff recommends proceeding along the green line on page 5 of the second attachment to transition to the 15 year open amortization in 1-year increments.

Analysis:
Please see the attached reports which present the actuarial model and review the change to the 15-year open amortization model. A red-lined pension funding policy is also attached for the FInance Commission's consideration.

Budget Impact:
The annual required contribution is included in the annual budget.

Action Requested:

Motion to recommend approval of the attached Pension Funding Policy to the Village Board.

Attachments:

1. Valuation Report - Glen Ellyn Police - 2021
2. Projection_GlenEllynPolice_2021.10.08
3. Pension Funding Policy Updated 2021 - REDLINED

VILLAGE OF GLEN ELLYN
POLICE PENSION FUND

ACTUARIAL VALUATION
AS OF JANUARY 1, 2021

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING DECEMBER 31, 2022

GASB 67/68 DISCLOSURE INFORMATION
AS OF DECEMBER 31, 2020

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

May 11, 2021

Christina Coyle, Finance Director
Village of Glen Ellyn Police Pension Fund

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 could 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 reflect 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 valuations, we did not perform an analysis of the potential range of such future measurements.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of its liabilities.

In conducting the valuations, we have relied on personnel, plan design, and asset information supplied by the Village, 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.

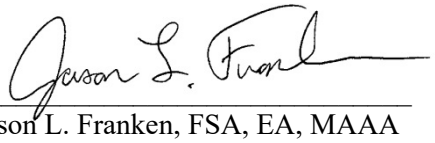
The undersigned are familiar with the immediate and long-term aspects of pension valuations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the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

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

JLF/lke
Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the Village of Glen Ellyn Police Pension Fund, performed as of January 1, 2021, 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, 2022.

The contribution requirements, compared with those set forth in the January 1, 2020 actuarial report, are as follows:

Valuation Date	1/1/2021	1/1/2020
Applicable to Fiscal Year Ending	12/31/2022	12/31/2021
Total Recommended Contribution	$2,356,579	$2,413,007
% of Projected Annual Payroll	62.3%	67.4%
Member Contributions (Est.)	(374,998)	(354,789)
% of Projected Annual Payroll	(9.9%)	(9.9%)
Village Recommended Contribution	1,981,581	2,058,218
% of Projected Annual Payroll	52.4%	57.5%

As you can see, the Total Recommended Contribution shows a decrease when compared to the results determined in the January 1, 2020 actuarial valuation report. The decrease is attributable to favorable experience realized by the plan. The decrease was offset in part by the natural increase in the amortization payment due to the payroll growth assumption.

Plan experience was favorable overall on the basis of the plan's actuarial assumptions. Sources of favorable experience included higher than expected inactive mortality, more turnover than expected, and an average salary increase of 3.83% which fell short of the 4.98% assumption. There were no significant sources of unfavorable experience.

CHANGES SINCE PRIOR VALUATION

Plan Changes Since Prior Valuation

There were no plan changes since the prior valuation.

Actuarial Assumption/Method Changes Since Prior Valuation

There were no assumption or method changes since the prior valuation.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	1/1/2021	1/1/2020
A. Participant Data		
Number Included		
Actives	39	37
Service Retirees	30	31
Beneficiaries	5	4
Disability Retirees	2	2
Terminated Vested	9	6
Total	85	80
Total Annual Payroll	$3,784,040	$3,580,113
Payroll Under Assumed Ret. Age	3,784,040	3,580,113
Annual Rate of Payments to:		
Service Retirees	2,094,159	2,153,924
Beneficiaries	299,106	178,995
Disability Retirees	87,176	86,722
Terminated Vested	46,999	0
B. Assets		
Actuarial Value	34,556,947	32,459,565
Market Value	35,656,781	32,808,661
C. Liabilities		
Present Value of Benefits		
Actives		
Retirement Benefits	22,825,278	22,247,123
Disability Benefits	2,118,948	2,075,403
Death Benefits	298,065	279,175
Vested Benefits	2,202,934	2,184,092
Service Retirees	32,251,526	33,578,820
Beneficiaries	2,706,360	1,889,698
Disability Retirees	1,195,713	1,198,956
Terminated Vested	353,498	58,678
Total	63,952,322	63,511,945

C. Liabilities - (Continued)	1/1/2021	1/1/2020
Present Value of Future Salaries	42,096,302	39,885,426
Present Value of Future Member Contributions	4,171,744	3,952,646
Normal Cost (Retirement)	613,649	621,195
Normal Cost (Disability)	106,571	104,775
Normal Cost (Death)	14,885	13,719
Normal Cost (Vesting)	111,752	110,224
Total Normal Cost	846,857	849,913
Present Value of Future Normal Costs	8,549,642	8,675,182
Accrued Liability (Retirement)	16,406,311	15,680,559
Accrued Liability (Disability)	981,248	954,158
Accrued Liability (Death)	135,510	133,147
Accrued Liability (Vesting)	1,372,514	1,342,747
Accrued Liability (Inactives)	36,507,097	36,726,152
Total Actuarial Accrued Liability	55,402,680	54,836,763
Unfunded Actuarial Accrued Liability (UAAL)	20,845,733	22,377,198
Funded Ratio (AVA / AL)	62.4%	59.2%

	1/1/2021	1/1/2020
D. Actuarial Present Value of Accrued Benefits		
Vested Accrued Benefits		
Inactives	36,507,097	36,726,152
Actives	4,768,131	4,415,022
Member Contributions	3,430,420	3,287,591
Total	44,705,648	44,428,765
Non-vested Accrued Benefits	1,177,546	1,038,781
Total Present Value Accrued Benefits	45,883,194	45,467,546
Funded Ratio (MVA / PVAB)	77.7%	72.2%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:		
Plan Amendments	0	
Assumption Changes	0	
Plan Experience	115,969	
Benefits Paid	(2,572,118)	
Interest	2,871,797	
Other	0	
Total	415,648	

	1/1/2021	1/1/2020
Valuation Date		
Applicable to Fiscal Year Ending	12/31/2022	12/31/2021
E. Pension Cost		
Normal Cost [1]	$901,903	$905,157
% of Total Annual Payroll [1]	23.8	25.3
Administrative Expenses [1]	18,043	20,040
% of Total Annual Payroll [1]	0.5	0.6
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 20 years (as of 1/1/2021) [1]	1,436,633	1,487,810
% of Total Annual Payroll [1]	38.0	41.5
Total Recommended Contribution	2,356,579	2,413,007
% of Total Annual Payroll [1]	62.3	67.4
Expected Member Contributions [1]	(374,998)	(354,789)
% of Total Annual Payroll [1]	(9.9)	(9.9)
Expected Village Contribution	1,981,581	2,058,218
% of Total Annual Payroll [1]	52.4	57.5

F. Past Contributions	
Plan Years Ending:	12/31/2020
Total Recommended Contribution	2,312,584
Village Requirement	1,924,575
Actual Contributions Made:	
Members (excluding buyback)	388,009
Village	1,959,000
Total	2,347,009
G. Net Actuarial (Gain)/Loss	(1,510,050)

[1] Contributions developed as of 1/1/2021 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
2021	20,845,733
2022	20,764,073
2023	20,626,823
2028	18,903,659
2032	15,853,578
2037	8,968,319
2041	0

I. (i) 5 Year Comparison of Actual and Assumed Salary Increases

		Actual	Assumed
Year Ended	12/31/2020	3.83%	4.98%
Year Ended	12/31/2019	3.91%	5.03%
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) 5 Year Comparison of Investment Return on Actuarial Value

		Actual MVA	Actual AVA	Assumed
Year Ended	12/31/2020	9.45%	7.23%	6.50%
Year Ended	12/31/2019	15.35%	4.87%	6.50%
Year Ended	12/31/2018	-5.72%	3.79%	6.50%
Year Ended	12/31/2017	12.00%	5.64%	6.50%
Year Ended	12/31/2016	6.00%	4.62%	6.75%

DEVELOPMENT OF JANUARY 1, 2021 AMORTIZATION PAYMENT

(1)	Unfunded Actuarial Accrued Liability as of January 1, 2020	$22,377,198
(2)	Sponsor Normal Cost developed as of January 1, 2020	495,124
(3)	Expected administrative expenses for the year ended December 31, 2020	18,817
(4)	Expected interest on (1), (2) and (3)	1,487,312
(5)	Sponsor contributions to the System during the year ended December 31, 2020	1,959,000
(6)	Expected interest on (5)	63,668
(7)	Expected Unfunded Actuarial Accrued Liability as of December 31, 2020, (1)+(2)+(3)+(4)-(5)-(6)	22,355,783
(8)	Change to UAAL due to Benefits/Assumption Change	0
(9)	Change to UAAL due to Actuarial (Gain)/Loss	(1,510,050)
(10)	Unfunded Accrued Liability as of January 1, 2021	20,845,733
(11)	UAAL Subject to Amortization (100% AAL less Actuarial Assets)	20,845,733

Date Established	Years Remaining	1/1/2021 Amount	Amortization Amount
1/1/2021	20	20,845,733	1,348,951

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1)	Unfunded Actuarial Accrued Liability (UAAL) as of January 1, 2020	$22,377,198
(2)	Expected UAAL as of January 1, 2021	22,355,783
(3)	Summary of Actuarial (Gain)/Loss, by component:	
	Investment Return (Actuarial Asset Basis)	(237,428)
	Salary Increases	(296,064)
	Active Decrements	(1,081,525)
	Inactive Mortality	(243,010)
	Other	347,977
	Change in UAAL due to (Gain)/Loss	(1,510,050)
	Change to UAAL due to Benefits/Assumption Change	0
(4)	Actual UAAL as of January 1, 2021	$20,845,733

RECONCILIATION OF CHANGES IN CONTRIBUTION REQUIREMENT

(1)	Contribution Determined as of January 1, 2020	$ 2,058,218
(2)	Summary of Contribution Impact by component:	
	Change in Normal Cost	(3,254)
	Change in Assumed Administrative Expense	(1,997)
	Investment Return (Actuarial Asset Basis)	(16,363)
	Salary Increases	(20,404)
	New Entrants	4,003
	Active Decrements	(74,536)
	Inactive Mortality	(16,748)
	Contributions (More) or Less than Recommended	(2,450)
	Increase in Amortization Payment Due to Payroll Growth Assumption	52,073
	Change in Expected Member Contributions	(20,209)
	Benefits/Assumption Change	-
	Other	23,248
	Total Change in Contribution	(76,637)
(3)	Contribution Determined as of January 1, 2021	$1,981,581

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.

Valuation Date	1/1/2021	1/1/2020
Applicable to Fiscal Year Ending	12/31/2022	12/31/2021
Actuarial Accrued Liability (PUC)	52,542,919	52,214,546
Actuarial Value of Assets	34,556,947	32,459,565
Unfunded Actuarial Accrued Liability (UAAL)	17,985,972	19,754,981
UAAL Subject to Amortization	12,731,680	14,533,526
Normal Cost [1]	$1,048,379	$1,011,789
% of Total Annual Payroll [1]	27.7	28.3
Administrative Expenses [1]	18,043	20,040
% of Total Annual Payroll [1]	0.5	0.6
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 20 years (as of 1/1/2021) [1]	877,434	966,302
% of Total Annual Payroll [1]	23.2	26.9
Total Required Contribution	1,943,856	1,998,131
% of Total Annual Payroll [1]	51.4	55.8
Expected Member Contributions [1]	(374,998)	(354,789)
% of Total Annual Payroll [1]	(9.9)	(9.9)
Expected Village Contribution	1,568,858	1,643,342
% of Total Annual Payroll [1]	41.5	45.9

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 1/1/2021 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
2021	95,575	2,533,539	2,629,114
2022	160,183	2,501,969	2,662,152
2023	217,306	2,541,604	2,758,910
2024	265,926	2,578,717	2,844,643
2025	310,107	2,626,311	2,936,418
2026	355,574	2,659,730	3,015,304
2027	417,545	2,688,879	3,106,424
2028	499,158	2,713,129	3,212,287
2029	631,711	2,731,898	3,363,609
2030	822,159	2,744,655	3,566,814
2031	991,395	2,750,968	3,742,363
2032	1,197,304	2,750,510	3,947,814
2033	1,404,453	2,743,087	4,147,540
2034	1,635,118	2,728,598	4,363,716
2035	1,848,452	2,707,048	4,555,500
2036	2,048,472	2,678,497	4,726,969
2037	2,232,285	2,643,086	4,875,371
2038	2,408,229	2,601,014	5,009,243
2039	2,577,226	2,597,592	5,174,818
2040	2,725,641	2,543,977	5,269,618
2041	2,889,653	2,507,181	5,396,834
2042	3,069,036	2,443,259	5,512,295
2043	3,214,755	2,373,870	5,588,625
2044	3,443,977	2,299,421	5,743,398
2045	3,593,087	2,220,342	5,813,429
2046	3,773,302	2,137,071	5,910,373
2047	3,975,011	2,050,016	6,025,027
2048	4,180,713	1,959,565	6,140,278
2049	4,451,187	1,866,047	6,317,234
2050	4,604,465	1,769,746	6,374,211
2051	4,816,824	1,670,923	6,487,747
2052	4,969,721	1,569,828	6,539,549
2053	5,080,232	1,466,734	6,546,966
2054	5,193,384	1,362,107	6,555,491
2055	5,272,207	1,256,634	6,528,841
2056	5,333,570	1,151,225	6,484,795
2057	5,380,759	1,047,007	6,427,766
2058	5,412,605	945,210	6,357,815
2059	5,430,140	847,020	6,277,160
2060	5,430,182	753,498	6,183,680

ACTUARIAL ASSUMPTIONS AND METHODS

Interest Rate	6.50% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.
Mortality Rate	***Active Lives:*** PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2020. 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-2020. ***Beneficiaries:*** PubS-2010 Survivor mortality, projected 5 years past the valuation date with Scale MP-2020. ***Disabled Lives:*** PubS-2010 Disabled mortality, projected 5 years past the valuation date with Scale MP-2020. 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.
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.

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%

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. 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.
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. It is 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: This risk results from the potential that actual employer contributions may deviate from actuarially determined contributions, which are determined in accordance with the

Board's funding policy. The funding policy is intended to result in contribution requirements that if paid when due, will result in a reasonable expectation that assets will accumulate to be sufficient to pay plan benefits when due. Contribution deficits, particularly large deficits and those that occur repeatedly, increase future contribution requirements and put the plan at risk for not being able to pay plan benefits when due.

Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature plans with a substantial inactive liability. Similarly, mature plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled "Plan Maturity Measures and Other Risk Metrics". Highlights of this information are discussed below:

- The Support Ratio, determined as the ratio of active to inactive members, has decreased from 92.7% on January 1, 2018 to 84.8% on January 1, 2021, indicating that the plan has been maturing.

- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 65.9%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors will need to be made up for over a shorter time horizon than would be needed for a less mature plan.

- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has increased from 61.1% on January 1, 2018 to 62.4% on January 1, 2021, due mainly to favorable plan experience.

- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, stayed approximately the same from January 1, 2018 to January 1, 2021. The current Net Cash Flow Ratio of -0.7% indicates that contributions are not currently covering the plan's benefit payments and administrative expenses.

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 modeling, as well as the identification of additional risks, can be provided at the request of the audience addressed on page 2 of this report.

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	1/1/2021	1/1/2020	1/1/2019	1/1/2018
Support Ratio				
Total Actives	39	37	38	38
Total Inactives	46	43	41	41
Actives / Inactives	84.8%	86.0%	92.7%	92.7%
Asset Volatility Ratio				
Market Value of Assets (MVA)	35,656,781	32,808,661	28,842,655	30,480,565
Total Annual Payroll	3,784,040	3,580,113	3,571,005	3,485,670
MVA / Total Annual Payroll	942.3%	916.4%	807.7%	874.5%
Accrued Liability (AL) Ratio				
Inactive Accrued Liability	36,507,097	36,726,152	35,707,291	29,985,118
Total Accrued Liability	55,402,680	54,836,763	52,804,592	49,324,821
Inactive AL / Total AL	65.9%	67.0%	67.6%	60.8%
Funded Ratio				
Actuarial Value of Assets (AVA)	34,556,947	32,459,565	31,371,025	30,118,735
Total Accrued Liability	55,402,680	54,836,763	52,804,592	49,324,821
AVA / Total Accrued Liability	62.4%	59.2%	59.4%	61.1%
Net Cash Flow Ratio				
Net Cash Flow [1]	(242,051)	(428,117)	109,138	(198,316)
Market Value of Assets (MVA)	35,656,781	32,808,661	28,842,655	30,480,565
Ratio	-0.7%	-1.3%	0.4%	-0.7%

[1] Determined as total contributions minus benefit payments and administrative expenses.

STATEMENT OF FIDUCIARY NET POSITION
December 31, 2020

ASSETS	MARKET VALUE
Cash and Cash Equivalents:	
Money Market	265,155
Total Cash and Equivalents	265,155
Receivables:	
Accrued Past Due Interest	67,760
Total Receivable	67,760
Investments:	
Municipal Obligations	30,000
Corporate Bonds	6,473,383
U.S. Gov't and Agency Obligations	5,044,542
Insurance Company Contracts	2,228,231
Mutual Funds	21,560,210
Total Investments	35,336,366
Total Assets	35,669,281
LIABILITIES	
Liabilities:	
Payable:	
Expenses	12,500
Total Liabilities	12,500
Net Assets:	
Active and Retired Members' Equity	35,656,781
NET POSITION RESTRICTED FOR PENSIONS	35,656,781
TOTAL LIABILITIES AND NET ASSETS	35,669,281

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED December 31, 2020
Market Value Basis

ADDITIONS		
Contributions:		
Member	388,009	
Village	1,959,000	
Total Contributions		2,347,009
Investment Income:		
Miscellaneous Income	227	
Net Realized Gain (Loss)	173,398	
Unrealized Gain (Loss)	2,330,484	
Net Increase in Fair Value of Investments		2,504,109
Interest & Dividends		688,250
Less Investment Expense [1]		(102,188)
Net Investment Income		3,090,171
Total Additions		5,437,180
DEDUCTIONS		
Distributions to Members:		
Benefit Payments	2,479,617	
Refund of Contributions/Transfers	92,501	
Total Distributions		2,572,118
Administrative Expenses		16,942
Total Deductions		2,589,060
Net Increase in Net Position		2,848,120
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		32,808,661
End of the Year		35,656,781

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

ACTUARIAL ASSET VALUATION
December 31, 2020

Development of Actuarial Value of Assets

Market Value of Assets, 12/31/2020	35,656,781
(Gains)/Losses Not Yet Recognized	(1,099,834)
Actuarial Value of Assets, 12/31/2020	34,556,947
12/31/2020 Limited Actuarial Assets:	34,556,947

Development of Investment Gain/Loss

Market Value of Assets, 12/31/2019	32,808,661
Contributions Less Benefit Payments & Administrative Expenses	(242,051)
Expected Investment Earnings[1]	2,124,696
Actual Net Investment Earnings	3,090,171
2020 Actuarial Investment Gain/(Loss)	965,475

[1] Expected Investment Earnings = 6.50% x (32,808,661 + 0.5 x -242,051)

Gains/(Losses) Not Yet Recognized

Plan Year Ending	Gain/(Loss)	Amounts Not Yet Recognized by Valuation Year				
		2021	2022	2023	2024	2025
12/31/2017	1,501,145	300,229	0	0	0	0
12/31/2018	(3,731,832)	(1,492,733)	(746,366)	0	0	0
12/31/2019	2,533,264	1,519,958	1,013,306	506,653	0	0
12/31/2020	965,475	772,380	579,285	386,190	193,095	0
Total		1,099,834	846,225	892,843	193,095	0

Development of Asset Returns

(A) 12/31/2019 Actuarial Assets:	32,459,565
(I) Net Investment Income:	
1. Interest and Dividends	688,477
2. Realized Gains (Losses)	173,398
3. Change in Actuarial Value	1,579,746
4. Investment Expenses	(102,188)
Total	2,339,433
(B) 12/31/2020 Actuarial Assets:	34,556,947
Actuarial Asset Rate of Return = (2 x I) / (A + B - I):	7.23%
Market Value of Assets Rate of Return:	9.45%
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	237,428

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2020
Actuarial Asset Basis

INCOME		
Contributions:		
Member	388,009	
Village	1,959,000	
Total Contributions		2,347,009
Earnings from Investments		
Interest & Dividends	688,250	
Miscellaneous Income	227	
Net Realized Gain (Loss)	173,398	
Change in Actuarial Value	1,579,746	
Total Earnings and Investment Gains		2,441,621
EXPENSES		
Administrative Expenses:		
Investment Related[1]	102,188	
Other	16,942	
Total Administrative Expenses		119,130
Distributions to Members:		
Benefit Payments	2,479,617	
Refund of Contributions/Transfers	92,501	
Total Distributions		2,572,118
Change in Net Assets for the Year		2,097,382
Net Assets Beginning of the Year		32,459,565
Net Assets End of the Year[2]		34,556,947

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

STATISTICAL DATA

	1/1/2021	1/1/2020	1/1/2019	1/1/2018
Actives - Tier 1				
Number	21	23	24	27
Average Current Age	43.3	42.0	41.6	41.9
Average Age at Employment	24.6	24.5	25.5	25.5
Average Past Service	18.7	17.5	16.1	16.4
Average Annual Salary	$111,910	$108,768	$105,527	$102,584
Actives - Tier 2				
Number	18	14	14	11
Average Current Age	27.9	27.5	27.5	27.2
Average Age at Employment	24.4	24.1	24.9	24.9
Average Past Service	3.5	3.4	2.6	2.3
Average Annual Salary	$79,663	$77,032	$74,168	$65,082
Service Retirees				
Number	30	31	29	28
Average Current Age	67.5	66.8	66.8	67.2
Average Annual Benefit	$69,805	$69,481	$67,174	$64,082
Beneficiaries				
Number	5	4	3	3
Average Current Age	75.5	73.0	73.1	72.1
Average Annual Benefit	$59,821	$44,749	$42,770	$42,770
Disability Retirees				
Number	2	2	3	3
Average Current Age	62.7	61.7	63.3	62.3
Average Annual Benefit	$43,588	$43,361	$45,333	$44,865
Terminated Vested				
Number	9	6	6	7
Average Current Age	35.9	36.4	40.9	35.6
Average Annual Benefit [1]	$46,999	N/A	$58,440	N/A

[1] 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	2	0	0	0	0	0	0	0	0	0	0	2
25 - 29	3	2	1	2	3	0	0	0	0	0	0	11
30 - 34	0	0	0	0	0	4	0	0	0	0	0	4
35 - 39	1	0	0	0	0	0	2	3	0	0	0	6
40 - 44	0	0	0	0	0	0	2	6	3	0	0	11
45 - 49	0	0	0	0	0	0	1	1	0	0	0	2
50 - 54	0	0	0	0	0	0	0	0	1	1	0	2
55 - 59	0	0	0	0	0	0	0	0	0	0	1	1
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	6	2	1	2	3	4	5	10	4	1	1	39

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 1/1/2020	37
b. Terminations	
i. Vested (partial or full) with deferred benefits	(2)
ii. Non-vested or full lump sum distribution received	(2)
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	0
f. Continuing participants	33
g. New entrants	6
h. Total active life participants in valuation	39

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	31	4	2	6	43
Retired	0	0	0	0	0
Vested Deferred	0	0	0	2	2
Death, With Survivor	(1)	1	0	0	0
Death, No Survivor	0	0	0	0	0
Disabled	0	0	0	0	0
Refund of Contributions	0	0	0	0	0
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	1	1
b. Number current valuation	30	5	2	9	46

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 a single employer defined benefit pension plan 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 48 consecutive months of service within the last 60 months of service in which the total salary was the highest 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. For Tier 2 participants, the salary is capped at a rate of $106,800 as of 2011, indexed annually at a rate of CPI-U, but not to exceed 3.00%.
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 6.00% 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.) 54% 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

Valuation Date	1/1/2021	1/1/2020
Measurement Date	12/31/2020	12/31/2019
Plan Membership:		
Inactives Currently Receiving Benefits	37	37
Inactives Not Yet Receiving Benefits	9	6
Active Plan Members	39	37
Total	85	80
Covered Payroll	$ 3,784,040	$ 3,580,113
Net Pension Liability		
Total Pension Liability	$ 54,828,604	$ 54,257,944
Plan Fiduciary Net Position	35,656,781	32,808,661
Net Pension Liability	$ 19,171,823	$ 21,449,283
Plan Fiduciary Net Position As a Percentage of Total Pension Liability	65.03%	60.47%
Net Pension Liability As a Percentage of Covered Payroll	506.65%	599.12%
Total Pension Expense	$ 1,983,641	$ 3,177,809
Development of Single Discount Rate		
Single Discount Rate	6.50%	6.50%
Long-Term Expected Rate of Return	6.50%	6.50%
High-quality Municipal Bond Rate	1.93%	3.26%
Number of Years Future Benefit Payments Are Expected to be Paid	99	99

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
PLAN AND VILLAGE REPORTING

GASB 68 Reporting Period Ending	12/31/2020	12/31/2019
Measurement Date	12/31/2020	12/31/2019
Total Pension Liability		
Service Cost	863,320	835,473
Interest	3,499,288	3,362,848
Changes of Benefit Terms	-	151,633
Differences Between Expected and Actual Experience	(1,219,830)	367,487
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(2,572,118)	(2,720,298)
Net Change in Total Pension Liability	570,660	1,997,143
Total Pension Liability - Beginning	54,257,944	52,260,801
Total Pension Liability - Ending (a)	$ 54,828,604	$ 54,257,944
Plan Fiduciary Net Position		
Contributions - Employer	1,959,000	1,959,000
Contributions - Employee	388,009	351,998
Net Investment Income	3,090,171	4,394,123
Benefit Payments, Including Refunds of Employee Contributions	(2,572,118)	(2,720,298)
Administrative Expense	(16,942)	(18,817)
Net Change in Plan Fiduciary Net Position	2,848,120	3,966,006
Plan Fiduciary Net Position - Beginning	32,808,661	28,842,655
Plan Fiduciary Net Position - Ending (b)	$ 35,656,781	$ 32,808,661
Net Pension Liability - Ending (a) - (b)	$ 19,171,823	$ 21,449,283
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.03%	60.47%
Covered Payroll	$ 3,784,040	$ 3,580,113
Net Pension Liability as a Percentage of Covered Payroll	506.65%	599.12%

STATEMENT OF CHANGES IN NET PENSION LIABILITY
VILLAGE REPORTING

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2019	$ 54,257,944	$ 32,808,661	$ 21,449,283
Changes for a Year:			
Service Cost	863,320	-	863,320
Interest	3,499,288	-	3,499,288
Differences Between Expected and Actual Experience	(1,219,830)	-	(1,219,830)
Changes of Assumptions	-	-	-
Changes of Benefit Terms	-	-	-
Contributions - Employer	-	1,959,000	(1,959,000)
Contributions - Employee	-	388,009	(388,009)
Net Investment Income	-	3,090,171	(3,090,171)
Benefit Payments, Including Refunds of Employee Contributions	(2,572,118)	(2,572,118)	-
Administrative Expense	-	(16,942)	16,942
Net Changes	570,660	2,848,120	(2,277,460)
Balances at December 31, 2020	$ 54,828,604	$ 35,656,781	$ 19,171,823

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	$ 27,450,780	$ 19,171,823	$ 12,467,082

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, 2020

For the year ended December 31, 2020, the Sponsor will recognize a pension expense of $1,983,641.
On December 31, 2020, 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	714,937	1,075,287
Changes of assumptions	567,800	442,434
Net difference between projected and actual earnings on pension plan investments	0	1,099,836
Total	$1,282,737	$2,617,557

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:	
2021	($422,969)
2022	($5,455)
2023	($604,872)
2024	($98,219)
2025	($203,305)
Thereafter	$0

COMPONENTS OF PENSION EXPENSE
YEAR-END DECEMBER 31, 2020

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning Balance	$ 21,449,283	$ 3,501,385	$ 4,468,666	
Total Pension Liability Factors:				
Service Cost	863,320	-	-	863,320
Interest	3,499,288	-	-	3,499,288
Changes in Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience With Regard to Economic or Demographic Assumptions	(1,219,830)	1,219,830	-	-
Current Year Amortization	-	(251,558)	(246,244)	(5,314)
Changes in Assumptions About Future Economic or Demographic Factors or Other Inputs	-	-	-	-
Current Year Amortization	-	(324,866)	(661,713)	336,847
Benefit Payments, Including Refunds of Employee Contributions	(2,572,118)	-	-	-
Net Change	570,660	643,406	(907,957)	4,694,141
Plan Fiduciary Net Position:				
Contributions - Employer	1,959,000	-	-	-
Contributions - Employee	388,009	-	-	(388,009)
Projected Net Investment Income	2,124,696	-	-	(2,124,696)
Difference Between Projected and Actual Earnings on Pension Plan Investments	965,475	965,475	-	-
Current Year Amortization	-	(999,977)	(785,240)	(214,737)
Benefit Payments, Including Refunds of Employee Contributions	(2,572,118)	-	-	-
Administrative Expenses	(16,942)	-	-	16,942
Net Change	2,848,120	(34,502)	(785,240)	(2,710,500)
Ending Balance	$ 19,171,823	$ 4,110,289	$ 2,775,469	$ 1,983,641

AMORTIZATION SCHEDULE – EXPERIENCE

Year Base Established	Differences Between Expected and Actual Experience	Recognition Period (Years)	Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience					
			2020	2021	2022	2023	2024	Thereafter
2020	$ (1,219,830)	6	$ (203,305)	$ (203,305)	$ (203,305)	$ (203,305)	$ (203,305)	$ (203,305)
2019	$ 367,487	6	$ 61,248	$ 61,248	$ 61,248	$ 61,248	$ 61,248	$ -
2018	$ 664,880	7	$ 94,983	$ 94,983	$ 94,983	$ 94,983	$ 94,983	$ -
2017	$ (176,284)	6	$ (29,381)	$ (29,381)	$ (29,381)	$ -	$ -	$ -
2016	$ 540,079	6	$ 90,013	$ 90,013	$ -	$ -	$ -	$ -
2015	$ (140,172)	5.78	$ (18,872)	$ -	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			(5,314)	13,558	(76,455)	(47,074)	(47,074)	(203,305)

AMORTIZATION SCHEDULE – CHANGES OF ASSUMPTIONS

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

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 Differences Between Projected and Actual Earnings on Pension Plan Investments					
			2020	2021	2022	2023	2024	Thereafter
2020	$ (965,475)	5	$ (193,095)	$ (193,095)	$ (193,095)	$ (193,095)	$ (193,095)	$ -
2019	$ (2,533,264)	5	$ (506,653)	$ (506,653)	$ (506,653)	$ (506,653)	$ -	$ -
2018	$ 3,731,832	5	$ 746,366	$ 746,366	$ 746,366	$ -	$ -	$ -
2017	$ (1,501,145)	5	$ (300,229)	$ (300,229)	$ -	$ -	$ -	$ -
2016	$ 194,370	5	$ 38,874	$ -	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ (214,737)	$ (253,611)	$ 46,618	$ (699,748)	$ (193,095)	$ -

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
12/31/2020	1,924,575	1,959,000	(34,425)	3,784,040	51.77%
12/31/2019	1,770,649	1,959,000	(188,351)	3,580,113	54.72%

The following assumptions were used to determine the Actuarially Determined Contribution for the plan year ending December 31, 2020:

Calculation Timing	The Actuarially Determined Contribution is calculated using a January 1, 2019 valuation date.
Interest Rate	6.50%
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.
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the January 1, 2019 Actuarial Valuation Report for the Village of Glen Ellyn Police Pension Fund prepared by Foster & Foster Actuaries and Consultants.

SCHEDULE OF INVESTMENT RETURNS

For the year ended December 31, 2020, the annual money-weighted return on Pension Plan investments, net of pension plan investment expense, was 9.69 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
12/31/2020	9.69%
12/31/2019	15.30%

ASSUMPTIONS – GASB PENSION LIABILITY AND PENSION EXPENSE

The GASB 67/GASB 68 Pension Liability as of December 31, 2020 and GASB 68 Pension Expense were determined as follows:

Valuation Date	January 1, 2021
Measurement Date	December 31, 2020
GASB 68 Expense Measurement Period	January 1, 2020 - December 31, 2020
Reporting Period	January 1, 2020 - December 31, 2020
Discount Rate	6.50%
Inflation	2.50%
Salary Increases	Service-based rates
Other Assumptions	A summary of complete assumptions can be found in the accompanying Actuarial Valuation as of January 1, 2021 for the Village of Glen Ellyn Police Pension Fund prepared by Foster & Foster Actuaries and Consultants.

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, 2020, as provided by Marquette Associates Inc., are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return[1]
Fixed Income	35.0%	2.1%
US Equity	30.0%	5.8%
International Equity	20.0%	6.3%
Global Tactical	5.0%	3.0%
Real Estate - Core	10.0%	5.5%
Total	100.0%	

[1] Please note that the implied long-term expected return of the total portfolio provided by the investment advisor would suggest that the Discount Rate is not supported. We will continue to monitor this in light of longer time horizons and the impact of Consolidation.

Inflation rate of investment advisor	2.00%

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 and 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 1.93 percent (based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index). 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 a single employer defined benefit pension plan 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. c.) One retired member of the Police Department elected by the Membership.
Benefits Provided	The Plan provides retirement, termination, disability and death benefits. A summary of the benefit provisions can be found in the accompanying Actuarial Valuation as of January 1, 2021 for the Village of Glen Ellyn Police Pension Fund prepared by Foster & Foster Actuaries and Consultants.

GLEN ELLYN POLICE PENSION PLAN

PROJECTION OF AMORTIZATION AND
ASSUMPTION CHANGE IMPACT

OCTOBER 8, 2021

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

October 8, 2021

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

Dear Ms. Coyle:

This report, prepared by Foster & Foster, Inc., outlines the impact of updating the amortization of the unfunded liability to ultimately arrive at a 15-year rolling amortization schedule.

This report has been prepared as requested by the Village of Glen Ellyn for assisting in making decisions about future financing of the pension. This report is the property of the Village of Glen Ellyn and may only be used for its intended purpose.

This analysis has 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.

In conducting this study, 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.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

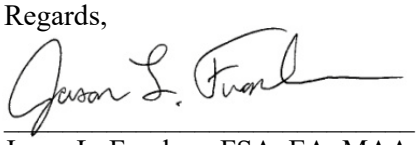
The undersigned is familiar with the immediate and long-term aspects of pension valuations and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the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

We look forward to discussing the results with you.

Regards,



Jason L. Franken, FSA, EA, MAAA

Enrollment Number: 20-06888
Foster & Foster, Inc.

Projection of Amortization Schedule Change

To illustrate the impact of a change to the amortization of the unfunded actuarial accrued liability, we have assembled four scenarios for comparison:

1. Baseline: This is the "status quo" scenario.

2. Immediate Change to 15 Year Amortization: In this scenario, we immediately jump to the 15-year rolling amortization schedule in the 2022 valuation.

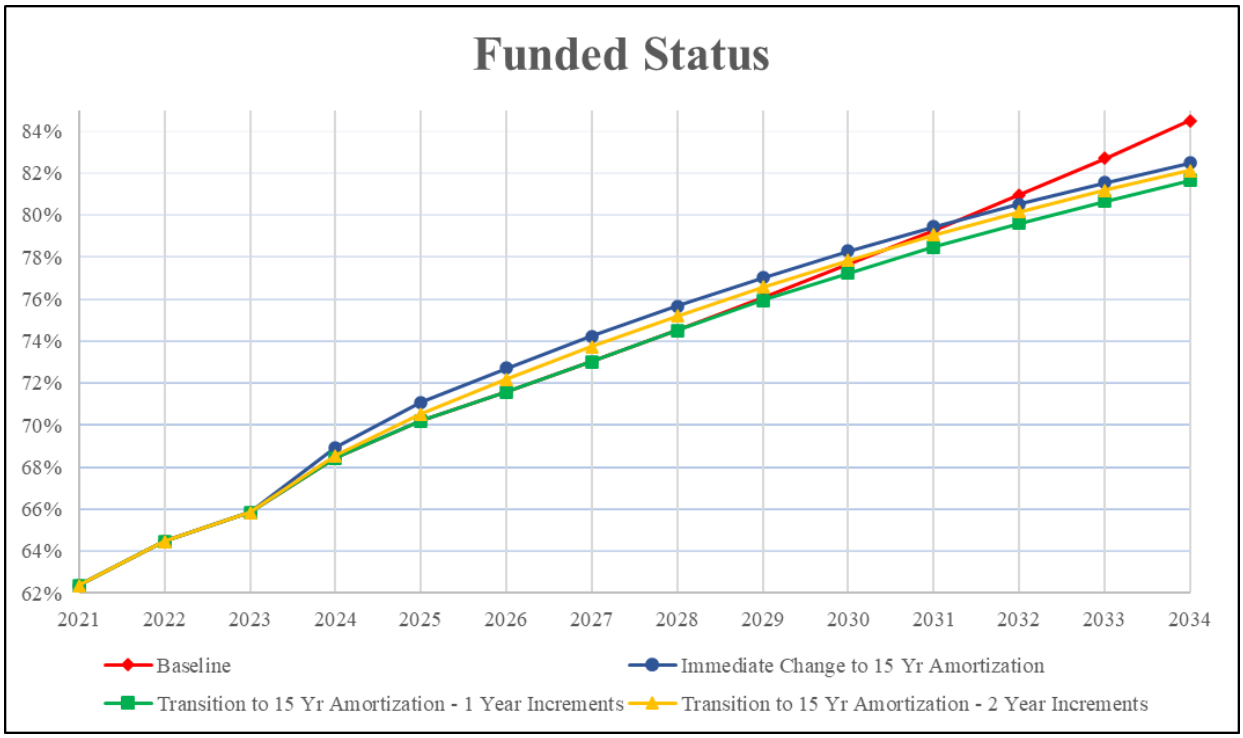
3. Transition to 15 Year Amortization: This scenario arrives at the 15-year rolling amortization on a more gradual basis by reducing the amortization period by 1 year annually, similar to how it moves in the Baseline scenario, but then staying on 15 years one it reaches that point.

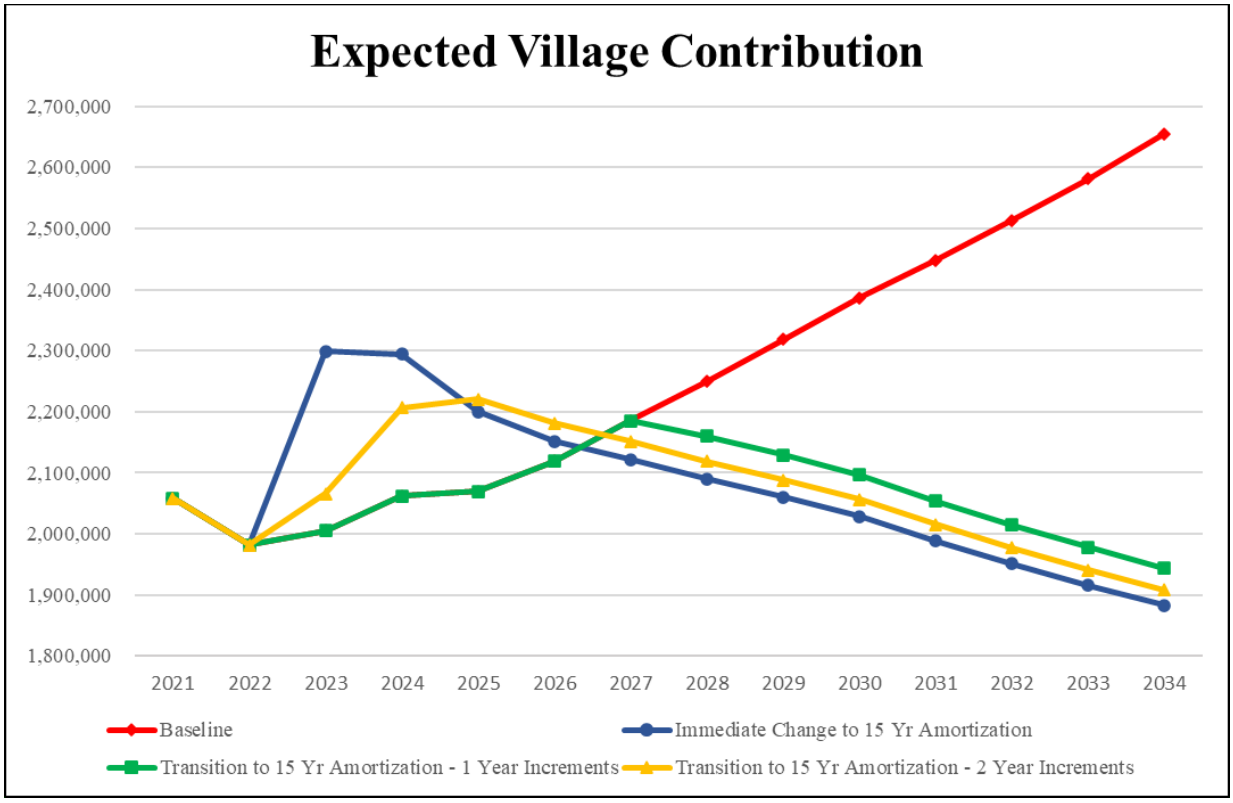
4. Transition to 15 Year Amortization: This scenario arrives at the 15-year rolling amortization slightly faster than option 3 by reducing the amortization period by 2 years annually instead of the one-year reduction in amortization period.

All assumptions are consistent with the January 1, 2021 actuarial valuation report issued on May 11, 2021. A complete summary of those assumptions and methods can be found on page 7 to 9 of this report.

As you can see by the charts and tables on the following pages, the short-term impact of making this change is a substantial increase in contributions. However, over time, this relationship reverses, and the Baseline scenario contributions exceed the rolling 15 Year Amortization contributions.

Funded status improves slightly faster and is higher long term the sooner that you move to the 15-year rolling amortization. However, the difference between the Baseline funded status and the other scenarios is never more than 3%.


Funded Status
84%
82%
80%
78%
76%
74%
72%
70%
68%
66%
64%
62%
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
Baseline
Immediate Change to 15 Yr Amortization
Transition to 15 Yr Amortization - 1 Year Increments
Transition to 15 Yr Amortization - 2 Year Increments


Expected Village Contribution
2,700,000
2,600,000
2,500,000
2,400,000
2,300,000
2,200,000
2,100,000
2,000,000
1,900,000
1,800,000
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
Baseline
Immediate Change to 15 Yr Amortization
Transition to 15 Yr Amortization - 1 Year Increments
Transition to 15 Yr Amortization - 2 Year Increments

Impact of Change to Amortization Schedule

Valuation Year	2021	2022	2023	2024	2025	2026	2027
Baseline							
Funded Status	62.4%	64.5%	65.8%	68.4%	70.2%	71.6%	73.0%
Expected Village Contribution	2,058,218	1,981,581	2,004,848	2,062,409	2,069,525	2,118,994	2,184,767
Immediate Change to 15 Yr Amortization							
Funded Status	62.4%	64.5%	65.8%	68.9%	71.1%	72.7%	74.2%
Expected Village Contribution	2,058,218	1,981,581	2,299,016	2,294,087	2,199,779	2,151,750	2,121,619
Annual Impact (vs. Baseline)	-	-	294,168	231,678	130,254	32,756	(63,148)
Transition to 15 Yr Amortization - 1 Year Increments							
Funded Status	62.4%	64.5%	65.8%	68.4%	70.2%	71.6%	73.0%
Expected Village Contribution	2,058,218	1,981,581	2,004,848	2,062,409	2,069,525	2,118,994	2,184,767
Annual Impact (vs. Baseline)	-	-	-	-	-	-	-
Transition to 15 Yr Amortization - 2 Year Increments							
Funded Status	62.4%	64.5%	65.8%	68.5%	70.5%	72.2%	73.7%
Expected Village Contribution	2,058,218	1,981,581	2,065,896	2,207,031	2,220,494	2,181,547	2,151,512
Annual Impact (vs. Baseline)	-	-	61,048	144,622	150,969	62,553	(33,255)

Valuation Year	2028	2029	2030	2031	2032	2033	2034
Baseline							
Funded Status	74.5%	76.1%	77.6%	79.3%	81.0%	82.7%	84.5%
Expected Village Contribution	2,249,695	2,318,348	2,386,956	2,447,782	2,512,970	2,581,649	2,654,965
Immediate Change to 15 Yr Amortization							
Funded Status	75.7%	77.0%	78.3%	79.4%	80.5%	81.5%	82.5%
Expected Village Contribution	2,089,647	2,060,032	2,028,855	1,988,362	1,950,990	1,915,582	1,883,334
Annual Impact (vs. Baseline)	(160,048)	(258,316)	(358,101)	(459,420)	(561,980)	(666,067)	(771,631)
Transition to 15 Yr Amortization - 1 Year Increments							
Funded Status	74.5%	75.9%	77.3%	78.5%	79.6%	80.7%	81.7%
Expected Village Contribution	2,159,810	2,129,145	2,096,225	2,053,970	2,014,876	1,977,791	1,943,909
Annual Impact (vs. Baseline)	(89,885)	(189,203)	(290,731)	(393,812)	(498,094)	(603,858)	(711,056)
Transition to 15 Yr Amortization - 2 Year Increments							
Funded Status	75.2%	76.6%	77.9%	79.1%	80.2%	81.2%	82.1%
Expected Village Contribution	2,118,835	2,088,462	2,056,539	2,015,320	1,977,240	1,941,142	1,908,223
Annual Impact (vs. Baseline)	(130,860)	(229,886)	(330,417)	(432,462)	(535,730)	(640,507)	(746,742)

Actuarial Assumptions and Methods for January 1, 2021 Valuation

Interest Rate	6.50% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.
Mortality Rate	***Active Lives:*** PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2020. 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-2020. ***Beneficiaries:*** PubS-2010 Survivor mortality, projected 5 years past the valuation date with Scale MP-2020. ***Disabled Lives:*** PubS-2010 Disabled mortality, projected 5 years past the valuation date with Scale MP-2020. 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.
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.

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%

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. 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.
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%				

VILLAGE OF GLEN ELLYN

POLICE PENSION FUNDING POLICY

Updated by the Village Board on 02-27-2017 and XX-XX-2021

1.0 Applicability

This policy applies to the calculation of the Village of Glen Ellyn's "annual required contribution" (ARC) to the Glen Ellyn Police Pension Fund, a police pension trust fund organized under Article III of the Illinois Pension Code.

2.0 Background

The financial objective of a defined benefit pension plan is to fund the long-term cost of benefits provided to the plan participants. In order to assure that the plan is financially sustainable, the plan should accumulate adequate resources in a systematic and disciplined manner over the active service life of benefitting employees. This funding policy outlines the method the Village will utilize to determine its actuarially determined contribution to the Glen Ellyn Police Pension Fund to fund the long-term cost of benefits to the plan participants and annuitants.

The Village believes that this funding policy meets the guidelines for state and local governments set by the Pension Funding Task Force convened by the Center for State and Local Government Excellence. The guidelines set by this task force outline the following objectives for pension funding policy:

- **Actuarially Determined Contributions.** A pension funding plan should be based upon an actuarially determined annual required contribution (ARC) that incorporates both the cost of benefits in the current year and the amortization of the plan's unfunded actuarial accrued liability.
- **Funding Discipline**. A commitment to make timely, actuarially determined contributions to the retirement system is needed to ensure that sufficient assets are available for all current and future retirees.
- **Intergenerational equity**. Annual contributions should be reasonably related to the expected and actual cost of each year of service so that the cost of employee benefits is paid by the generation of taxpayers who receives services from those employees.
- **Contributions as a stable percentage of payroll**. Contributions should be managed so that employer costs remain consistent as a percentage of payroll over time.
- **Accountability and transparency**. Clear reporting of pension funding should include an assessment of whether, how, and when the plan sponsor will ensure sufficient assets are available for all current and future retirees.

3.0 Policy

3.1 Village Annual Required Contribution (ARC)

The Village will determine its ARC to the Glen Ellyn Police Pension Fund using the following principles:

a. The ARC will be calculated by an enrolled actuary.
b. The ARC will include the normal cost for current service and amortization to collect or refund any under- or over-funded amount.
c. The normal cost will be calculated using the entry age normal level of percentage of payroll actuarial cost method using the following assumptions:
    i. The investment rate of return assumption will be 6.50% ~~for the Calendar Year 2017 budget year~~.
    ~~ii. The salary increase assumption will be 5.00% per year.~~
    ~~iii.~~ii. ~~Non-economic assumptions~~Other factors, such as salary increases, payroll growth, rates of separation, disability, retirement, mortality, etc., shall be determined by Village management in consultation with the actuary to reflect current experience.
d. ~~The difference between the accrued liability and actuarial value of assets will be amortized to achieve 100% funding in 2040 (a 30 year closed period that began in 2011) based upon a level percentage of payroll.~~The Village will transition to a 15-year open amortization period beginning in 2022. The transition will be in one-year increments with a target completion date of 2027.
e. Actuarial assets will be determined using market valuation.

The Village will make its actuarially determined contribution to the Glen Ellyn Police Pension Fund in two equal installments in or around June and September of each year.

3.2 Transparency and Reporting

Funding of the Glen Ellyn Police Pension Fund should be transparent to vested parties including plan participants, annuitants, the Glen Ellyn Police Pension Fund Board of Trustees, the Village Board, and Glen Ellyn residents. In order to achieve this transparency, the following information shall be distributed:

a. A copy of the annual actuarial valuation for the Glen Ellyn Police Pension Fund shall be made available to the Village Board and the Glen Ellyn Police Pension Fund Board of Trustees.
b. The Village's Comprehensive Annual Financial Report shall be published on its website. This report includes information on the Village's annual contribution to the Glen Ellyn Police Pension Fund, and funded status of the Glen Ellyn Police Pension Fund.
c. Each year, the Village Board shall approve the Village's annual contribution to the Glen Ellyn Police Pension Fund.

d. The Village's annual operating budget shall include the Village's contribution to the Glen Ellyn Police Pension Fund as well as a budget for the Glen Ellyn Police Pension Fund. The budget for the Glen Ellyn Police Pension Fund is controlled by the Glen Ellyn Police Pension Fund Board of Trustees, in accordance with state law. The budget document shall be published on the Village website and made available for public inspection at the Civic Center and Glen Ellyn Public Library.

3.3 Review of Funding Policy

Funding a defined benefit pension plan requires a long-term horizon. Assumptions and inputs into the policy should focus on long-term trends, not year-to-year shifts in the economic or non-economic environments. Generally, assumptions or inputs should be evaluated and changed if long-term economic or noneconomic inputs have fundamentally changed or are no longer reasonable. As such, the Village will review this policy at least every five years to determine if changes to this policy are needed to ensure adequate resources are being accumulated in the Glen Ellyn Police Pension Fund. The Village reserves the right to make changes to this policy at any time if it is deemed appropriate.

Glen Ellyn Finance Commission
535 Duane Street
Glen Ellyn, IL 60137

Meeting 11/12/2021 7:00 AM
Department: Finance
Department Head: Christina Coyle
Category: Budget
Prepared By: Christina Coyle

AGENDA ITEM (ID # 2021-1651)

DOC ID: 2021-1651

Finance Director Coyle will update the Commission on the 2022 Budget

Statement of the Issue:
The public hearing for the 2022 budget was held by the Village Board on Monday, November 8. The Finance Commission is not responsible for reviewing and recommending approval of the budget. However, staff does like to keep the Finance Commission informed on the major themes and issues presented in the budget.

Analysis:
Attached to this agenda item is the budget transmittal letter and the budget public hearing presentation and property tax levy presentation. The full budget is available on the Village's website at https://www.glenellyn.org/532/Village-Budget. Staff will walk through major highlights with the Commission at the meeting.

Also attached is the current budget for the American Rescue Plan Act (ARPA) Fund. As the Commission reviewed ARPA at a previous meeting, staff would like to update the Commission on what has been included in the FY22 budget.

Budget Impact:
N/A

Action Requested:
None - item is informational only.

Attachments:
1. FY22 RECOMMENDED BUDGET MEMO
2. Budget Public Hearing Powerpoint FY22
3. PROP TAX PUBLIC HEARING PRESENTATION 2021
4. 2022 ARPA DRAFT BUDGET - CDC
5. ARPA DRAFT BUDGET DETAIL

October 22, 2021

Honorable President Senak and Village Board of Trustees
Village of Glen Ellyn

Subject: Budget Transmittal for Fiscal Year 2021 – Recommended Draft Budget

Introduction

Transmitted with this letter is the recommended budget of the Village of Glen Ellyn for Fiscal Year 2022 (FY22), which runs from January 1, 2022 through December 31, 2022. This document presents a comprehensive look at major financial and non-financial goals and priorities for the Village both from a near-term as well as a long-range perspective. This document, in many ways, acts as the corporate plan for the Village over the next twelve months. The budget formation was again conducted through a zero-based budget process. The FY22 budget process required all departments to justify all line items and summarize the need for all expenses incorporated in their respective department budgets. This process, allocating scarce resources and prioritizing programs and projects, is difficult each year because the demand for municipal services often exceeds the revenues available to pay for those services.

BUDGET OVERVIEW

Financial Scorecard

In order to provide context for the merits and challenges of the Village's financial standing as the Village prepares its budget for Fiscal Year 2021, it is important to review the highlights of the Village's Scorecard, which was updated at the beginning of 2020, before the Covid-19 pandemic. The Scorecard compares and contrasts the Village's financial performance to its peers. In the Scorecard, the Village was identified to have a strong financial position with less debt and lower pension liabilities than its peers. The Village also fell on the low to moderate range among the peer communities on expenditures.

The Village also fared well in its ranking for property taxes going to the Village/Library for a median value home. The Scorecard did underscore the need for the Village to stimulate economic development to increase the non-residential property tax base. Increasing the commercial property tax base, which includes multi-family and mixed use development, could shift the property tax burden from the residential properties and may also increase sales tax and home rule sales tax revenues to the Village. The full scorecard can be found on the Village's website (https://www.glenellyn.org/218/Finance-Commission-Reports).

Budget Summary

The budget consists of 18 different funds, many summarized below. The 2022 budget can be bifurcated into capital and operating components as highlighted below. The increase in the budget in 2022 is divided evenly between operating and capital components.

	2022 draft budget	2021 original budget	$ Change	% Change
Operating (net of transfers)	$44,881,255	$41,108,744	$3,772,511	9.2%
Capital & Debt Service	$27,107,768	$23,579,787	3,527,981	15.0%
Total Budget	$71,989,023	$64,688,531	7,300,492	11.3%

The operating components provide consistent Village services. The 2022 budget enhances service levels in public safety and emergency medical services. The capital component fluctuates from year to year and is based upon the Village's capital plan. In 2022, the Village has planned several major capital projects.

OPERATING BUDGET

Village Operations make up 62% of the total budget for all funds in FY22. Operating costs typically are associated with the provision of day-to-day basic Village services. This includes all staffing costs, various contract and consulting services, the purchase of a number of materials and commodities, and expenditures related to the maintenance of Village owned assets and rights of way. Some examples of Village operating expenditures/expenses include:

- Police and fire protection
- Purchase of Lake Michigan water
- Economic development awards
- Volunteer Fire Company support
- Golf course maintenance
- Street sweeping
- Tree planting, maintenance, removal
- Parking facilities
- Employment benefits
- Police and fire dispatch services
- Treatment of sanitary sewage by the Glenbard Wastewater Authority
- Weekly garbage pick-up
- General, liability, property and workers compensation insurance
- Snow and ice control
- Water and sewer system maintenance
- Pavement patching, line striping, and roadway signage
- Ambulance service contract
- Retirement benefits administration (Police Pension Fund)
- Covid-19 pandemic expenses

The total operating budget for 2022 increases $3.7 million or 9.2% from the prior year. The reasons for this increase are many. First, the 2021 budget was depressed by the financial uncertainty of the pandemic. Several positions were held vacant and the Village held its operating budget at a 1.3% increase for the 2021 budget. Next, personnel costs for the Village increased $1.5 million Village-wide from 2021 to 2022. The largest single department contributing to this increase is the police department, supported by a staffing study completed in 2021. The personnel budget is discussed in depth later in the memo.

Next, the Village Board enhanced Emergency Medical Service (EMS) in 2021 by amending our current ambulance contract. The amendment provided additional compensation to paramedics to keep pace with industry standards and to retain qualified paramedics to serve Village residents and visitors. The amendment also added a layer of supervisors and an increase in daily staffing levels to meet the needs of the community. The supervisors will man a new rapid-response vehicle which will supplement the Village's two ambulances. The budgeted cost of this enhancement is $500,000 for 2022.

The budget also includes snow removal and de-icing for the new Civic Center parking garage and surrounding campus. This cost is budgeted at $150,000 for 2022. The Village Board approved a snow removal contract in Fall 2021. The cost is per occurrence and it is possible the Village will incur less cost than is budgeted. However, this estimate is based upon an average snow year. The majority of the cost is related to the de-icing material that is required to be used on the garage to maintain warranties. The Village is working with the garage engineers to hopefully utilize more inexpensive de-icing materials if possible.

The 2022 budget includes several one-time items which impact its comparison to the prior year:

- Zoning Code Update: The Village has budgeted $115,000 to update its Zoning Code to reflect changes and recommendations in the Comprehensive Plan, once completed. The Zoning Code was last updated in 1989, and since then only minor changes have been made over the years.
- Roosevelt Road Hotel Consultant: The Village has a contract to purchase a hotel on Roosevelt Road with the goal of redeveloping the site. The Village Board engaged a consultant in 2021 to evaluate and provide recommendations for the site and the 2022 budget includes $60,000 for this evaluation.
- Compensation Study: The last compensation study conducted by the Village was over 10 years ago. With the resurgence of the employment market, the Village has found that its current pay and class structure is not functional. The current employment market is out of line with our current structure and staff is continually needing to readjust the current structure to keep pace with the market and attract and retain qualified staff. Any adjustment causes a domino effect throughout the organization; therefore, staff is recommending to budget to engage firm to complete a compensation study to align our structure with the market.
- Community Survey: The Village's last Community Survey was completed in 2017 and is recommended to perform a re-evaluation every three years. The 2022 budget includes $23,000 to perform a Community Survey.
- American Rescue Plan Act: The 2022 operating budget includes $800,000 of expenses for the American Rescue Plan, which is discussed in more depth later in this memo. The $800,000 is budgeted for assistance to other government entities, business support, behavioral/mental health support, community grants, and water/sewer bill assistance.

PERSONNEL

Personnel Costs are the largest component of the operating budget. These costs are the largest expense for any municipality, so we pay special attention to all components of personnel. The Scorecard, updated in 2020, showed the Village ranking 5 out of 12 on the number of full-time equivalent employees and 7 out of 12 on the number of FTE per 1,000 residents. The ranking is based on 1 being the lowest and 12 the highest. The Village was ranked 4 out of 12 for the number of full-time employees. Job sharing and the utilization of seasonal employees and part-time employees allow us to control health insurance and pension costs. From a personnel standpoint, the Village has operated leanly. However, stressors have created the need to address staffing levels in most departments.

In 2020, the Village froze three vacant positions due to the pandemic, which generated approximately $250,000 savings in 2021. As the Village moved into spring and summer of 2021, the Village began to experience what is now known as "The Great Resignation." In 2021, the Village placed 41 job search adds for open positions. The Village has not experienced such high levels of turnover in the last decade of permanent positions. The high demand for the job market is placing upward pressure on starting salary and wages. The turnover experienced in 2021 is also driving personnel costs below budget for 2021 by over $579,000.

In 2021, the Village completed a staffing study of the police department. The goal of the study was to access appropriate staffing and structure for the police department. The study recommended that the sworn staff be increased from 40 to 45 officers. The study recommended that the department add three Commander positions, two of which result in elimination of a Sergeant position. The study recommended 4 additional police officers. Lastly, the study recommended one additional part-time administrative assistant and to fill the vacant non-sworn Police Program Coordinator position. The basic salary and health insurance cost of these recommendations, which have been incorporated in the 2022 budget is $502,025. Additional costs will include any contractual time, uniforms, training, etc. Village pension contributions are in arrears. The contribution for these officers will begin in 2023 and is estimated at $120,000 - $130,000 for the first year.

Personnel budget changes by department are as follows:

Administration: A full-time Human Resources Manager was brought on board in 2021. The Village was on the very low end of Human Resources staff per employees. The HR function oversees regular Village staff, Glenbard Wastewater and the Village Links/Reserve 22. An additional Maintenance Worker is recommended in the Facilities division to be able to keep pace with the maintenance schedule for all Village buildings. An additional part-time Custodian is also budgeted; however, the Village has been unable to attract candidates to that position. Lastly, the Communications Coordinator position has been budgeted to increase to full-time.

Finance: The Payroll Specialist position held vacant in 2020 and 2021 will be refilled in 2022.

Community Development: An additional full-time permit clerk was added in 2021 to provide succession planning and to address the booming building market. The part-time Property Site Inspector and a part-time Fire Inspector position were combined into a full-time Fire/Property Inspector. The part-time vacant Administrative Clerk role was filled in 2021.

Public Works: A Forester position was added in 2021 and a Mechanic is proposed for Equipment Services in 2022 to provide for succession planning for the division.

Village Links/Reserve 22: A full-time Golf Supervisor position is proposed.

Other notable highlights of the 2022 personnel budget include:

- The Village is in the eighth year of a merit-based pay system for non-union employees that allows Management to establish a scale and reward top performers more effectively. The FY21 budget recommends a personnel budget adjustment at a cost of approximately $350,000 which includes payroll tax and pension costs. The budget also includes steps allotted under the union contract a 2.25% increase for the police union effective November 1, 2021 and a 2.25% increase effective November 1, 2022. The actual increase effective November 1, 2022 will be determined on negotiation of a new contract.

- The IMRF pension rate (for those pensions for non-sworn employees) decreased from 8.92% of covered payroll to 6.85% of covered payroll in 2021, decreasing the IMRF expense for 2022 by almost $100,000.

- The Village budget assumes a 2% increase in health insurance premiums, effective July 1, 2022.

- The FY22 budget maintains police pension contribution at $2.059 million based upon the Village's actuarial report.

CAPITAL BUDGET

The proposed 2022 Capital Budget was presented to the Village Board at the September 13, 2021 Village Board Meeting.

The hallmarks of the 2022 Capital Program are:

- Roadway & Utility Projects
  - Utility and Roadway Project 20001 (0.8 mile) - $4.3 million
  - Utility and Roadway Project 22002 (4.5 miles) - $5.9 million
  - Central Business District Street & Underground Improvements – Phase 1 – (0.5 mile) - $6.7 million
- Other Water & Sewer Projects
  - Sanitary Sewer Lining Program: $200,000

        - Hill Avenue Water & Sewer: $1.4 million
        - South Park Boulevard Water Main Replacement: $1.6 million
        - Glen Ellyn/IL American Water Interconnect: $385,000
    - Other Projects:
        - Train Station/Underpass Engineering: $500,000
        - Panfish Park Improvements: $75,000
        - McKee House $100,000
        - Bike Plan Update: $25,000
    - Facilities Expenditures: $339,200
    - The budget continues to move forward Phase I engineering for the Train Station project.

The Capital Budget also includes an updated 5-year Capital Improvement Plan (CIP) which forecasts projects over the next five years. This document can be found in the Capital section of the budget.

The Capital Program for Enterprise Funds such as the Water & Sewer Fund are funded through user charges and the Village currently funds its Water & Sewer capital program on a pay-as-you-go basis. In Water & Sewer, the available amounts above the reserve policy are dedicated to the capital program and the Village has earmarked those for several large projects, including those in this year's budget as well as the forecasted utility improvements for the Central Business District.

The Capital Program for the Village's roadways, storm sewers and sidewalks is funded through revenues in the Village's Capital Projects Fund. Revenues in the Capital Projects Fund are forecasted to increase 30.3% from the 2021 budget. However, this increase is mostly driven by a one-time transfer of $2 million from the Motor Fuel Tax Fund. Absent that transfer, revenues will increase 9.4%. Part of the increase is driven by a low budget in 2021 for real estate transfer taxes and food and beverage taxes. The 2021 budget was conservative given the unknown financial impact of Covid-19 at that time. A robust real estate market has increased the real estate transfer taxes to a budget of $900,000, an annual amount greater than pre-pandemic levels. The Village's food and beverage tax has also performed well despite the pandemic. The 2021 budget budgeted $1.08 million, short of the Village's 2020 budget of $1.3 million. The 2021 projection and 2022 budget are $1.5 million. Utility taxes in the fund continue to decline, particularly telecommunications tax.

The Capital property tax levy for the 2022 budget is increased only by new growth of 0.8% or $32,000. Increasing the levy by new growth fairly assesses taxes to those who gain the use of Village services and infrastructure. No consumer price index adjustment is included.

The Village has not budgeted to issue debt in 2022.

COVID-19 AND THE 2022 BUDGET

It is not possible to discuss or review the 2022 budget without considering the impact of the Covid-19 pandemic. From a budgeting standpoint, the challenge of the pandemic is that it not been experienced in recent history and its end date is unknown. The pandemic began at the end of the first quarter of 2020. The Village responded quickly, modeling potential financial impact of the event and discussing with the Village Board as early as March 2020. The Village updated its financial modeling several times over the course of 2020, each time sharing the results with the Village Board. The Village's fiscal year 2020 results were much better than anticipated only a small deficit, before CARES Act Funding. The overall Village calculated revenue loss for 2020 was $1 million, across all funds.

In 2021, the local economy rebounded, positively impacting major revenues including sales tax and home rule sales tax. Income tax was boosted growth in the labor market and government incentives. Additionally, growth in gross corporate income tax has also positively impacted income tax. Revenues in the General

Fund for 2021 are expected to exceed the 2021 budget by $2.2 million, with the majority of the increase from sales, home rule sales, and income tax.

The one Village Fund still being impacted by Covid-19 is the Parking Fund. The Village Board reduced commuter permit fees by 25% in 2020 and the same reduction is proposed for 2021. The daily lot, which generated approximately $85,000 in annual revenue prior to the pandemic, is only anticipated to generate $6,300 in 2021 and 2022. The 2022 proposed budget does include allocating $450,000 in American Rescue Plan Act funding to sustain the Parking Fund.

In 2021, the Village received its first payment of American Rescue Plan Act funds of $1.88 million. The Village's second and final payment of $1.88 million is budgeted for 2022. Please see the discussion of the Village's Funds later in this memo for additional information on the Village's American Rescue Plan Act Fund.

ECONOMIC DEVELOPMENT

The Village continues to prioritize economic development. In 2021, the Village's first major redevelopment project in many years in the Central Business District (CBD), Avere on Duane, was completed. This development will positively impact the Village's Central Business District TIF Fund. The 2022 budget includes $338,000 of increment from this development. A second commercial/multi-family development (Apex 400) is currently under construction with completion anticipated in Spring 2022. A third development (Glenwood Station) has been approved by the Village Board, but has not yet begun construction.

In 2021, the Village entered into a contact to purchase two hotel buildings on Roosevelt Road for the purpose of redevelopment. The Village hopes to close on the properties in late 2021. The 2022 budget includes $60,000 for a consultant to evaluate and recommended redevelopment use and strategy.

The 2022 budget continues to include façade, interior and fire awards for businesses (a total of $245,000 is included across all funds) and budgets for all existing sales tax incentive agreements ($224,000). The budget also continues to support the Alliance of Downtown Glen Ellyn. Additional business support is proposed from the American Rescue Plan Act funding and is discussed below.

CASH RESERVES

The budget maintains the targets outlined in the Village's cash reserve policy. The Village's AAA bond rating was reaffirmed in 2021 and Standard & Poor's report cited the Village's commitment to strong reserves and a 30% reserve policy for its General Fund as a financial strength. The General Fund policy is 30% of operating expenditures. Water and Sewer Fund cash reserve policy will increase to $2.442M with a CPI increase. For certain other funds, the policy calls for cash reserves of at least 25% of operating costs. The budget shows all funds remain above their cash reserve policy.

BUDGET HIGHLIGHTS OF THE VILLAGE'S FUNDS

GENERAL FUND

As with other municipalities, the majority of General Fund costs are borne by the largest departments of Police and Public Works, as well as providing funding to the Volunteer Fire Company including ambulance services. When totaled, these three departments make up almost 67% of General Fund expenditures. The expenditures in our General Fund are dominated by salaries, pensions, and benefits (70%). The Village of Glen Ellyn has a diverse revenue stream; however, much of the revenue base is derived from sales and home rule sales taxes (33% of General Fund revenues), income tax (15%), and property taxes (17%). Below is a comparison of the FY2022 draft budget to the FY2021 original budget

	FY21 Budget	FY22 Budget	Difference	Percent Change
Revenues*	$18,891	$22,510	$3,619	19.2%
Expenditures*	$20,796	$22,504	$1,708	8.2%
Net*	$(1,905)	$6	$1,911	

*In thousands

General Fund Revenues

General Fund Revenues increase by 19.2% over the prior year's budget. Much of this increase is due to a depressed 2021 budget, which anticipated decreases in several of the Village's key revenues. The economy rebounded strongly in 2021 and has improved the revenue budget for the General Fund for 2022. Notable revenue highlights in 2022 include:

- Property Tax - The General Fund property tax levy for the 2022 budget is increased only by new growth of 0.8% or $30,000. Increasing the levy by new growth fairly assesses taxes to those who gain the use of Village services and infrastructure. No consumer price index adjustment is included
- Special Service Areas (SSA) for Economic Development– The SSA rate will remain the same at 12.5 cents per $100 of EAV.
- Sales Tax – The budget anticipates a 30.4% increase in sales tax from 2021 to 2022 budgets. This is based upon the projected 2021 revenue of $4.3 million. As noted above, much of this increase is due to a depressed 2021 budget. However, sales tax is at an all time high for the Village. This is due to a strong economy, but also due to sales tax law changes in Illinois which direct more online sales tax dollars to the Village.
- Home Rule Sales Tax – The Home Rule Sales Tax is budgeted at 1.25%, the rate that went into effect July 2018. The Home Rule Sales tax is budgeted to increase by 42.7% from the 2021 budget. As Sales Tax is being positively affected, so is Home Rule Sales Tax. The 2022 budgeted Home Rule Sales Tax is based upon estimated actual 2021 revenue of $3.058 million.
- Income Tax – Income tax is anticipated to see a 32.9% increase from the 2021 to 2022 budgets, based upon per capita estimates from the Illinois Municipal League. Strong employment and wage growth as well as corporate income is positively impacting income tax.

- Use Tax – Based upon per capita estimates from the Illinois Municipal League, Use Tax is anticipated to increase by 2.9%. Use tax is positively affected by internet sales. In 2022, revenue that used to come to the Village as use tax will now be directed as sales tax, due to sales tax law changes in Illinois.
- Building Permit Revenue – Building permit revenue is forecast at $1.3 million based upon 2021 activity and the anticipation of the Glenwood Station development at the former McChesney Miller grocery store.
- Investment Income – Declining interest rates have reduced investment income into the General Fund. Therefore, the budget is further lowered by 64%. In 2019, the Village was receiving in excess of $200,000 of investment income in the General Fund. Only $15,000 is budgeted for 2022.
- Transfers In – The 2022 budget includes a transfer in from the American Rescue Plan Act of $810,000. This is to account for revenue loss experienced during the pandemic and will be used to fund public safety expenditures.

General Fund Expenditures

General Fund Expenditures are budgeted to increase by 6.3%. The chart below by category highlights the changes from the prior year budget:

(in thousands)	FY21 Budget	FY22 Budget	Difference	Percent Change
Personnel Services	$11,075	$12,359	$1,284	11.6%
Contractual Services	$3,832	$4,414	$582	15.2%
Commodities	$783	$326	($457)	-58.3%
Capital Outlay	$217	$295	$79	36.5%
Transfers Out	$4,890	$5,108	$218	4.5%

- Personnel Services includes the $500,000 impact of staffing changes from the police staffing study. Approximately $350,000 is budgeted merit-based wage adjustments for Village employees. The remainder accounts for filling previously vacant positions as well as new positions proposed in the budget as noted in the personnel section.
- Several one-time items are budgeted for in contractual services. A Zoning Code update is budgeted at $115,000, a compensation study at $50,000, and a community survey at $23,000. Tree removal is increased by $40,000.
- In 2021, $500,000 was budgeted in the commodities category to account for Covid-19 expenditures and also as a hedge against revenue loss. This amount was reduced to $15,000 in 2022.
- Capital Outlay for the General Fund is incidental in nature. The Police Department has budgeted to replace its in-car cameras in 2022 for $175,000. Other budgeted capital are small capital items such as computer equipment or small equipment for Public Works.
- Transfers out increased by $218,000. Health insurance increased by $79,500. The transfer to the Equipment Services Fund for fleet replacement and maintenance increased by $109,900.

Balancing the General Fund

As noted in the revenue section above, the General Fund has been balanced using American Rescue Plan Act (ARPA) funds that the Village is eligible for under ARPA guidelines. These funds provide needed public safety funding which allows the Village to accomplish several one-time expenditures in the General Fund (approximately $363,000 of one-time expenditures). However, absent those expenditures, there is a structural deficit that, once the ARPA funds are no longer available, will have to be supported by another revenue source. Also, it is unrealistic to think that there will be no one-time expenses in other years that will need to be budgeted for. Staff is not recommending increasing or adding new revenues in 2022 given the receipt of the ARPA funds. However, the Village needs to commit to working towards a plan to sustain the General Fund in 2023, which will need to include raising or implementing revenues. In future years, the General Fund may also need to capture both new growth and consumer price index increases in the property tax levy.

American Rescue Plan Act Fund

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law. The law provided $1.9 trillion in economic stimulus and Covid-19 funding and directed $65.1 billion in financial assistance to municipalities nationwide.

The Village has been designated as a non-entitlement unit of local government (NEU). This means that the Village's funding will be passed through to the Village from the State rather than directly from the federal government. The Village received notification on July 21, 2021 that the Village is currently estimated to receive $3.77 million in ARPA Funds. The Village received its first payment of $1.88 million in September 2021 and will receive the second payment approximately a year later (September 2022). Funds must be obligated by December 2024 and must be spent by December 2026.

The 2022 budget allocates $2.06 million in ARPA funding to allowable spending categories:

1. Public Health Response - $50,000: This amount will cover $20,000 in direct covid-19 related expenses and also proposes $30,000 in additional behavioral health services allowed by the Act.

2. Replace Public Sector Lost Revenue – This includes $500,000 of support to other taxing bodies, $450,000 to support the Village's Parking Fund which has been impacted by the pandemic, and $810,000 to support lost revenue in 2020 in the General Fund.

3. Address Negative Economic Impacts of Covid-19 – This includes $125,000 in business support, either directly to businesses or through support of business organizations, $75,000 in water & sewer bill assistance, $25,000 in tourism and business support through programs such as the polar plaza, and $25,000 in community grants to be targeted to other community organizations.

The 2022 budget allocates $2.06 million of funding, leaving $1.71 million to be allocated. As the monies will not be received until late 2022, it is recommended to allocate these dollars through a budget amendment late in 2022 or via the 2023 budget process. Some suggested other uses for these remaining funds may include items such as additional behavioral health support, water and sewer infrastructure, or affordable housing.

Fire Services Fund

The Fire Services Fund supports the Village's Volunteer Fire Company, the fire fleet, and the fire stations, which are owned by the Village. The Fund is supported by Special Service Area taxes from unincorporated areas served by the Volunteer Fire Company and by operating and capital Fire Service Fees that are on the monthly Village Services Bill. EMS service is provided through a contract provider who houses two ambulances in the fire stations. Basic EMS service is paid for by the General Fund. In 2021, the Village Board enhanced Emergency Medical Service (EMS) by amending our current ambulance contract. The amendment provided additional compensation to paramedics to keep pace with industry standards and to retain qualified paramedics to serve Village residents and visitors. The amendment also added a layer of supervisors to provide additional supervision to paramedics and generally support the fire operations. The supervisors will man a new rapid-response vehicle which will supplement the Village's two ambulances. The budgeted cost of this enhancement is $500,000 for 2022 and is budgeted in the Fire Services Fund. In 2021, the Village Board re-allocated 40% of the Capital Fire Service Fee to an EMS Service Fee. This change is also presented in the 2022 budget. The Special Service Area revenue will increase in 2023, when the increased cost can be incorporated into those levies.

Water and Sanitary Sewer Fund

The FY22 budget does not include a rate change for water and sewer rates. The fund currently has a healthy net position; however, several large capital projects decrease that position over the five year forecast. The Village will undertake a rate study in late 2021/early 2022 to further evaluate our long term needs and associated rates.

Parking Fund

The one Village Fund still being impacted by Covid-19 is the Parking Fund. The Village Board reduced commuter permit fees by 25% in 2020 and the same reduction is proposed for 2021. The daily lot, which generated approximately $85,000 in annual revenue prior to the pandemic, is only anticipated to generate $6,300 in 2021 and 2022. The 2022 proposed budget does include allocating $450,000 in American Rescue Plan Act funding to sustain the Parking Fund. The Village will continue to monitor commuter lot usage. However, if commuters do not return to their pre-pandemic levels, the Village will need to take action modify the parking program. Some options may include, but are not limited to, increasing the number of permits sold, changing commuter permit lots to pay-and-display payments or reducing the number of commuter lots.

The Civic Center Parking Garage was completed in 2021 and the 2022 Parking Fund budget includes approximately $180,000 in annual maintenance expenses.

Village Links Reserve 22 Fund

Covid-19 closed the course and restaurant in late March/April 2020. The golf course was allowed to reopen with restrictions in May 2020. Beginning in June 2020, those restrictions were loosened and the restaurant opened to outdoor dining. Covid-19 was a boon for the golf industry in 2020 and 2021 as it is an activity that can be done in a socially distant manner. Working from home and the cancellation of many organized sports left may with time to spend on the golf course. The golf course beat many revenue goals in 2021 and revenue is expected to exceed budget by over $500,000. In 2021, for the first time since June 2017, the Fund exceeded its cash reserve policy. The 2022 budget anticipates $3.56 million in revenues from golf and $2.75 million in revenues from restaurant and banquets.

POLICE PENSION FUND

The required contribution to the Police Pension Fund remains the same at $2.059 million for 2022. The contribution to the Police Pension Fund remains 10% of General Fund expenditures for 2022. As noted earlier in the memo, the cost of implementing the staffing study recommendations is estimated to increase the pension contribution required by the Village to the Police Pension Fund by approximately $120,000 to $130,000 in 2023. This will be an additional cost to bear for the General Fund in the future. Late 2019, the State of Illinois passed a law which requires consolidation of investments among downstate police pension funds. The Police Pension Board will no longer oversee investment of funds once that transition occurs (statutorily must occur by June 2022). The local Glen Ellyn Police Pension Board will still maintain authority over pension and disability determinations. The Village still remains responsible for funding the police pension.

CONCLUSION

The Village of Glen Ellyn's FY22 budget enhances the Village's current level of services, particularly in public safety. Striking the right balance between service levels and taxes to pay for those services is debated and decided during the budget process. This process, allocating scarce resources and prioritizing programs and projects, is difficult each year because the demand for municipal services often exceeds the revenues available to pay for those services. Strong cash reserves protect the Village from unforeseen emergencies, such as Covid-19, and strengthen our bond rating and overall financial position.

In closing, we wish to extend a thank you to everyone for their hard work in preparing the FY22 budget. The development of the budget could not take place without the commitment and cooperation of many Village employees, many of whom who have already worked relentlessly this year on the many challenges that 2021 has brought. Many Management employees actively participate in developing and reviewing budget information which leads to an award-winning budget document for many years.

We would also like to thank the Village Board for their responsible and progressive manner in which it conducts the fiscal affairs of the Village. Difficult budget decisions are made each year during the budget process, but those decisions are critical in that they provide a game plan for what level of municipal service the Village can provide. The understanding, cooperation and resourcefulness of everyone helps to strengthen this year's budget process.

Respectfully submitted,

Mark Franz
Village Manager

Christina Coyle
Finance Director

2022 BUDGET PUBLIC HEARING

November 8, 2021

VILLAGE OF GLEN ELLYN DRAFT BUDGET

Available on the Village's website

- www.glenellyn.org

Hard Copies Available at:

- Civic Center & Glen Ellyn Public Library

Budget Workshops Held October 25, 28, and November 1

Public Hearing tonight (November 8)

Workshop November 15

Scheduled for Adoption on December 6

OVERVIEW OF 2022 DRAFT BUDGET

- Includes 18 Funds of the Village
  - New! – American Rescue Plan Act (ARPA) Fund
- Developed using zero-based budgeting philosophy

DEPARTMENT	General	Corporate Reserve	Motor Fuel Tax	Debt Service	CBD TIF	Roosevelt Road TIF	Forfeiture Fund	American Rescue Plan Act Fund	Capital Projects	Facilities Maintenance Reserve	Fire Service	Water/Sewer	Parking	Residential Solid Waste	Village Links/Reserve 22	Insurance	Equipment Services	Police Pension
	FUND																	
Village Board & Clerk	✓																	
Village Manager's Office	✓	✓									✓			✓				
Facilities Maintenance	✓									✓								
Law	✓																	
Information Technology	✓																	
Economic Development	✓				✓	✓												
Finance	✓			✓				✓				✓	✓			✓		✓
Community Development	✓																	
Police	✓						✓											
Public Works																		
Administration & Eng.	✓		✓						✓			✓	✓					
Operations	✓		✓									✓	✓					
Equipment Services																	✓	
Village Links/ Reserve 22															✓			

ADDITIONAL COST TO THE AVERAGE RESIDENT FOR 2022

Item	Additional Annual Cost
Village Property Tax Increase	$0
Water & Sewer (4,000 gallon monthly usage)	$0 – No increase to rates
Refuse (65 gallon cart)	$0.51 per month; $2.55 for 2022 (increase only effective August 2022)
Total Additional Cost to the Average Resident for 2022 Budget	$2.55 for the year

- Property taxes based on a $500,000 home.
- Property tax levy includes 0.8% new growth
- This Village only levies the Village property tax. In actuality, some tax bills may go up and some may go down, depending on relative assessment values and other taxing districts.

BUDGET OVERVIEW – ALL FUNDS

**Total budget of $71,989,023 (net of transfers)

	2021 Original Budget	2022 Proposed Budget	$ Increase/ (Decrease)	% Increase/ (Decrease)
Operating expenses	$41,108,744	$44,881,255	$3,772,511	9.18%
Capital & debt service expenses	$23,579,787	$27,107,768	$3,527,981	14.96%
Total	$64,688,531	$71,989,023	$7,300,492	11.29%

See following slides for detailed analysis and explanations

BUDGET OVERVIEW – OPERATING EXPENSES - ALL FUNDS

	2021 Original Budget	2022 Proposed Budget	$ Increase	% Increase
Personnel Services	$15,334,754	$16,902,687	$1,567,933	10.2%
Contractual Services	$18,840,296	$21,428,980	$2,588,684	13.7%
Commodities	$6,933,694	$6,933,694	($348,106)	-5.5%
Total Operating Expenses	$41,108,744	$44,881,255	$3,772,511	9.18%

BUDGET OVERVIEW – PERSONNEL

Department	2021 Original Budget	2022 Proposed Budget	$ Increase/ (Decrease)	% Increase/ (Decrease)	Notes
Administration	$1,402,459	$1,666,150	$263,691	19%	New HR Manager position; change Communications to full-time; budget $75K to address compensation issues Village-wide
Information Technology	$306,565	$336,100	$29,535	10%	PC Technician added during 2020 (some savings were realized in contractual services)
Finance	$760,320	$843,850	$83,530	11%	Refill Staff Accountant position held vacant in 2021 budget
Community Development	$1,340,300	$1,468,000	$127,700	10%	Refill PT Administrative Clerk held vacant in 2021 budget; Addition of a FT permit clerk; Combine two PT positions into one FT position
Public Works	$3,376,920	$3,519,020	$142,100	4%	Addition of Forester and Mechanic
Police	$5,582,818	$6,279,898	$697,080	12%	Impact of staffing study $525K
Village Links/Reserve 22	$2,556,142	$2,786,784	$230,642	9%	Golf supervisor position added; impact of minimum wage increase Jan 1

BUDGET OVERVIEW – CONTRACTUAL SERVICES - ALL FUNDS

	2021 Original Budget	2022 Proposed Budget	$ Increase/ (Decrease)	% Increase/ (Decrease)
Commodities	$18,840,296	$21,428,980	$2,588,684	13.7%

Top 6 increases in contractual services:
Increase in EMS Contract due to expanded service - $500,000
Budgeted ARPA items (does not include transfers to other funds) - $800,000
Parking Garage snow removal - $151,000
Contractual Increase in refuse contract - $133,600
Zoning code update - $115,000
Increase in contribution to fire company - $90,692
Total of Top 6 items: $1,790,292

BUDGET OVERVIEW – OPERATING EXPENSES - ALL FUNDS

	2021 Original Budget	2021 Proposed Budget	$ Increase/ (Decrease)	% Increase/ (Decrease)
Commodities	$6,933,694	$6,549,588	$(384,106)	-5.5%

Decrease in budgeted covid-19 expenditures

BUDGET OVERVIEW – CAPITAL & DEBT SERVICE ALL FUNDS

	2021 Original Budget	2022 Proposed Budget	$ Increase/ (Decrease)	% Increase/ (Decrease)
Capital Outlay	$20,570,871	$24,319,433	$3,748,562	18.2%
Debt Service	$3,008,916	$2,788,335	(220,581)	(7.3%)
Capital & debt service expenses	$23,579,787	$27,107,768	$3,527,981	15.0%

Capital Outlay

- Phase I of CBD project ($6.7M); Park Blvd water main ($1.6M), 2020 & 2022 Street/Water/Sewer projects ($9.7M); Hill Ave Water Main ($1.4M)

Debt Service

- Partial year debt service on 2010 Links Bonds.

ALL FUNDS SUMMARY/CASH RESERVES

Fund No. Fund Description	Cash Available 1/1/2021	Preliminary Inflow / (Outflow) FY21	Budgeted Inflow / (Outflow) FY22	Projected Available 12/31/2022	Cash Reserve Policy Level	Projected Above Reserve Policy 12/31/2022
100 General[1]	10,934,779	(1,218,506)	6,554	9,722,827	6,663,000	3,059,827
300 Debt Service	40,488	(1,530)	(1,450)	37,508	N/A	N/A
210 Motor Fuel Tax	1,992,413	234,174	(1,661,639)	564,948	N/A	N/A
240 Fire Services	3,919,211	1,018,362	(313,535)	4,624,038	N/A	N/A
250 Central Business District TIF	865,008	(22,920)	581,680	1,423,768	N/A	N/A
260 Roosevelt Road TIF	249,833	(245,100)	53,030	57,763	N/A	N/A
270 Forfeiture	217,864	(152,650)	-	65,214	N/A	N/A
Total Special Revenue Funds	7,244,329	2,716,866	(1,515,464)	8,445,731	N/A	N/A
200 Corporate Reserve	597,712	(563,468)	(17,785)	16,459	N/A	N/A
400 Capital Projects	27,478,496	(8,285,041)	(5,500,227)	13,693,228	N/A	N/A
450 Facilities Maintenance Reserve	765,931	(384,230)	(13,200)	368,501	N/A	N/A
Total Capital Projects Funds	28,842,139	(9,232,739)	(5,531,212)	14,078,188	N/A	N/A
500 Water & Sewer[2]	19,919,220	924,363	(4,270,708)	16,572,875	2,442,000	14,130,875
530 Parking[3]	1,721,860	(214,877)	279,688	1,786,671	125,734	1,660,937
540 Residential Solid Waste[3]	523,520	36,150	(34,200)	525,470	462,975	62,495
550 Village Links / Reserve 22	718,754	839,272	256,489	1,814,515	1,307,000	507,515
Total Enterprise Funds	22,883,354	1,584,908	(3,768,731)	20,699,531	4,337,709	16,361,822
600 Insurance	1,716,162	(422,110)	(35,820)	1,258,232	N/A	N/A
650 Equipment Services	5,373,326	(625,470)	14,260	4,762,116	N/A	N/A
Total Internal Service Funds	7,089,488	(1,047,580)	(21,560)	6,020,348	N/A	N/A
900 Police Pension	35,301,521	2,528,731	1,879,225	39,709,477	N/A	N/A

Cash Reserve Policies for 2022:

General Fund:	30% of operating expenditures
Water & Sewer	Reserve policy level increased annually by CPI
Parking	25% of operating expenses
Residential Solid Waste	25% of operating expenses
Village Links/Reserve 22	25% of operating expenses

BUDGET OVERVIEW – GENERAL FUND

	2021 Original Budget	2022 Proposed Budget	$ Increase/ (Decrease)	% Increase/ (Decrease)
Revenues	$18,891,819	$22,510,839	$3,619,020	19.2%
Expenditures	$20,796,286	$22,504,285	$1,707,999	8.2%
Change in Fund Balance	($1,904,467)	$6,554		

Concepts to discuss for the General Fund:

- Unlike 2021, the General Fund is balanced, but uses $810K of ARPA funding to bridge the budget in 2022
- Enhances service levels in public safety with incorporating the staffing study action items
- Several revenues continue to perform below normal levels due to covid-19
- Mid-year check in suggested

BUDGET OVERVIEW – GENERAL FUND – CONT'D

	2021 Original Budget	2022 Proposed Budget	$ Increase/ (Decrease)	% Increase/ (Decrease)	
Property Tax	$3,612,798	$3,747,821	$136,598	3.8%	Abatement falls off; increase in levy for new growth only
Sales & HR Sales Tax	$5,443,500	$7,361,000	$1,917,500	35.2%	Rebound in sales/hr sales tax and change in sales tax laws in Illinois
Income Tax	$2,554,000	$3,393,000	$839,000	32.9%	Rebound of the economy, based on IML projections
Other Taxes	$4,401,170	$5,395,250	$994,080	22.6%	Rebound of hotel tax, increases in PPRT & use tax & cannabis use tax
Licenses & Permits	$1,672,550	$1,869,600	$197,050	11.8%	Anticipation of permit for Glenwood Station
Charges for Services	$999,216	$946,838	($52,378)	-5.2%	Decreases in fingerprint fees and cable franchise fees
Fines & Fees	$505,000	$460,000	($45,000)	-8.9%	Budgeting for lower parking fines due estimated actual for 2021
Investment Income	$42,000	$15,000	($27,000)	-64.3%	Interest rates near zero (contrast to $284K in 2019)
Miscellaneous Income	$312,560	$394,930	$82,370	26.4%	Aggregation rebate, adjust miscellaneous income to align with estimated actual
Transfers	$1,904,600	$2,320,400	$415,800	21.8%	ARPA funding of $810,000 to the General Fund

BUDGET OVERVIEW – GENERAL FUND – CONT'D

	2021 Original Budget	2022 Proposed Budget	$ Increase/ (Decrease)	% Increase/ (Decrease)
Personnel Services	$11,074,982	$12,359,368	$1,284,386	11.6%
Contractual Services	$3,831,895	$4,414,170	$582,275	15.2%
Commodities	$782,859	$326,347	($456,512)	-58.3%
Capital Outlay	$216,600	$295,700	$79,100	36.5%
Transfers to Other Funds	$4,889,950	$5,108,700	$218,750	4.5%

- Personnel
  - Police Staffing Study ($525K)
  - Refills two positions held vacant in 2021 (Staff Accountant & Administrative Clerk)
  - New positions: Permit Clerk, HR Manager, Forester
  - Modified positions: Communications to full-time; Part time property manager and part time fire inspector combined into one full time position
- Contractual Services
  - Zoning Code update - $115,000
  - Stormwater engineering – increased $75,000
  - Compensation study - $50,000
  - Community survey - $23,000
  - Snow removal – police department & Civic Center - $42,100

BUDGET OVERVIEW – GENERAL FUND – CONT'D

	2021 Original Budget	2022 Proposed Budget	$ Increase/ (Decrease)	% Increase/ (Decrease)
Personnel Services	$11,074,982	$12,359,368	$1,284,386	11.6%
Contractual Services	$3,831,895	$4,414,170	$582,275	15.2%
Commodities	$782,859	$326,347	($456,512)	-58.3%
Capital Outlay	$216,600	$295,700	$79,100	36.5%
Transfers to Other Funds	$4,889,950	$5,108,700	$218,750	4.5%

- Commodities
  - Reduction in budgeted Covid-19 expenditures
- Capital Outlay
  - Police Department Dash Camera - $175,000
- Transfers
  - Equipment replacement – Increased $104,400
  - Health insurance – Increased $79,950

NEXT STEPS

- Public hearing is tonight
- Board will conduct a first reading; this is a non-binding vote
- If needed, budget will be discussed at the November 15 workshop
- Adoption scheduled for December 6

QUESTIONS?

PUBLIC HEARING
2021 PROPERTY TAX LEVY

NOVEMBER 8, 2021

2021 Property Tax Levy

2

- Property Tax Cycle
- Distribution of the Property Tax Bill
- Village Property Tax Levy
- Library Property Tax Levy
- Summary

Property Tax Cycle

3

- November 8, 2021– Public hearing of the levy
- December 6, 2021 – Board adoption of the levy
- Last Tuesday in December – Levies due to DuPage County
- January 2022 – Abatements considered by Village Board
- Around May 2022 – Property owners receive tax bills
- June – October 2022 – Village receives majority of property tax revenues from DuPage County

Sample Property Tax Bill – 2020 Levy

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2020 DU PAGE COUNTY*

REAL ESTATE TAX BILL

2020 Rate**	2020 Tax	%	District
3.3574	5,183.15	45.9%	Grade School District #41
2.2255	3,435.72	30.5%	High School District #87
0.4892	**755.22**	**6.7%**	**Village of Glen Ellyn**
0.3043	469.77	4.2%	Glen Ellyn Park District
0.2955	**456.18**	**4.0%**	**Glen Ellyn Public Library**
0.2114	326.46	2.9%	College of DuPage #502
0.1609	248.38	2.2%	DuPage County
0.1205	186.02	1.6%	DuPage Forest Preserve
0.1159	178.91	1.6%	Milton Township
0.0148	22.84	0.2%	DuPage Airport Authority
0.0122	18.83	0.2%	Milton Township Mosquito Dist
7.3076	$ 11,281		

* 2020 taxes were levied in December, 2020, and collected/remitted during 2021.

** Per $100 of assessed value.

1. District 89 2016 rate was 3.7404

Market Value = $509,700
Assessed Home Value = $160,380

Where does your property tax dollar go?

5

Grade & High Schools - $0.76

Village - $0.07

Other Agencies - $0.13

Library - $0.04

Components of the 2021 Levy

Village Levy: $7,826,264

Library Levy: $4,694,900

Debt Service: $2,680,394

- Debt service levy will be abated in 2022 but must be included in levy ordinance

Total Levy: $15,201,558

Glen Ellyn Public Library Levy

Highlights of the Library Levy

- Approved by Village Board as an administrative function only.
- Levy increased 2.0% from taxes extended in the prior year.

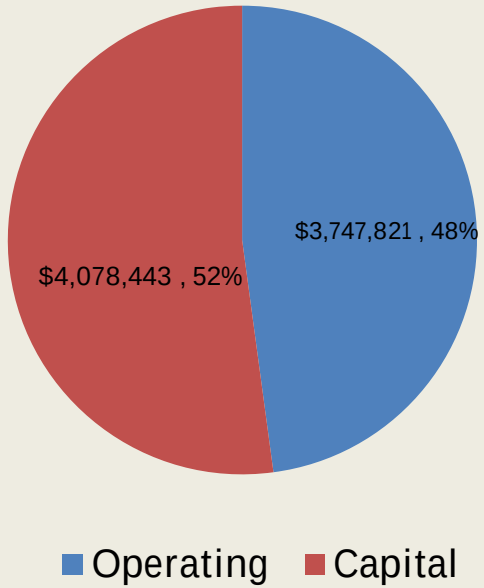
Village Property Tax Levy

8

Highlights of the Village Levy

- The Village's levy is split between the General Fund (operating) and the Capital Projects Fund.
- Property taxes only contribute 12% towards the 2022 budget.
- Total Levy is $7,826,264 (both operating and capital).

2021 Village Levy Distribution



Village Property Tax Levy

9

Highlights of the Village Levy

- The Village's Levy is increased by 0.8% for new growth.
- The Levy does NOT include an increase for CPI
  - CPI would be 1.4% for 2021
- Levy increase is for new growth only and should have no impact on a current homeowner.
  - Actual impact dependent on EAV of each property in GE.

Potential Increases

	CPI	New Growth	Total
General	$52,053	$29,745	$81,798
Capital	$56,645	$32,369	$89,014
Total	$108,698	$62,411	$171,109

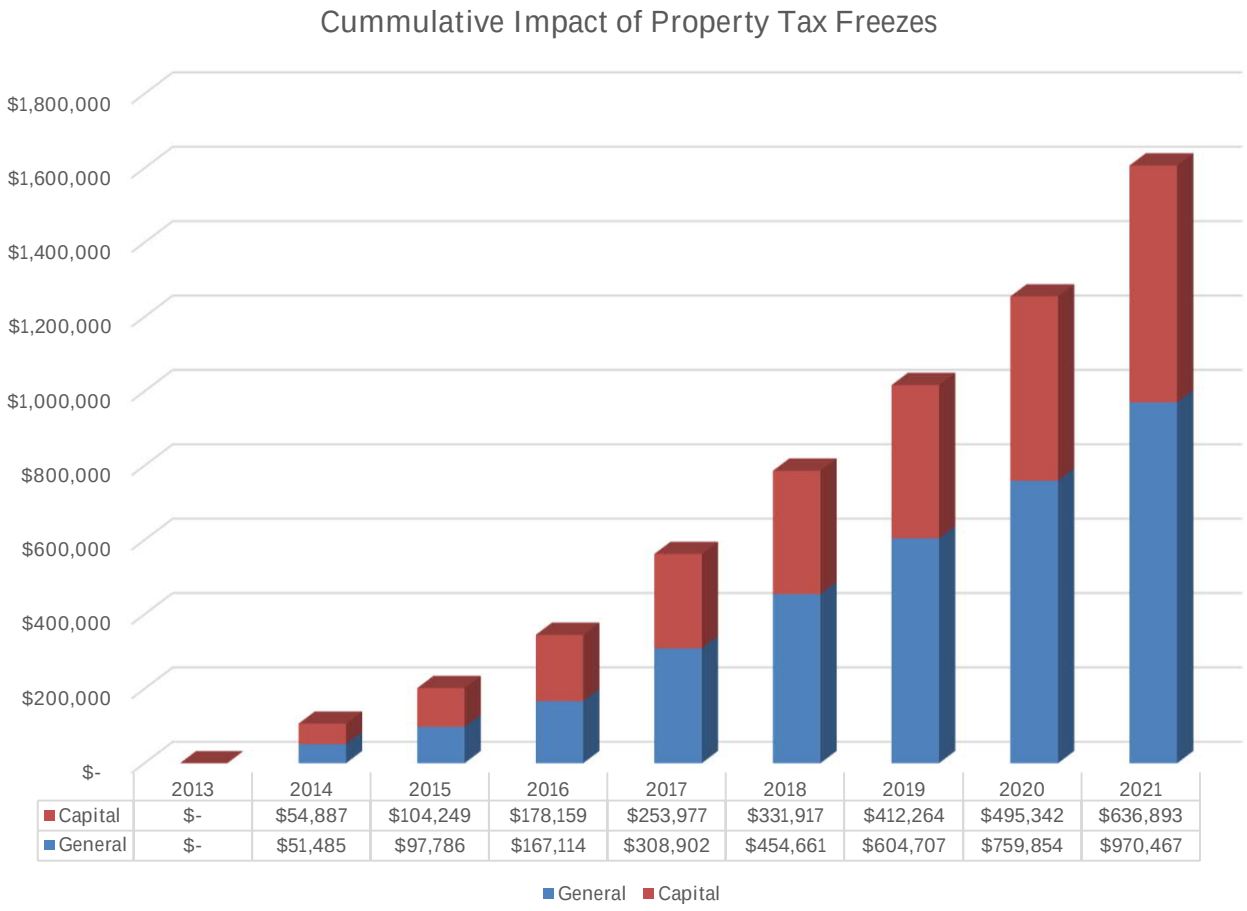
Compounding Effect of Property Tax Freezes

Non-home rule communities are allowed CPI and new growth annually on tax levies.

There is a compounding effect of a property tax freeze.

Glen Ellyn, being home rule, can "make up" that freeze; however it results in a more dramatic versus gradual increase to property owners.

The graph at right compares actual levies vs. capturing the full CPI and new growth each year.



	2013	2014	2015	2016	2017	2018	2019	2020	2021
Capital	$-	$54,887	$104,249	$178,159	$253,977	$331,917	$412,264	$495,342	$636,893
General	$-	$51,485	$97,786	$167,114	$308,902	$454,661	$604,707	$759,854	$970,467

Next Steps

- Levy will be considered for passage on December 6, 2021
- This levy will be reflected in the property tax bills property owners receive in 2022

FUND: AMERICAN RESCUE PLAN ACT (ARPA) FUND
DEPARTMENT: FINANCE

ORG	OBJECT	PROJ	ACCOUNT DESCRIPTION	2020 ACTUAL	2021 ORIG BUD	2021 REV BUD	2021 PROJECTION	2022 BUDGET	$ CHG FROM 2021 ORIG BUD	% CHG FROM 2021 ORG BUD	$ CHG FROM 2021 PROJ	% CHG FROM 2021 PROJ
2800	ARPA REVENUES											
2800	430100		FEDERAL GRANT REVENUE	-	-	-	1,885,000	1,885,000	1,885,000	0.0%	-	0.0%
TOTAL	ARPA REVENUES			-	-	-	1,885,000	1,885,000	1,885,000	0.0%	-	0.0%
28000	ARPA EXPENDITURES											
28000	520938	21007	ARPA PUBLIC HEALTH RESPONSE	-	-	-	-	50,000	50,000	0.0%	50,000	0.0%
28000	520938	21008	ARPA REPLACE PUBLIC SECTOR LOST REVE	-	-	-	-	500,000	500,000	0.0%	500,000	0.0%
28000	520938	21009	ARPA ADDRESS NEGATIVE IMPACTS	-	-	-	-	250,000	250,000	0.0%	250,000	0.0%
28000	520938	21011	ARPA WATER SEWER & BROADBAND	-	-	-	-	-	-	0.0%	-	0.0%
28000	590910	21008	TRANSFER TO OTHER FUNDS - REVENUE R	-	-	-	-	1,260,000	1,260,000	0.0%	1,260,000	0.0%
TOTAL	ARPA EXPENDITURES			-	-	-	-	2,060,000	2,060,000	0.0%	2,060,000	0.0%
TOTAL	ARPA FUND			-	-	-	1,885,000	(175,000)	(175,000)	0.0%	(2,060,000)	-109.3%

Available Cash Analysis	
Available, January 1, 2021	-
Preliminary FY2021 inflow / (outflow)	1,885,000
Budgeted FY2022 inflow / (outflow)	(175,000)
Projected Available, December 31, 2022	1,710,000

VILLAGE OF GLEN ELLYN

NEXT YEAR BUDGET DETAIL REPORT

PROJECTION: 2022 2022 ANNUAL BUDGET

ACCOUNTS FOR: ARPA FUND		VENDOR	QUANTITY	UNIT COST	2022 Finance
2800	ARPA REVENUES				
2800	430100 - FEDERAL GRANT REVENUE				1,885,000.00 *
	ARPA FUNDNG - SECOND PAYMENT		1.00	1,885,000.00	-1,885,000.00
	TOTAL ARPA REVENUES				1,885,000.00
28000	ARPA EXPENDITURES				
28000	520938 - 21007 ARPA PUBLIC HEALTH RESPONSE				50,000.00 *
	GENERAL HEALTH RESPONSE		1.00	20,000.00	20,000.00
	BEHAVIORAL HEALTH SERVICES		1.00	30,000.00	30,000.00
28000	520938 - 21008 ARPA PUBLIC SECTOR REVENUE				500,000.00 *
	SUPPORT OF OTHER TAXING BODIES FOR LOST REVENUE		1.00	500,000.00	500,000.00
28000	520938 - 21009 ARPA ADDRESS NEGATIVE IMPACTS				250,000.00 *
	BUSINESS ORGANIZATION SUPPORT		1.00	125,000.00	125,000.00
	WATER & SEWER BILL SUPPORT		1.00	75,000.00	75,000.00
	TOURISM & BUSINESS SUPPORT (POLAR PLAZA & OTHER)		1.00	25,000.00	25,000.00
	COMMUNITY GRANTS		1.00	25,000.00	25,000.00
28000	590910 - 21008 OPERATING TRANSFER OUT				1,260,000.00 *
	REVENUE REPLACEMENT - PARKING FUND 2020		1.00	150,000.00	150,000.00
	REVENUE REPLACEMENT - PARKING FUND 2021		1.00	150,000.00	150,000.00
	REVENUE REPLACEMENT - PARKING FUND 2022		1.00	150,000.00	150,000.00
	REVENUE REPLACEMENT - GENERAL FUND 2020		1.00	810,000.00	810,000.00
	TOTAL ARPA EXPENDITURES				2,060,000.00
	TOTAL REVENUE				1,885,000.00
	TOTAL EXPENSE				2,060,000.00
	GRAND TOTAL				3,945,000.00

** END OF REPORT - Generated by Christina Coyle **

Glen Ellyn Finance Commission
535 Duane Street
Glen Ellyn, IL 60137

Meeting 11/12/2021 7:00 AM
Department: Finance
Department Head:
Category: Other
Prepared By:

AGENDA ITEM (ID # 2021-1646)

DOC ID: 2021-1646

Economic Development Update

Statement of the Issue:

Analysis:

Budget Impact:

Action Requested:

Attachments:

Glen Ellyn Finance Commission
535 Duane Street
Glen Ellyn, IL 60137

Meeting 11/12/2021 7:00 AM
Department: Finance
Department Head:
Category: Reminder
Prepared By:

AGENDA ITEM (ID # 2021-1647)

DOC ID: 2021-1647

Next Meeting: Friday, December 10, 7:00 AM

Statement of the Issue:

Analysis:

Budget Impact:

Action Requested:

Attachments: