Agenda
Village of Glen Ellyn
Police Pension Board Meeting
Wednesday, October 19, 2022
4:30 PM
Glen Ellyn Civic Center, Room 306

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

A. Call to Order

B. Public Comment (Non Agenda Items)

C. Approval of Minutes

1) Motion to approve August 3, 2022 minutes.

D. Investment Report

1) IPOPIF

E. Approval of Expenses

1) Approve the expense vouchers in the amount of $29,745.65 and pension expenses in the amount of $658,623.66 for a total of $688,369.31

F. Approval of Membership Changes / Contribution Refunds / Transfers

G. Actuarial Report and Municipal Compliance Report

1) Motion to Approve the Annual Report to the Village Board

H. Administration and Accounting Services Proposals

1) Consider approval of administrative and accounting services.

I. Other Business

1) Meetings in 2023: January 18, April 19, July 19, October 18

J. Adjournment

Glen Ellyn Police Pension Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting 10/19/2022 4:30 PM
Department: Finance
Department Head: Larry Noller
Category: Minutes
Prepared By: Patrick Brankin

AGENDA ITEM (ID # 2022-2734)

DOC ID: 2022-2734

Motion to approve August 3, 2022 minutes.

Statement of the Issue:

Analysis:

Budget Impact:

Action Requested:

Attachments:

1. August 2022 Police Pension minutes

Minutes
Village of Glen Ellyn
Police Pension Board Meeting
Special Meeting
August 3, 2022
4:00 PM
Glen Ellyn Police Department Community Room

Board or Commission:	Police Pension	**Date:**	August 3, 2022
Meeting:	Special	**Called to Order:**	4:00 p.m.
Quorum:	Yes	**Adjourned:**	4:25 p.m.

MEMBER ATTENDANCE:

John Adduci	President	Present
William Housey Jr.	Trustee	Present
James King	Trustee	Absent
Jim Monson	Trustee	Present
Anthony Terranova	Trustee	Present

Also Present:

Larry Noller	Finance Director
Patrick Brankin	Assistant Finance Director
Elisa Pollina	Recording Secretary

Public:

A. CALL TO ORDER

The August 3, 2022 meeting of the Police Pension Board was called to order by President Adduci at 4:00 p.m.

B. PUBLIC COMMENT – None

C. APPROVAL OF MINUTES FROM APRIL 20, 2022 MEETING

MOTION TO APPROVE MINUTES FROM APRIL 20, 2022 POLICE PENSION BOARD MEETING

MOTION BY: Anthony Terranova, Trustee

SECONDED BY: Bill Housey, Trustee

RESULT: UNANIMOUS APPROVAL

D. Approval of Expenses

1. Approve the expense vouchers in the amount of $26,619.86 and pension expenses in the amount of $658,623.66 for a total of $685,243.52.

Trustee Monson motions to approve the expense vouchers in the amount of $26,619.86 and pension expenses in the amount of $658,623.66 for a total of $685,243.52; Trustee Terranova seconds the motion.

RESULT:	Approval [UNANIMOUS]
MOVER:	James Monson, Trustee
SECONDER:	Anthony Terranova, Trustee
AYES:	Adduci, Housey, Monson, Terranova

E. Investment Report

1. Update on pension consolidation. Assistant Finance Director Brankin reports that all funds have been transferred. The process started April 1 and the last of the funds were completed in May. All accounts have now been zeroed out. The total performance for the quarter is down 10%. President Adduci asks if there are enough funds in cash to pay expenses. Finance Director Noller states there were 3 months of cash in the account prior to the consolidation. If we need additional cash we have two options. We can transfer cash twice a year and put into checking account or we can have it set up to have them put the cash in our account monthly or yearly. The authorized agents can request those funds.

2. IPOPIF June Statement – Finance Director Noller reports the June statement was received on August 1st. The investment report will be on the website.

F. Appointing Authorized Agents

1. Motion to approve a Resolution Appointing Authorized Agents.

Trustee Monson motions to approve a resolution appointing Larry Noller and Patrick Brankin as authorized agents; Trustee Terranova seconds the motion.

RESULT:	Approval [UNANIMOUS]
MOVER:	James Monson, Trustee
SECONDER:	Anthony Terranova, Trustee
AYES:	Adduci, Housey, Monson, Terranova

G. Appointing Security Administrator

1. Motion to appoint a security administrator for the Illinois Department of Insurance.

Trustee Housey motions to appoint Larry Noller as Security Administrator for the Illinois Department of Insurance; Trustee Terranova seconds the motion.

RESULT:	Approval [UNANIMOUS]
MOVER:	Bill Housey, Trustee
SECONDER:	Anthony Terranova, Trustee
AYES:	Adduci, Housey, Monson, Terranova

H. Approval of Membership Changes / Contribution Refunds / Transfers

1. Motion to accept Kevin Lombard into the Police Pension.

Trustee Monson motions to accept Kevin Lombard into the Police Pension hired on July22, 2022; Trustee Terranova seconds the motion.

RESULT:	Approval [UNANIMOUS]
MOVER:	James Monson, Trustee
SECONDER:	Anthony Terranova, Trustee
AYES:	Adduci, Housey, Monson, Terranova

2. Motion to accept Christopher Dixon into the Police Pension.

Trustee Monson motions to accept Christopher Dixon into the Police Pension hired on July22, 2022; Trustee Terranova seconds the motion.

RESULT:	Approval [UNANIMOUS]
MOVER:	James Monson, Trustee
SECONDER:	Anthony Terranova, Trustee
AYES:	Adduci, Housey, Monson, Terranova

I. DISABILITY APPLICATION

1. Motion to authorize Pension board Attorney to retain services for disability evaluation

Trustee Monson motions to authorize Pension board Attorney to retain services for disability evaluation; Trustee Housey seconds the motion.

RESULT:	Approval [UNANIMOUS]
MOVER:	James Monson, Trustee
SECONDER:	Bill Housey, Trustee
AYES:	Adduci, Housey, Monson, Terranova

J. DISABILITY CONTINUATION

1. Motion to authorize Pension board Attorney to retain services for disability continuation evaluation.

Trustee Terranova motions to authorize Pension board Attorney to retain services for disability continuation evaluation; Trustee Housey seconds the motion.

RESULT:	Approval [UNANIMOUS]
MOVER:	Anthony Terranova, Trustee
SECONDER:	Bill Housey, Trustee
AYES:	Adduci, Housey, Monson, Terranova

K. ELECTION OF OFFICERS

Trustee Terranova motions to keep the existing officers for next year; Trustee Housey seconds the motion.

RESULT:	Approval
MOVER:	Anthony Terranova, Trustee
SECONDER:	Bill Housey, Trustee
AYES:	Housey, Monson, Terranova
NAYS:	Adduci

L. DEPARTMENT OF INSURANCE REPORT

1. Motion to accept the Department of Insurance Report for the fiscal year ended December 31,2021

Trustee Monson motions to accept the Department of Insurance Report for the fiscal year ended December 31,2021; Trustee Terranova seconds the motion.

RESULT:	Approval [UNANIMOUS]
MOVER:	James Monson, Trustee
SECONDER:	Anthony Terranova, Trustee
AYES:	Adduci, Housey, Monson, Terranova

M. OTHER BUSINESS

1. Next meeting: Wednesday October 19, 2022 4:00 PM.

N. ADJOURNMENT – Trustee Housey moves and Trustee Terranova seconds to adjourn the meeting. The meeting was adjourned at 4.25 pm

Submitted by Elisa Pollina, Recording Secretary

Reviewed by Assistant Finance Director Brankin

Glen Ellyn Police Pension Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting 10/19/2022 4:30 PM
Department: Finance
Department Head: Larry Noller
Category: Report
Prepared By: Patrick Brankin

AGENDA ITEM (ID # 2022-2737)

DOC ID: 2022-2737

IPOPIF

Statement of the Issue:

Analysis:

Budget Impact:

Action Requested:

Attachments:

Glen Ellyn Police Pension Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting 10/19/2022 4:30 PM
Department: Finance
Department Head: Larry Noller
Category: Vouchers
Prepared By: Patrick Brankin

AGENDA ITEM (ID # 2022-2735)

DOC ID: 2022-2735

Approve the expense vouchers in the amount of $29,745.65 and pension expenses in the amount of $658,623.66 for a total of $688,369.31

Statement of the Issue:
Please see the voucher packet attached.

Analysis:
N/A

Budget Impact:
N/A

Action Requested:
Approval of the attached expenses.

Attachments:
1. Police Pension Vouchers 10-19-22

POLICE PENSION FUND
APPROVAL OF VOUCHERS
For the meeting in October 2022

Expenses	Check Date:	Paid amount	
Marquette Associates	9/2/2022	$ 4,166.67	
Marquette Associates	9/9/2022	$ 12,500.00	
Foster & Foster	9/15/2022	$ 3,377.00	
Great Lakes Advisors, LLC	9/23/2022	$ 7,875.17	
IPPFA	9/23/2022	$ 795.00	
Reimer, Dobrovolny & Karlson, LLC	9/23/2022	$ 1,031.81	
		$ 29,745.65	**$ 29,745.65**

Pension Expenses	July	August	September	
Service Pensions	$ 187,275.28	$ 187,275.28	$ 187,275.28	
Duty Disability Pensions	7,340.46	7,340.46	7,340.46	
Non-Duty Disability Pensions	-	-	-	
Surviving Spouse Pension	24,925.48	24,925.48	24,925.48	
Total Payroll:	**$ 219,541.22**	**$ 219,541.22**	**$ 219,541.22**	**$ 658,623.66**
			Grand Total	**$ 688,369.31**

10574

Marquette Associates
180 N La Salle St, Suite 3500
Chicago, IL 60601

Invoice Date	Invoice #
5/1/22	2205720

RECEIVED
AUG 26 2022
By: ....

Account #	1295
Balance Due	$4,166.67

Glen Ellyn Police
535 Duane St.
Glen Ellyn, IL 60137

Amount paid: $________________

Check number: ________________

☐ Please check box if address is incorrect or has changed, and indicate change(s) on reverse side.

Have E-Mail? Please write it here: ________________________

PLEASE DETACH AND RETURN TOP PORTION WITH PAYMENT

Glen Ellyn Police
535 Duane St.
Glen Ellyn, IL 60137

Due Date	5/1/22

Description	Amount
Investment consulting services for the period of April 1, 2022 through April 30, 2022.	4,166.67

CODE	AMOUNT	APPROVAL	DATE
90000	4166.67	a.	8/24
520800			

Terms: Due on receipt

Wire Transfer Information:
Send ACH/EFT to: Marquette Associates, Inc.
Bank: CIBC
Routing Number [redacted]
Bank Account: [redacted]
Please reference the Invoice #.

Billing Inquiries? Call 312.527.5500 X224

Marquette Associates, Inc Attn: Accts Rec, 180 N LaSalle, Ste 3500, Chicago, IL 60601
www.marquetteassociates.com

10574

MarquetteAssociates
180 N La Salle St, Suite 3500
Chicago, IL 60601

RECEIVED
AUG 26 2022
By: ....

Invoice Date	Invoice #
4/1/22	2204719

Account # **1295**

Balance Due **$12,500.00**

Glen Ellyn Police
535 Duane St.
Glen Ellyn, IL 60137

Amount paid: $________________

Check number: ________________

☐ Please check box if address is incorrect or has changed, and indicate change(s) on reverse side.

Have E-Mail? Please write it here: ________________________

PLEASE DETACH AND RETURN TOP PORTION WITH PAYMENT

Glen Ellyn Police
535 Duane St.
Glen Ellyn, IL 60137

Due Date	4/1/22

Description	Amount
Investment consulting services for the period of January 1, 2022 through March 31, 2022.	12,500.00

CODE	AMOUNT	APPROVAL	DATE
90000	12,500.00	[illegible]	8/24
520800			

Terms: Due on receipt

Wire Transfer Information:
Send ACH/EFT to: Marquette Associates, Inc.
Bank: CIBC
Routing Number: [redacted]
Bank Account: [redacted]
Please reference the Invoice #.

Billing Inquiries? Call 312.527.5500 X224

Marquette Associates, Inc Attn: Accts Rec, 180 N LaSalle, Ste 3500, Chicago, IL 60601
www.marquetteassociates.com

10787-1

FOSTER & FOSTER

ACTUARIES AND CONSULTANTS

Invoice

Date	Invoice #
6/6/2022	23840

Bill To
Village of Glen Ellyn 535 Duane St. Glen Ellyn, IL 60137

Phone: (630) 620-0200
Fax: (239) 481-0634
Email: AR@foster-foster.com
Website: www.foster-foster.com
Federal EIN: 59-1921114

Village of Glen Ellyn
Police Pension Fund

Terms	Due Date
Net 30	7/6/2022

Description	Amount
Prepare 1/1/2022 Pension Valuation, including GASB 67/68 Disclosure Information	6,753.00

CODE	AMOUNT	APPROVAL	DATE
90000-520820	3377.00	[illegible]	9/2/22
134100 520820	3376.00		

Thank you for your business!

Most preferred method of payment is an ACH deposit.
Please reference Plan name & Invoice # above.
• Account Title: Foster & Foster, Inc.
• Account Number [redacted]
• Routing Number
• Bank Name: Cogent Bank

Balance Due **$6,753.00**

For payment via a mailed check, please remit to:
Foster & Foster, Inc.
184 Shuman Blvd., Ste.305, Naperville, IL 60563

10851

Police Pension

GREAT LAKES ADVISORS

A WINTRUST WEALTH MANAGEMENT COMPANY

April 1, 2022

Mr. Anthony Losiniecki
Email: anthony.losiniecki@usbank.com

Cust: US Bank
Acct: 001050998902
Code: GLEN0271
Mgr: CLIENTSERVICE

MANAGEMENT FEE: GLEN ELLYN POLICE PENSION FUND

3/31/2022 Portfolio Value:		$ 10,969,103.93
Annual Fee Based On:		$ 31,938.21
$ 10,000,000 @ 0.30% per annum	$ 30,000.00	
$ 969,104 @ 0.20% per annum	$ 1,938.21	
Quarterly Fee:		$ 7,875.17
For the Period 1/1/2022 through 3/31/2022		
	Paid by Debit Direct	($ 0.00)
	Please Remit	$ 7,875.17

Please send checks to: Great Lakes Advisors, LLC; 231 S. LaSalle St., 13th Floor; Chicago, IL 60604.

Payable to: Wintrust Bank, 231 S. LaSalle St; Chicago, IL 60604

Attention: Accounts Receivable Department

Please send wires or ACH to: Great Lakes Advisors, LLC; Wintrust Bank, ABA# [redacted]
Account# [redacted]

Payment: Please remit payment within 30 days of invoice date.

If you would like to receive invoices via-email please contact clientservice@greatlakesadvisors.com.

CODE	AMOUNT	APPROVAL	DATE
90000	7875.17		9/14
520800			

IPPFA
PREPARE PROTECT EDUCATE INFORM

2587 Millennium Drive, Unit C
Elgin, IL 60124
(630) 784-0406

Invoice

Date	Invoice #
9/14/2022	167

Bill To
Glen Ellyn Police Pension Fund 535 Duane St Glen Ellyn, IL 60137

Account #

Due Date: 12/31/22

Description	Amount
IPPFA Membership Dues January 1, 2023 - December 31, 2023	795.00

* POLICE PENSION *

CODE	AMOUNT	APPROVAL	DATE
90000-520605	795	[signature]	9-22-22

Total	$795.00

Police Pension 3158-
900-110155

REIMER DOBROVOLNY & LABARDI PC

A Public Safety Law Firm
15 Spinning Wheel Road, Suite 310
Hinsdale, IL 60521
(630) 654-9547

Aug 4,2022

Sergeant Jim Monson, Board Secretary
Glen Ellyn Police Pension Board
jmonson@glenellyn.org

PLEASE INDICATE CLIENT # 2112

28435

Payments Received: $1,088.14

RE: LEGAL SERVICES RENDERED

DUE UPON RECEIPT

DATE	ATY	DESCRIPTION	HOURS	RATE	AMOUNT
MATTER:		***2112-004***			
RE:		***Disability Application of Thomas Hartzell***			
04/08/22	RJR	Correspondence to Officer Hartell regarding new disability application package. Preparation of Disability Application and Authorization for Release of Protected Health Information.	1.50	$200.00	$300.00
05/09/22	RJR	Review of completed disability application. Correspondence to health care providers with Authorization to Disclose Protected Health Information and preparation of individual Certification of Records forms. Prepare Subpoena Duces Tecum to Police Department. Email to Board regarding signature on Subpoena	1.75	$200.00	$350.00
05/23/22	RJR	Correspondence to Chief Norton regarding service of Subpoena	0.50	$200.00	$100.00
05/24/22	RJR	Correspondence to Swedish American regarding request for medical records with Authorization to Disclose Protected Health Information	0.50	$200.00	$100.00
		MATTER TOTALS:	**4.25**		**$850.00**

DISBURSEMENTS		AMOUNT
MATTER:	***2112-004***	
RE:	***Disability Application of Thomas Hartzell***	
	Facsimile	5.00
	Photocopy	15.85
	Postage	25.54
May-22-22	Subpoena/Witness Fee Glen Ellyn Police Department	25.00
May-26-22	Medical Records Fee Javon Bea Hospital	2.00
	Medical Records Fee Dr. Sanchez-Gomez	50.26
	Medical Records Fee Northwestern Medicine	2.00

Medical Records Fee Aspen Counseling	56.16
MATTER TOTALS:	**$181.81**

TOTAL FEES	$850.00
TOTAL DISBURSEMENTS	$181.81
AMOUNT DUE THIS BILL	$1,031.81
PREVIOUS BALANCE	$0.00
RETAINER AMOUNT APPLIED	$0.00
TOTAL AMOUNT DUE	**$1,031.81**

RETAINER BALANCE $0.00

CODE	AMOUNT	APPROVAL	DATE
90000	$ 1031.81		
520700		see email attachment.	

VILLAGE OF GLEN ELLYN, ILLINOIS
POLICE PENSION FUND

Municipal Compliance Report (40 ILCS 5/3-143, report by pension board)
For the Year Ended December 31, 2021

The Glen Ellyn Police Pension Board certifies to the Village Board on the condition of the Pension Fund at the end of its most recently completed fiscal year the following information:

1. The total assets of the fund in its custody at the end of the fiscal year and the current market value of those assets:

Total Assets	$38,947,824
Market Value	$38,947,824

2. The estimated receipts during the next succeeding fiscal year from deductions from the salaries of police officers and from other sources:

Estimated Receipts - Employee Contributions	$431,756
Estimated Receipts - All Other Sources	
Investment Earnings	N/A
Municipal Contributions	$2,082,272

3. The estimated amount required during the next succeeding fiscal year to (a) pay all pensions and other obligations provided in Article 3 of the Illinois Pension Code, and (b) to meet the annual requirements of the fund as provided in Sections 3-125 and 3-127:

(a) Pay all Pensions and Other Obligations	$2,082,272
(b) Annual Requirement of the Fund as Determined by:	
Illinois Department of Insurance	N/A
Private Actuary - Report Dated April 28, 2022 (Entry Age Normal)	$2,082,272
Private Actuary - Report Dated April 28, 2022 (PA096-1495)	$1,774,525

Municipal Compliance Report (40 ILCS 5/3-143, report by pension board)
For the Year Ended December 31, 2021

4. The total net income received from investment of assets along with the assumed investment return and actual investment return received by the fund during its most recently completed fiscal year compared to the total net income, assumed investment return, and actual investment return received during the preceding fiscal year:

	Current Fiscal Year	Preceding Fiscal Year
Net Income Received from Investment of Assets	$3,890,220	$3,090,171
Assumed Investment Return		
Illinois Department of Insurance - Actuarial Report	N/A	N/A
Private Actuary - Report Dated April 28, 2022	6.50%	6.50%
Actual Investment Return	11.00%	7.23%

5. The total number of active employees who are financially contributing to the fund:

Number of Active Members	43

6. The total amount that was disbursed in benefits during the fiscal year, including the number of and total amount disbursed to (i) annuitants in receipt of a regular retirement pension, (ii) recipients being paid a disability pension, and (iii) survivors and children in receipt of benefits:

	Number of	Total Amount Disbursed
(i) Regular Retirement Pension	30	$2,161,103
(ii) Disability Pension	2	$ 87,631
(iii) Survivors and Child Benefits	5	$ 299,106

7. The funded ratio of the fund:

Illinois Division of Insurance - Actuarial Report	N/A	N/A
Private Actuary - Report Dated April 28, 2022	67.5%	62.4%

Municipal Compliance Report (40 ILCS 5/3-143, report by pension board)
For the Year Ended December 31, 2021

8. The unfunded liability carried by the fund, along with an actuarial explanation of the unfunded liability:

Unfunded Liability:	
Illinois Department of Insurance - Actuarial Report	N/A
Private Actuary - Report Dated April 28, 2022	$18,768,067

The accrued liability is the actuarial present value of the portion of the projected benefits that has been accrued as of the valuation date based upon the actuarial valuation method and the actuarial assumptions employed in the valuation. The unfunded accrued liability is the excess of the accrued liability over the actuarial value of assets.

9. The investment policy of the Pension Board under the statutory investment restrictions imposed on the fund.

Investment Policy - See Attached

CERTIFICATION OF MUNICIPAL POLICE
PENSION FUND COMPLIANCE REPORT

We, the undersigned Trustees of the Glen Ellyn Police Pension Fund, based upon information and belief, and to the best of our knowledge, certify pursuant to §5/3-134 of the Illinois Pension Code, that the preceding report is true and accurate.

______________________________ President

______________________________ Secretary

Dated: ____________________

VILLAGE OF GLEN ELLYN
POLICE PENSION FUND

ACTUARIAL VALUATION
AS OF JANUARY 1, 2022

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING DECEMBER 31, 2023

GASB 67/68 DISCLOSURE INFORMATION
AS OF DECEMBER 31, 2021

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

April 28, 2022

Patrick Brankin, CPA
Village of Glen Ellyn

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

Dear Mr. Brankin:

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.

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

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.

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

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

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

Respectfully submitted,

Foster & Foster, Inc.

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

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

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, 2022, 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, 2023.

The contribution requirements, compared with those set forth in the January 1, 2021 actuarial report, are as follows:

Valuation Date	1/1/2022	1/1/2021
Applicable to Fiscal Year Ending	12/31/2023	12/31/2022
Total Recommended Contribution	$2,514,028	$2,356,579
% of Projected Annual Payroll	57.7%	62.3%
Member Contributions (Est.)	(431,756)	(374,998)
% of Projected Annual Payroll	(9.9%)	(9.9%)
Village Recommended Contribution	2,082,272	1,981,581
% of Projected Annual Payroll	47.8%	52.4%

As you can see, the Total Recommended Contribution shows an increase when compared to the results determined in the January 1, 2021 actuarial valuation report. The increase is attributable to an increase in active headcount and the natural increase in the amortization payment due to the payroll growth assumption. The increase was offset in part by changes to the assumptions and methods from the prior year.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. Sources of unfavorable experience included an average salary increase of 7.56% which exceeded the 5.53% assumption and lower than expected inactive mortality. These losses were offset in part by gains associated with an investment return of 8.38% (Actuarial Asset Basis Before Method Change) which exceeded the 6.50% assumption and fewer retirements than expected.

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

Based on the results of the 2022 experience study performed for the Illinois Police Officers' Pension Investment Fund, the following assumption changes were made:

- Updated mortality, retirement, disability, and termination rate tables.
- Updated assumed salary increase rates.
- Reduced assumed payroll growth rate from 3.50% to 3.25%.

Based on the funding policy adopted by the Village Board on January 24, 2022, the following methods were changed since the prior valuation:

- The amortization of the unfunded liability will move to an open methodology amortized over 15 years. This is being phased in by simply decreasing the amortization years by 1 each year until the 15 years is reached. At that point, each year the unfunded liability will be reamortized over the 15 year period. The payment will still assume a 100% funding target.
- The actuarial value of assets will now be based on a market valuation without any smoothing applied.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Asmp/Mthd 1/1/2022	Old Asmp/Mthd 1/1/2022	1/1/2021
A. Participant Data			
Number Included			
Actives	43	43	39
Service Retirees	30	30	30
Beneficiaries	5	5	5
Disability Retirees	2	2	2
Terminated Vested	9	9	9
Total	89	89	85
Total Annual Payroll	$4,356,768	$4,356,768	$3,784,040
Payroll Under Assumed Ret. Age	4,356,768	4,356,768	3,784,040
Annual Rate of Payments to:			
Service Retirees	2,161,922	2,161,922	2,094,159
Beneficiaries	299,106	299,106	299,106
Disability Retirees	87,631	87,631	87,176
Terminated Vested	53,098	53,098	46,999
B. Assets			
Actuarial Value	38,947,824	36,827,997	34,556,947
Market Value	38,947,824	38,947,824	35,656,781
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	27,324,498	25,841,925	22,825,278
Disability Benefits	2,392,325	2,448,825	2,118,948
Death Benefits	325,804	337,003	298,065
Vested Benefits	1,861,000	2,181,383	2,202,934
Service Retirees	32,156,369	32,676,618	32,251,526
Beneficiaries	2,555,082	2,642,066	2,706,360
Disability Retirees	1,193,086	1,195,895	1,195,713
Terminated Vested	742,604	733,445	353,498
Total	68,550,768	68,057,160	63,952,322

C. Liabilities - (Continued)	New Asmp/Mthd 1/1/2022	Old Asmp/Mthd 1/1/2022	1/1/2021
Present Value of Future Salaries	49,367,650	48,464,576	42,096,302
Present Value of Future Member Contributions	4,892,334	4,802,839	4,171,744
Normal Cost (Retirement)	804,618	715,604	613,649
Normal Cost (Disability)	130,055	128,831	106,571
Normal Cost (Death)	16,775	17,471	14,885
Normal Cost (Vesting)	102,858	116,823	111,752
Total Normal Cost	1,054,306	978,729	846,857
Present Value of Future Normal Costs	10,834,877	9,875,459	8,549,642
Accrued Liability (Retirement)	18,877,692	18,400,001	16,406,311
Accrued Liability (Disability)	978,643	1,059,962	981,248
Accrued Liability (Death)	130,725	138,326	135,510
Accrued Liability (Vesting)	1,081,690	1,335,388	1,372,514
Accrued Liability (Inactives)	36,647,141	37,248,024	36,507,097
Total Actuarial Accrued Liability	57,715,891	58,181,701	55,402,680
Unfunded Actuarial Accrued Liability (UAAL)	18,768,067	21,353,704	20,845,733
Funded Ratio (AVA / AL)	67.5%	63.3%	62.4%

	New Asmp/Mthd 1/1/2022	Old Asmp/Mthd 1/1/2022	1/1/2021
D. Actuarial Present Value of Accrued Benefits			
Vested Accrued Benefits			
Inactives	36,647,141	37,248,024	36,507,097
Actives	6,097,888	5,916,798	4,768,131
Member Contributions	3,662,315	3,662,315	3,430,420
Total	46,407,344	46,827,137	44,705,648
Non-vested Accrued Benefits	1,029,583	960,807	1,177,546
Total Present Value Accrued Benefits	47,436,927	47,787,944	45,883,194
Funded Ratio (MVA / PVAB)	82.1%	81.5%	77.7%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	(351,017)	0	
Plan Experience	0	2,099,759	
Benefits Paid	0	(3,077,401)	
Interest	0	2,882,392	
Other	0	0	
Total	(351,017)	1,904,750	

	New Asmp/Mthd	Old Asmp/Mthd	
Valuation Date	1/1/2022	1/1/2022	1/1/2021
Applicable to Fiscal Year Ending	12/31/2023	12/31/2023	12/31/2022
E. Pension Cost			
Normal Cost [1]	$1,122,836	$1,042,346	$901,903
% of Total Annual Payroll [1]	25.8	23.9	23.8
Administrative Expenses [1]	20,586	20,586	18,043
% of Total Annual Payroll [1]	0.5	0.5	0.5
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 19 years (as of 1/1/2022) [1]	1,370,606	1,529,139	1,436,633
% of Total Annual Payroll [1]	31.4	35.1	38.0
Total Recommended Contribution	2,514,028	2,592,071	2,356,579
% of Total Annual Payroll [1]	57.7	59.5	62.3
Expected Member Contributions [1]	(431,756)	(431,756)	(374,998)
% of Total Annual Payroll [1]	(9.9)	(9.9)	(9.9)
Expected Village Contribution	2,082,272	2,160,315	1,981,581
% of Total Annual Payroll [1]	47.8	49.6	52.4
F. Past Contributions			
Plan Years Ending:	12/31/2021		
Total Recommended Contribution	2,454,807		
Village Requirement	2,058,218		
Actual Contributions Made:			
Members (excluding buyback)	396,589		
Village	2,059,000		
Total	2,455,589		
G. Net Actuarial (Gain)/Loss	758,894		

[1] Contributions developed as of 1/1/2022 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
2022	18,768,067
2023	18,617,385
2024	18,412,365
2028	17,029,123
2033	15,204,202
2037	13,886,111
2041	12,682,292

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

		Actual	Assumed
Year Ended	12/31/2021	7.56%	5.53%
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%

(ii) 5 Year Comparison of Investment Return on Actuarial Value

		Actual MVA	Actual AVA	Assumed
Year Ended	12/31/2021	11.00%	11.00%	6.50%
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%

Note, 12/31/2021 Actual AVA Investment Return before method change was 8.38%.

DEVELOPMENT OF JANUARY 1, 2022 AMORTIZATION PAYMENT

(1)	Unfunded Actuarial Accrued Liability as of January 1, 2021	$20,845,733
(2)	Sponsor Normal Cost developed as of January 1, 2021	471,859
(3)	Expected administrative expenses for the year ended December 31, 2021	16,942
(4)	Expected interest on (1), (2) and (3)	1,386,194
(5)	Sponsor contributions to the System during the year ended December 31, 2021	2,059,000
(6)	Expected interest on (5)	66,918
(7)	Expected Unfunded Actuarial Accrued Liability as of December 31, 2021, (1)+(2)+(3)+(4)-(5)-(6)	20,594,810
(8)	Change to UAAL due to Assumption/Method Change	(2,585,637)
(9)	Change to UAAL due to Actuarial (Gain)/Loss	758,894
(10)	Unfunded Accrued Liability as of January 1, 2022	18,768,067
(11)	UAAL Subject to Amortization (100% AAL less Actuarial Assets)	18,768,067

Date Established	Years Remaining	1/1/2022 Amount	Amortization Amount
1/1/2022	19	18,768,067	1,286,954

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1)	Unfunded Actuarial Accrued Liability (UAAL) as of January 1, 2021	$20,845,733
(2)	Expected UAAL as of January 1, 2022	20,594,810
(3)	Summary of Actuarial (Gain)/Loss, by component:	
	Investment Return (Actuarial Asset Basis)	(643,499)
	Salary Increases	720,056
	Active Decrements	(279,923)
	Inactive Mortality	291,983
	Other	670,277
	Change in UAAL due to (Gain)/Loss	758,894
	Change to UAAL due to Assumption/Method Change	(2,585,637)
(4)	Actual UAAL as of January 1, 2022	$18,768,067

RECONCILIATION OF CHANGES IN CONTRIBUTION REQUIREMENT

(1)	Contribution Determined as of January 1, 2021	$ 1,981,581
(2)	Summary of Contribution Impact by component:	
	Change in Normal Cost	140,443
	Change in Assumed Administrative Expense	2,543
	Investment Return (Actuarial Asset Basis)	(46,081)
	Salary Increases	51,563
	New Entrants	2,031
	Active Decrements	(20,045)
	Inactive Mortality	20,909
	Contributions (More) or Less than Recommended	(58)
	Increase in Amortization Payment Due to Payroll Growth Assumption	50,282
	Change in Expected Member Contributions	(56,758)
	Assumption/Method Change	(78,043)
	Other	33,905
	Total Change in Contribution	100,691
(3)	Contribution Determined as of January 1, 2022	$2,082,272

STATUTORY MINIMUM REQUIRED CONTRIBUTION

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

	New Asmp/Mthd	Old Asmp/Mthd	
Valuation Date	1/1/2022	1/1/2022	1/1/2021
Applicable to Fiscal Year Ending	12/31/2023	12/31/2023	12/31/2022
Actuarial Accrued Liability (PUC)	54,949,412	55,010,903	52,542,919
Actuarial Value of Assets	36,827,997	36,827,997	34,556,947
Unfunded Actuarial Accrued Liability (UAAL)	18,121,415	18,182,906	17,985,972
UAAL Subject to Amortization	12,626,474	12,681,816	12,731,680
Normal Cost [1]	$1,263,601	$1,233,811	$1,048,379
% of Total Annual Payroll [1]	29.0	28.3	27.7
Administrative Expenses [1]	20,586	20,586	18,043
% of Total Annual Payroll [1]	0.5	0.5	0.5
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 19 years (as of 1/1/2022) [1]	922,094	908,145	877,434
% of Total Annual Payroll [1]	21.1	20.8	23.2
Total Required Contribution	2,206,281	2,162,542	1,943,856
% of Total Annual Payroll [1]	50.6	49.6	51.4
Expected Member Contributions [1]	(431,756)	(431,756)	(374,998)
% of Total Annual Payroll [1]	(9.9)	(9.9)	(9.9)
Expected Village Contribution	1,774,525	1,730,786	1,568,858
% of Total Annual Payroll [1]	40.7	39.7	41.5

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 1/1/2022 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
2022	69,515	2,594,966	2,664,481
2023	149,985	2,559,476	2,709,461
2024	220,854	2,594,087	2,814,941
2025	286,958	2,638,558	2,925,516
2026	348,618	2,668,250	3,016,868
2027	420,627	2,693,071	3,113,698
2028	536,224	2,712,454	3,248,678
2029	709,232	2,725,916	3,435,148
2030	890,903	2,785,502	3,676,405
2031	1,066,022	2,785,970	3,851,992
2032	1,270,832	2,779,730	4,050,562
2033	1,488,331	2,766,798	4,255,129
2034	1,713,930	2,747,286	4,461,216
2035	1,917,391	2,729,141	4,646,532
2036	2,109,260	2,698,840	4,808,100
2037	2,299,022	2,662,678	4,961,700
2038	2,475,741	2,620,930	5,096,671
2039	2,653,418	2,573,846	5,227,264
2040	2,810,370	2,521,650	5,332,020
2041	2,972,554	2,487,374	5,459,928
2042	3,155,013	2,426,948	5,581,961
2043	3,324,282	2,362,002	5,686,284
2044	3,541,742	2,292,861	5,834,603
2045	3,737,503	2,219,898	5,957,401
2046	3,948,627	2,143,459	6,092,086
2047	4,195,282	2,063,870	6,259,152
2048	4,448,353	1,981,440	6,429,793
2049	4,764,204	1,896,379	6,660,583
2050	5,036,405	1,808,851	6,845,256
2051	5,297,657	1,718,949	7,016,606
2052	5,530,123	1,626,708	7,156,831
2053	5,704,752	1,532,155	7,236,907
2054	5,866,716	1,435,462	7,302,178
2055	6,002,541	1,336,978	7,339,519
2056	6,108,038	1,237,298	7,345,336
2057	6,196,878	1,137,327	7,334,205
2058	6,268,129	1,038,131	7,306,260
2059	6,321,792	940,866	7,262,658
2060	6,358,716	846,714	7,205,430
2061	6,377,736	756,833	7,134,569

ACTUARIAL ASSUMPTIONS AND METHODS

Interest Rate	6.50% per year compounded annually, net of investment related expenses.
Mortality Rate	***Active Lives:*** PubS-2010 Employee mortality, unadjusted, with generational improvements with most recent projection scale (currently Scale MP-2021). 10% of active deaths are assumed to be in the line of duty. ***Inactive Lives:*** PubS-2010 Healthy Retiree mortality, adjusted by a factor of 1.15 for male retirees and unadjusted for female retirees, with generational improvements with most recent projection scale (currently Scale MP-2021). ***Beneficiaries:*** PubS-2010 Survivor mortality, unadjusted for male beneficiaries and adjusted by a factor of 1.15 for female beneficiaries, with generational improvements with most recent projection scale (currently Scale MP-2021). ***Disabled Lives:*** PubS-2010 Disabled mortality, adjusted by a factor of 1.08 for male disabled members and unadjusted for female disabled members, with generational improvements with most recent projection scale (currently Scale MP-2021). The mortality assumptions sufficiently accommodate anticipated future mortality improvements.
Retirement Age	See table at end of this section. This is based on a 2022 experience study performed for the Illinois Police Officers' Pension Investment Fund.
Disability Rate	See table at end of this section. 60% of the disabilities are assumed to be in the line of duty. This is based on a 2022 experience study performed for the Illinois Police Officers' Pension Investment Fund.
Termination Rate	See table at end of this section. This is based on a 2022 experience study performed for the Illinois Police Officers' Pension Investment Fund.
Inflation	2.50%.

Salary Increases

See table below. This is based on a 2022 experience study performed for the Illinois Police Officers' Pension Investment Fund.

Salary Scale	
Service	Rate
0	11.00%
1	9.50%
2	8.00%
3	7.50%
4	7.00%
5	6.00%
6	5.00%
7 - 11	4.00%
12 - 29	3.75%
30+	3.50%

Cost-of-Living Adjustment

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

Tier 2: 1.25% per year after the later of attainment of age 60 or first anniversary of retirement.

Marital Status

80% of Members are assumed to be married.

Spouse's Age

Males are assumed to be three years older than females.

Funding Method

Entry Age Normal Cost Method.

Actuarial Asset Method

Market Value of Assets.

Funding Policy Amortization Method

The UAAL is amortized according to a Level Percentage of Payroll method. Ultimately, the amortization period will be a 15-year rolling methodology, with a phase in to 15 years as follows:

2022	19 year amortization
2023	18 year amortization
2024	17 year amortization
2025	16 year amortization
2026 and Later	15 year amortization

The initial amortization amount is 100% of the Accrued Liability less the Actuarial Value of Assets.

Payroll Growth

3.25% 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

Service	Rate
0	13.00%
1	8.00%
2	7.00%
3	6.00%
4	5.00%
5	4.50%
6	4.00%
7	3.50%
8	3.00%
9	2.50%
10	2.25%
11	2.00%
12	1.75%
13	1.50%
14+	1.25%

% Becoming Disabled During the Year

Age	Rate
20	0.000%
25	0.029%
30	0.133%
35	0.247%
40	0.399%
45	0.561%
50	0.675%
55	0.855%
60	1.093%

% Retiring During the Year (Tier 1)

Age	Rate
50 - 54	20%
55 - 62	25%
63	33%
64	40%
65 - 69	55%
70+	100%

% Retiring During the Year (Tier 2)

Age	Rate
50 - 54	5%
55	40%
56 - 62	25%
63	33%
64	40%
65 - 69	55%
70+	100%

GLOSSARY

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

<u>Present Value of Benefits</u> 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.

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

<u>Unfunded Accrued Liability</u> 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.

<u>Total Recommended Contribution</u> is the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over a period of 19 years in the 2022 valuation. This amortization period will ultimately grade down to 15 years in the 2026 valuation, at which point the methodology will maintain a 15-year rolling amortization each year. The recommended amount is adjusted for interest according to the timing of contributions during the year.

<u>Entry Age Normal Cost Method</u> - 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.

- <u>Investment Return</u>: 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.

- <u>Salary Increases</u>: 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.

- <u>Payroll Growth</u>: 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.

- <u>Demographic Assumptions:</u> 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.

- <u>Contribution Risk</u>: 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.

<u>Impact of Plan Maturity on Risk</u>

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 stayed about the same from January 1, 2019 to January 1, 2022, indicating that the plan's maturity level has not significantly changed during the period.

- 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 63.5%. 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 59.4% on January 1, 2019 to 67.5% on January 1, 2022, due mainly to favorable plan experience and assumption and method changes.

- 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, decreased from 0.4% on January 1, 2019 to -1.5% on January 1, 2022. The current Net Cash Flow Ratio of -1.5% 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

	1/1/2022	1/1/2021	1/1/2020	1/1/2019
Support Ratio				
Total Actives	43	39	37	38
Total Inactives	46	46	43	41
Actives / Inactives	93.5%	84.8%	86.0%	92.7%
Asset Volatility Ratio				
Market Value of Assets (MVA)	38,947,824	35,656,781	32,808,661	28,842,655
Total Annual Payroll	4,356,768	3,784,040	3,580,113	3,571,005
MVA / Total Annual Payroll	894.0%	942.3%	916.4%	807.7%
Accrued Liability (AL) Ratio				
Inactive Accrued Liability	36,647,141	36,507,097	36,726,152	35,707,291
Total Accrued Liability	57,715,891	55,402,680	54,836,763	52,804,592
Inactive AL / Total AL	63.5%	65.9%	67.0%	67.6%
Funded Ratio				
Actuarial Value of Assets (AVA)	38,947,824	34,556,947	32,459,565	31,371,025
Total Accrued Liability	57,715,891	55,402,680	54,836,763	52,804,592
AVA / Total Accrued Liability	67.5%	62.4%	59.2%	59.4%
Net Cash Flow Ratio				
Net Cash Flow [1]	(599,177)	(242,051)	(428,117)	109,138
Market Value of Assets (MVA)	38,947,824	35,656,781	32,808,661	28,842,655
Ratio	-1.5%	-0.7%	-1.3%	0.4%

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

STATEMENT OF FIDUCIARY NET POSITION
December 31, 2021

ASSETS	MARKET VALUE
Cash and Cash Equivalents:	
Money Market	963,402
Total Cash and Equivalents	963,402
Receivables:	
Accrued Past Due Interest	66,428
Total Receivable	66,428
Investments:	
Corporate Bonds	6,286,753
U.S. Gov't and Agency Obligations	5,061,173
Insurance Company Contracts	2,727,603
Mutual Funds	23,842,465
Total Investments	37,917,994
Total Assets	38,947,824
LIABILITIES	
Total Liabilities	0
Net Assets:	
Active and Retired Members' Equity	38,947,824
NET POSITION RESTRICTED FOR PENSIONS	38,947,824
TOTAL LIABILITIES AND NET ASSETS	38,947,824

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED December 31, 2021
Market Value Basis

<u>ADDITIONS</u>		
Contributions:		
Member	396,589	
Miscellaneous Member Revenue	41,965	
Village	2,059,000	
Total Contributions		2,497,554
Investment Income:		
Miscellaneous Income	50	
Net Realized Gain (Loss)	639,278	
Unrealized Gain (Loss)	1,045,925	
Net Increase in Fair Value of Investments		1,685,253
Interest & Dividends		2,283,025
Less Investment Expense [1]		(78,058)
Net Investment Income		3,890,220
Total Additions		6,387,774
<u>DEDUCTIONS</u>		
Distributions to Members:		
Benefit Payments	2,547,840	
Refund of Contributions/Transfers	529,561	
Total Distributions		3,077,401
Administrative Expenses		19,330
Total Deductions		3,096,731
Net Increase in Net Position		3,291,043
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		35,656,781
End of the Year		38,947,824

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

ACTUARIAL ASSET VALUATION

Before Method Change

December 31, 2021

Development of Actuarial Value of Assets

Market Value of Assets, 12/31/2021	38,947,824
(Gains)/Losses Not Yet Recognized	(2,119,827)
Actuarial Value of Assets, 12/31/2021	36,827,997
12/31/2021 Limited Actuarial Assets:	36,827,997

Development of Investment Gain/Loss

Market Value of Assets, 12/31/2020	35,656,781
Contributions Less Benefit Payments & Administrative Expenses	(599,177)
Expected Investment Earnings[1]	2,298,218
Actual Net Investment Earnings	3,890,220
2021 Actuarial Investment Gain/(Loss)	1,592,002

[1] Expected Investment Earnings = 6.50% x (35,656,781 + 0.5 x -599,177)

Gains/(Losses) Not Yet Recognized

Plan Year		Amounts Not Yet Recognized by Valuation Year				
Ending	Gain/(Loss)	2021	2022	2023	2024	2025
12/31/2018	(3,731,832)	(746,366)	0	0	0	0
12/31/2019	2,533,264	1,013,306	506,653	0	0	0
12/31/2020	965,475	579,285	386,190	193,095	0	0
12/31/2021	1,592,002	1,273,602	955,201	636,801	318,400	0
Total		2,119,827	1,848,044	829,896	318,400	0

Development of Asset Returns

(A) 12/31/2020 Actuarial Assets:	34,556,947
(I) Net Investment Income:	
1. Interest and Dividends	2,283,075
2. Realized Gains (Losses)	639,278
3. Change in Actuarial Value	25,932
4. Investment Expenses	(78,058)
Total	2,870,227
(B) 12/31/2021 Actuarial Assets:	36,827,997
Actuarial Asset Rate of Return = (2 x I) / (A + B - I):	8.38%
Market Value of Assets Rate of Return:	11.00%
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	643,499

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Before Method Change
December 31, 2021
Actuarial Asset Basis

INCOME		
Contributions:		
Member	396,589	
Miscellaneous Member Revenue	41,965	
Village	2,059,000	
Total Contributions		2,497,554
Earnings from Investments		
Interest & Dividends	2,283,025	
Miscellaneous Income	50	
Net Realized Gain (Loss)	639,278	
Change in Actuarial Value	25,932	
Total Earnings and Investment Gains		2,948,285
EXPENSES		
Administrative Expenses:		
Investment Related[1]	78,058	
Other	19,330	
Total Administrative Expenses		97,388
Distributions to Members:		
Benefit Payments	2,547,840	
Refund of Contributions/Transfers	529,561	
Total Distributions		3,077,401
Change in Net Assets for the Year		2,271,050
Net Assets Beginning of the Year		34,556,947
Net Assets End of the Year[2]		36,827,997

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

STATISTICAL DATA

	1/1/2022	1/1/2021	1/1/2020	1/1/2019
Actives - Tier 1				
Number	20	21	23	24
Average Current Age	44.4	43.3	42.0	41.6
Average Age at Employment	24.7	24.6	24.5	25.5
Average Past Service	19.7	18.7	17.5	16.1
Average Annual Salary	$120,221	$111,910	$108,768	$105,527
Actives - Tier 2				
Number	23	18	14	14
Average Current Age	29.3	27.9	27.5	27.5
Average Age at Employment	25.7	24.4	24.1	24.9
Average Past Service	3.6	3.5	3.4	2.6
Average Annual Salary	$84,885	$79,663	$77,032	$74,168
Service Retirees				
Number	30	30	31	29
Average Current Age	68.5	67.5	66.8	66.8
Average Annual Benefit	$72,064	$69,805	$69,481	$67,174
Beneficiaries				
Number	5	5	4	3
Average Current Age	76.5	75.5	73.0	73.1
Average Annual Benefit	$59,821	$59,821	$44,749	$42,770
Disability Retirees				
Number	2	2	2	3
Average Current Age	63.7	62.7	61.7	63.3
Average Annual Benefit	$43,816	$43,588	$43,361	$45,333
Terminated Vested				
Number	9	9	6	6
Average Current Age	36.8	35.9	36.4	40.9
Average Annual Benefit [1]	$53,098	$46,999	N/A	$58,440

[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	0	1	0	0	0	0	0	0	0	0	0	1
25 - 29	2	4	1	1	2	2	0	0	0	0	0	12
30 - 34	2	0	1	0	0	3	1	0	0	0	0	7
35 - 39	1	1	0	0	0	1	2	1	0	0	0	6
40 - 44	0	0	0	0	0	0	0	7	4	0	0	11
45 - 49	0	0	0	0	0	0	1	1	1	0	0	3
50 - 54	0	0	0	0	0	0	0	0	0	1	0	1
55 - 59	0	0	0	0	0	0	0	0	0	1	0	1
60 - 64	0	0	0	0	0	0	0	0	0	0	1	1
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	5	6	2	1	2	6	4	9	5	2	1	43

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 1/1/2021	39
b. Terminations	
i. Vested (partial or full) with deferred benefits	(1)
ii. Non-vested or full lump sum distribution received	0
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	38
g. New entrants	5
h. Total active life participants in valuation	43

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	30	5	2	9	46
Retired	0	0	0	0	0
Vested Deferred	0	0	0	1	1
Death, With Survivor	0	0	0	0	0
Death, No Survivor	0	0	0	0	0
Disabled	0	0	0	0	0
Transferred service to other fund	0	0	0	(1)	(1)
Rehires	0	0	0	0	0
Expired Annuities	0	0	0	0	0
Data Corrections	0	0	0	0	0
Hired/Termed in Same Year	0	0	0	0	0
b. Number current valuation	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		1/1/2022		1/1/2021
Measurement Date		12/31/2021		12/31/2020
Plan Membership:				
Inactives Currently Receiving Benefits		37		37
Inactives Not Yet Receiving Benefits		9		9
Active Plan Members		43		39
Total		89		85
Covered Payroll	$	4,001,907	$	3,784,040
Net Pension Liability				
Total Pension Liability	$	57,233,458	$	54,828,604
Plan Fiduciary Net Position		38,947,824		35,656,781
Net Pension Liability	$	18,285,634	$	19,171,823
Plan Fiduciary Net Position As a Percentage of Total Pension Liability		68.05%		65.03%
Net Pension Liability As a Percentage of Covered Payroll		456.92%		506.65%
Total Pension Expense	$	1,112,654	$	1,983,641
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		2.25%		1.93%
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	12/31/2021	12/31/2020
Measurement Date	12/31/2021	12/31/2020
Total Pension Liability		
Service Cost	858,081	863,320
Interest	3,519,619	3,499,288
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	1,350,386	(1,219,830)
Changes of Assumptions	(287,796)	-
Contributions - Buy Back	41,965	-
Benefit Payments, Including Refunds of Employee Contributions	(3,077,401)	(2,572,118)
Net Change in Total Pension Liability	2,404,854	570,660
Total Pension Liability - Beginning	54,828,604	54,257,944
Total Pension Liability - Ending (a)	$ 57,233,458	$ 54,828,604
Plan Fiduciary Net Position		
Contributions - Employer	2,059,000	1,959,000
Contributions - Employee	396,589	388,009
Contributions - Buy Back	41,965	-
Net Investment Income	3,890,220	3,090,171
Benefit Payments, Including Refunds of Employee Contributions	(3,077,401)	(2,572,118)
Administrative Expense	(19,330)	(16,942)
Net Change in Plan Fiduciary Net Position	3,291,043	2,848,120
Plan Fiduciary Net Position - Beginning	35,656,781	32,808,661
Plan Fiduciary Net Position - Ending (b)	$ 38,947,824	$ 35,656,781
Net Pension Liability - Ending (a) - (b)	$ 18,285,634	$ 19,171,823
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.05%	65.03%
Covered Payroll	$ 4,001,907	$ 3,784,040
Net Pension Liability as a Percentage of Covered Payroll	456.92%	506.65%

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, 2020	$ 54,828,604	$ 35,656,781	$ 19,171,823
Changes for a Year:			
Service Cost	858,081	-	858,081
Interest	3,519,619	-	3,519,619
Differences Between Expected and Actual Experience	1,350,386	-	1,350,386
Changes of Assumptions	(287,796)	-	(287,796)
Changes of Benefit Terms	-	-	-
Contributions - Employer	-	2,059,000	(2,059,000)
Contributions - Employee	-	396,589	(396,589)
Contributions - Buy Back	41,965	41,965	-
Net Investment Income	-	3,890,220	(3,890,220)
Benefit Payments, Including Refunds of Employee Contributions	(3,077,401)	(3,077,401)	-
Administrative Expense	-	(19,330)	19,330
Net Changes	2,404,854	3,291,043	(886,189)
Balances at December 31, 2021	$ 57,233,458	$ 38,947,824	$ 18,285,634

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	$ 26,997,226	$ 18,285,634	$ 11,250,852

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, 2021

For the year ended December 31, 2021, the Sponsor will recognize a pension expense of $1,112,654.
On December 31, 2021, 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	1,626,165	842,601
Changes of assumptions	425,850	364,252
Net difference between projected and actual earnings on pension plan investments	0	2,119,825
Total	$2,052,015	$3,326,678

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:	
2022	($172,057)
2023	($771,474)
2024	($264,821)
2025	($369,907)
2026	$151,798
Thereafter	$151,798

COMPONENTS OF PENSION EXPENSE
YEAR-END DECEMBER 31, 2021

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning Balance	$ 19,171,823	$ 4,110,289	$ 2,775,469	
Total Pension Liability Factors:				
Service Cost	858,081	-	-	858,081
Interest	3,519,619	-	-	3,519,619
Changes in Benefit Terms	-	-	-	-
Contributions - Buy Back	41,965			41,965
Differences Between Expected and Actual Experience With Regard to Economic or Demographic Assumptions	1,350,386	-	1,350,386	-
Current Year Amortization	-	(232,686)	(439,158)	206,472
Changes in Assumptions About Future Economic or Demographic Factors or Other Inputs	(287,796)	287,796	-	-
Current Year Amortization	-	(365,978)	(141,950)	(224,028)
Benefit Payments, Including Refunds of Employee Contributions	(3,077,401)	-	-	-
Net Change	2,404,854	(310,868)	769,278	4,402,109
Plan Fiduciary Net Position:				
Contributions - Employer	2,059,000	-	-	-
Contributions - Employee	396,589	-	-	(396,589)
Contributions - Buy Back	41,965			(41,965)
Projected Net Investment Income	2,298,218	-	-	(2,298,218)
Difference Between Projected and Actual Earnings on Pension Plan Investments	1,592,002	1,592,002	-	-
Current Year Amortization	-	(1,318,379)	(746,366)	(572,013)
Benefit Payments, Including Refunds of Employee Contributions	(3,077,401)	-	-	-
Administrative Expenses	(19,330)	-	-	19,330
Net Change	3,291,043	273,623	(746,366)	(3,289,455)
Ending Balance	$ 18,285,634	$ 4,073,044	$ 2,798,381	$ 1,112,654

AMORTIZATION SCHEDULE – EXPERIENCE

Year Base Established	Differences Between Expected and Actual Experience	Recognition Period (Years)	2021	2022	2023	2024	2025	Thereafter
			Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience					
2021	$ 1,350,386	7	$ 192,914	$ 192,912	$ 192,912	$ 192,912	$ 192,912	$ 385,824
2020	$ (1,219,830)	6	$ (203,305)	$ (203,305)	$ (203,305)	$ (203,305)	$ (203,305)	$ -
2019	$ 367,487	6	$ 61,248	$ 61,248	$ 61,248	$ 61,248	$ -	$ -
2018	$ 664,880	7	$ 94,983	$ 94,983	$ 94,983	$ 94,983	$ -	$ -
2017	$ (176,284)	6	$ (29,381)	$ (29,381)	$ -	$ -	$ -	$ -
2016	$ 540,079	6	$ 90,013	$ -	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			206,472	116,457	145,838	145,838	(10,393)	385,824

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					
			2021	2022	2023	2024	2025	Thereafter
2021	$ (287,796)	7	$ (41,112)	$ (41,114)	$ (41,114)	$ (41,114)	$ (41,114)	$ (82,228)
2018	$ 993,650	7	$ 141,950	$ 141,950	$ 141,950	$ 141,950	$ -	$ -
2017	$ (705,405)	6	$ (117,568)	$ (117,568)	$ -	$ -	$ -	$ -
2016	$ (1,243,789)	6	$ (207,298)	$ -	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ (224,028)	$ (16,732)	$ 100,836	$ 100,836	$ (41,114)	$ (82,228)

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					
			2021	2022	2023	2024	2025	Thereafter
2021	$ (1,592,002)	5	$ (318,402)	$ (318,400)	$ (318,400)	$ (318,400)	$ (318,400)	$ -
2020	$ (965,475)	5	$ (193,095)	$ (193,095)	$ (193,095)	$ (193,095)	$ -	$ -
2019	$ (2,533,264)	5	$ (506,653)	$ (506,653)	$ (506,653)	$ -	$ -	$ -
2018	$ 3,731,832	5	$ 746,366	$ 746,366	$ -	$ -	$ -	$ -
2017	$ (1,501,145)	5	$ (300,229)	$ -	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ (572,013)	$ (271,782)	$ (1,018,148)	$ (511,495)	$ (318,400)	$ -

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
12/31/2021	2,058,218	2,059,000	(782)	4,001,907	51.45%
12/31/2020	1,924,575	1,959,000	(34,425)	3,784,040	51.77%

The following assumptions were used to determine the Actuarially Determined Contribution for the plan year ending December 31, 2021:

Calculation Timing	The Actuarially Determined Contribution is calculated using a January 1, 2020 valuation date.
Interest Rate	6.50%
Mortality Rate	***Active Lives:*** PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2019. 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-2019. ***Beneficiaries:*** PubS-2010 Survivor mortality, projected 5 years past the valuation date with Scale MP-2019. ***Disabled Lives:*** PubS-2010 Disabled mortality, projected 5 years past the valuation date with Scale MP-2019.
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the January 1, 2020 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, 2021, the annual money-weighted return on Pension Plan investments, net of pension plan investment expense, was 11.21 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
12/31/2021	11.21%
12/31/2020	9.69%

ASSUMPTIONS – GASB PENSION LIABILITY AND PENSION EXPENSE

The GASB 67/GASB 68 Pension Liability as of December 31, 2021 and GASB 68 Pension Expense were determined as follows:

Valuation Date	January 1, 2022
Measurement Date	December 31, 2021
GASB 68 Expense Measurement Period	January 1, 2021 - December 31, 2021
Reporting Period	January 1, 2021 - December 31, 2021
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, 2022 for the Village of Glen Ellyn Police Pension Fund prepared by Foster & Foster Actuaries and Consultants.

The GASB 67/GASB 68 Total Pension Liability and GASB 68 Pension Expense reflect the following assumption changes:

- Updated mortality, retirement, disability, and termination rate tables.
- Updated assumed salary increase rates.

NOTES TO THE FINANCIAL STATEMENTS

Support for Long-Term Expected Rate of Return

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

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

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation adopted as of December 31, 2021, 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	35.00%	1.60%
US Equity	30.00%	5.20%
International Equity	20.00%	5.60%
Global Tactical	5.00%	2.40%
Real Estate - Core	10.00%	4.90%
Total	100.00%	

[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	2.50%

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 2.25 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, 2022 for the Village of Glen Ellyn Police Pension Fund prepared by Foster & Foster Actuaries and Consultants.

Village of Glen Ellyn

535 Duane Street, Glen Ellyn, Illinois

GLEN ELLYN POLICE PENSION FUND INVESTMENT POLICY

I. Authority to manage the Village of Glen Ellyn's Police Pension Fund is derived from the Illinois Pension Code (40 ILCS 5/1-101 et seq. and 5/1A-101 et seq.) and other laws as may be applicable to investments under Article 3 of the Illinois Pension Code (40 ILCS 5/3-101 et seq.) and as such statutes may be amended hereafter. The plan is created for the plan participants and beneficiaries for the exclusive purpose of providing retirement and other benefits to plan participants and beneficiaries.

II. **Policy**:

The fundamental goal of the Glen Ellyn Police Pension Fund is to provide retirement benefits to plan participants. The Pension Fund Board of Trustees (Board) will invest fund assets solely in the interest of fund participants and beneficiaries for the exclusive purpose of providing retirement and other benefits to plan participants and beneficiaries. This investment policy applies to the assets of the Glen Ellyn Police Pension Fund.

III. **Prudence**:

The Board shall prudently oversee the plan assets for the sole benefit of the Fund's beneficiaries. Investments shall be made with care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. That standard of prudence to be used shall be the prudent expert standard. Pension Fund Trustees acting in accordance with the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

IV. **Investment Philosophy**:

The Board believes that fund assets should be managed in a fashion that reflects the fund's unique assets and liabilities, incorporated accepted investment theory and empirical evidence. Specifically, the Board has adopted the following principles:

A. Asset allocation is the key determinant of return and, therefore, commitments to asset allocation targets will be maintained through a disciplined rebalancing program.
B. Diversification, both by and within asset classes, is the primary risk control element.
C. Passive and active management are suitable investment strategies, with passive management especially suitable in highly efficient markets.
D. Frequent trading is precluded as an acceptable investment strategy.

V. Goals and Objectives:

The goals and objectives of the Glen Ellyn Police Pension Fund are as follows:

A. To preserve the actuarial soundness of the plan in order to meet benefit obligations.
B. To achieve long-term (one or two market cycles) rates of return consistent with the actuarial earnings rate.
C. To prudently manage the inherent investment risks that are related to the achievement of investment goals.

VI. Asset Allocation:

Priority: The asset allocation decision is generally regarded as the most important decision to be made in the investment management process. To further the long-term goals and objectives set out in Section IV, the following asset allocation guidelines are established:

ASSET CLASS	TARGET	MINIMUM	MAXIMUM
Certificates of Deposit	0.0%	0.0%	7.0%
Int. Govt./Credit Fixed Income	35.0%	35.0%	45.0%
Total Fixed Income	**35.0%**	**35.0%**	**45.0%**
Large-Cap Value Equity	9.0%	5.0%	13.0%
Large-Cap Core Equity	9.0%	5.0%	13.0%
Mid-Cap Growth Equity	6.0%	3.0%	9.0%
Small-Cap Value Equity	6.0%	3.0%	9.0%
Total U.S. Equity	**30.0%**	**25.0%**	**35.0%**
Non-U.S. Large-Cap Equity	10.0%	5.0%	15.0%
Non-U.S. Small-Cap Equity	5.0%	2.0%	8.0%
Emerging Markets Equity	5.0%	2.0%	8.0%
Total International Equity	**20.0%**	**15.0%**	**25.0%**
Private Core Real Estate	10.0%	5.0%	10.0%
Total Real Estate	**10.0%**	**5.0%**	**10.0%**
Global Tactical	5.0%	0.0%	10.0%
Total Alternative Investments	**5.0%**	**0.0%**	**10.0%**
Total Cash	**0%**	**0%**	**10%**
TOTAL	**100%**		

Rebalancing Policy: The primary purpose of rebalancing is to ensure that the Fund adheres to its strategic asset allocation, which is the Fund's explicit statement of its investment approach. Secondly, historical analysis of portfolio returns when rebalancing is used indicates that rebalancing reduces volatility and may add modest value, in comparison to a similar portfolio that is not rebalanced.

Rebalancing will be carried out in a cost-effective manner. The fund will rebalance as follows:

A: If feasible, cash, as well as indexed investment strategies, will be used to maintain target allocations.

B: Securities will be liquidated from the over-funded asset classes until the target allocations are met.

The Glen Ellyn Police Pension Fund Board will review the portfolio annually for rebalancing and no more frequently than quarterly.

VII. <u>Target Rate of Return</u>

The Board has adopted a 6.5% target rate of return for the Glen Ellyn Police Pension Fund. In order to achieve that return, the Board maintains the following long-term nominal return targets for the following asset classes (with an inflation expectation of 2.25%):

Intermediate Govt./Credit Fixed Income = 2.5%
U.S. Large-Cap Value Equity = 7.3%
U.S. Large-Cap Core Equity = 7.1%
U.S. Mid-Cap Growth Equity = 7.5%
U.S. Small-Cap Value Equity = 8.2%
Non-U.S. Large-Cap Equity = 7.4%
Non-U.S. Small-Cap Equity = 8.1%
Emerging Markets Equity = 8.2%
Private Core Real Estate = 7.7%
Global Tactical = 4.1%

VIII. <u>Authorized and Suitable Investments</u>:

The fund may invest in any type of security allowed for within Illinois Pension Code (40 ILCS 5/1-113.2; 40 ILCS 5/1-113.3; 40 ILCS 5/1-113.4; and 40 ILCS 5/1-113.4a), as they may be amendment from time to time:

1) Interest bearing direct obligations of the United States of America.

2) Interest bearing obligations to the extent that they are fully guaranteed or insured as to payment of principle and interest by the United States of America.

3) Interest bearing bonds, notes, debentures, or other similar obligations of agencies of the United States of America. For the purposes of this Section, "agencies of the United States of America" includes: (i) the Federal National Mortgage Association; (ii) federal land banks, federal intermediate credit banks, federal farm credit banks, and any other entity authorized to issue direct debt obligations of the United States of America under the Farm Credit Acts of 1971 or amendments to that Act; (iii) federal home loan banks and the Federal Home Loan Mortgage Corporation; and (iv) any agency created by Act of Congress that is authorized to issue direct debt obligations of the United States of America.

4) Interest bearing savings accounts or certificates of deposit, issued by federally chartered banks or savings and loan associations, to the extent that the deposits are insured by agencies or instrumentalities of the federal government.

5) Interest bearing savings accounts or certificates of deposit, issued by State of Illinois chartered banks or savings and loan associations, to the extent that the deposits are insured by agencies or instrumentalities of the federal government.

6) Investments in credit unions, to the extent that the investments are insured by agencies or instrumentalities of the federal government.

7) Interest bearing bonds of the State of Illinois.

8) Pooled interest bearing accounts managed by the Illinois Public Treasurer's Investment Pool (Illinois Funds) in accordance with the Deposit of State Moneys Act and interest bearing funds or pooled accounts managed, operated, and administered by banks, subsidiaries of banks, or subsidiaries of bank holding companies in accordance with the laws of the State of Illinois.

9) Interest bearing bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois.

10) Direct obligations of the State of Israel, subject to the conditions and limitations of item (5.1) of Section 1-113.

11) Money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open ended management investment companies; provided that the portfolio of the money market mutual fund is limited to the following: (i) bonds, notes certificates of indebtedness, treasury bills, or other securities that are guaranteed by the full faith and credit of the United States of America as to principal and interest; (ii) bonds, notes debentures, or other similar obligations of the United States of America or its agencies; and (iii) short term obligations of corporations organized in the United States with assets exceeding $400,000,000, provided that (A) the obligations mature no later than 180 days from the date of purchase, (B) at the time of purchase, the

obligations are rated by at least 2 standard national rating services at one of their 3 highest classifications, and (C) the obligations held by the mutual fund do not exceed 10% of the corporation's outstanding obligations.

12) General accounts of life insurance companies authorized to transact business in Illinois.

13) Any combination of the following, not to exceed 65% of the pension fund's net assets: (1) separate accounts that are managed by life insurance companies authorized to transact business in Illinois and are comprised of diversified portfolios consisting of common or preferred stocks, bonds, or money market instruments; (2) separate accounts that are managed by insurance companies authorized to transact business in Illinois, and are comprised of real estate or loans upon real estate secured by first or second mortgages and (3) Mutual Funds that meet the following requirements: (i) the mutual fund is managed by an investment company and registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953; (ii) the mutual fund has been in operation for at least 5 years; (iii) the mutual fund has total net assets of $250 million or more, and; (iv) the mutual fund is comprised of a diversified portfolio of common or preferred stocks, bonds, or money market instruments. (4) through an investment adviser, invest a portion of the assets in common and preferred stocks authorized for investments of trust funds under the laws of the State of Illinois. The stocks must meet all of the following requirements: (a) The common stocks are listed on a national securities exchange or board of trade (as defined in the Federal Securities Exchange Act of 1934 and set forth in Section 3.G of the Illinois Securities Law of 1953) or quoted in the National Association of Securities Dealers Automated Quotation System National Market System (NASDAQN MS), (b) The securities are of a corporation created or existing under the laws of the United States or any state, district, or territory thereof and the corporation has been in existence at least 5 years, (c) The corporation has not been in arrears on payment of dividends on its preferred stock during the preceding 5 years, (d) the market value of stock in any one corporation does not exceed 5 % of the cash and invested assets of the pension fund, and the investments in the stock of any one corporation do not exceed 5% of the total outstanding stock of that corporation, (e) the straight preferred stocks or convertible preferred stocks are issued or guaranteed by a corporation whose common stock qualifies for investment by the board, (f) the issuer of the stocks has been subject to the requirements of Section 12 of the federal Securities Exchange Act of 1934 and has been current with the filing requirements of Sections 13 and 14 of that Act during the preceding 3 years.

14) Corporate bonds managed through an investment advisor must meet all of the following requirements:

(1) The bonds must be rated as investment grade by one of the 2 largest rating services at the time of purchase.

(2) If subsequently downgraded below investment grade, the bonds must be liquidated from the portfolio by the managers within 90 days after being downgraded.

IX. Safekeeping and Custody

Securities will be held by one third party custodian designated by the treasurer and evidenced by safekeeping receipts. The treasurer shall be authorized to instruct security transactions and cash flow activity on behalf of the Glen Ellyn Police Pension Fund Board.

X. Performance Benchmarks

As a primary return target, the Glen Ellyn Police Pension Fund's asset allocation has been optimized to meet the 6.5% rate set forth by the Pension Board over full market cycles. The Board is cognizant that natural market volatility over shorter term measurement periods can cause the Fund's return to fluctuate around this absolute return target. As such, a customized blended benchmark has been established as a secondary and relative return target. This benchmark is constructed as a passive implementation of the Fund's target asset allocation. Further detail surrounding the underlying benchmarks used in the construction of this benchmark can be found in Addendum A.

XI. Investment Manager Performance Review and Evaluation

Performance reports generated by the Investment Consultant shall be compiled at least quarterly and communicated to the Trustees for review. The investment performance of total portfolios as well as asset class composite and individual managers will be measured against commonly accepted performance benchmarks. Consideration shall be given to the investment objectives, goals and guidelines as set forth in this statement of investment policy. The Trustees intend to evaluate the portfolio over at least a three to five year period, but reserve the right to terminate a manager for any reason, including the following:

A. Investment performance which is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification for poor results.
B. Failure to adhere to any aspect of this statement of investment policy, including communication and presorting requirements.
C. Significant qualitative changes to the investment management organization(s).

Investment managers shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

The following terminology has been developed to facilitate efficient communication between the investment managers, investment consultant, and the Board. Each term signifies a particular status with the Fund and any conditions that may require improvement. In each case, communication is made only after consultation with the Board and staff.

	STATUS	***DESCRIPTION***
A.	***"In Compliance"***	The investment manager is acting in accordance with the Investment Policy Statement.
B.	***"Alert"***	The investment manager is notified of a problem in performance (usually related to a benchmark or volatility measure), a change in investment characteristics, an alteration in management style or key investment professionals, and/or any other irregularities.
C.	***"On Notice"***	The investment manager is notified of continued concern with one or more Alert issues. Failure to improve upon stated issues within a specific time frame justifies termination.
D.	***"Termination"***	The Board has decided to terminate the investment manager. The investment manager is notified and transition plans are in place.

XII. Reporting:

An investment report shall be regularly provided to the Police Pension Board. The report will include the following:

A. A listing of individual securities held at the end of the reporting period.
B. The percentage of the total portfolio which each type of investment represents.
C. The percentage of the total portfolio which each institution is holding.
D. Principal and type of investment by fund.

Operational Guidelines

Intermediate Govt./Credit Fixed Income Management – Separate Account

This document contains the guidelines and restrictions that apply to the intermediate government bond and mortgage manager of the Pension Fund (see addendum A).

Permissible Investments

1. The manager shall comply with all of the provisions of the Illinois Pension Code relating to Article 4 Pension Funds, specifically Sections 1-113.1, 1-113.2, 1-113.3, 1-113.4, and 1-113.4a relating to Permissible Investments (40 ILCS 5/1-113.2 et. seg.). In accord with the applicable portions of the Pension Code, above referenced, the manager may invest in the following fixed income securities:

    a) Investment Grade Corporate Bonds
    b) Treasury Bills
    c) Treasury Notes
    d) Government Agencies (This includes bonds issued by the Federal National Mortgage Association, Student Loan Marketing Association, federal land banks, federal intermediate credit banks, entities authorized to issue debt obligations of the United States of America under the Farm Credit Act of 1971, federal home loan banks, Federal Home Loan Mortgage Corporation, and any other agency created by Act of Congress that is authorized to issue direct obligations of the United States of America)
    e) Certificates of Deposit
    f) Investments in credit unions
    g) State of Illinois interest bearing Bonds
    h) Illinois Public Treasurers Investment Pool
    i) Interest bearing Bonds and Tax Anticipant Warrants of any county, township, or municipal corporation of the State of Illinois
    j) State of Israel - Direct Obligations
    k) Money Markets Mutual Funds (See Section 1-113.2(11) for restrictions)

2. No single security should comprise more that 10% of the portfolio's overall allocation after accounting for price appreciation.

3. The average duration of the portfolio is not to vary more than +/-30% of the duration of the index (refer to Addendum A).

4. The manager may invest up to 10% of its portfolio in cash or cash equivalents.

Investment Objective

Over reasonable measurement periods (3 to 5 years), the portfolio's return net of fees should exceed the return of the appropriate benchmark index (see Addendum A).

Investment Guidelines for the Mutual or Commingled Fund Equity Managers

This document contains the guidelines and restrictions that apply to the equity manager(s) of the Pension Fund invested in commingled or mutual fund vehicles (see Addendum A).

Permissible Investments

1. These funds are governed by the guidelines and restrictions contained in their prospectuses or participation agreements.

Investment Objective

Over reasonable measurement periods (3 to 5 years), the portfolio's return net of fees should exceed the return of the respective benchmark indexes (refer to Addendum A).

Addendum A
Defining the Investment Professionals and Benchmark Indexes

ASSET CLASS	INVESTMENT MANAGER	BENCHMARK INDEX
CD Portfolio	Various	91 Day T-Bill
Int. Govt./Credit Fixed Income	Great Lakes Advisors	Bloomberg BarCap Int. Govt./Credit
U.S. Large-Cap Value Equity	Vanguard	Russell 1000 Value
U.S. Large-Cap Core Equity	Vanguard	S&P 500
U.S. Mid-Cap Growth Equity	Vanguard	CRSP US Mid Growth
U.S. Small-Cap Value Equity	TBD	Russell 2000 Value
Non-U.S. Large-Cap Equity	Vanguard	FTSE Developed ex US All-Cap
Non-U.S. Small-Cap Equity	Goldman Sachs	MSCI EAFE Small Cap
Emerging Markets Equity	DFA	MSCI Emerging Markets
Global Tactical	TBD	Bloomberg BarCap Int. Govt./Credit
Private Core Real Estate	Principal	NFI-ODCE

INVESTMENT PROFESSIONAL	SERVICE PROVIDER
Custodian	U.S. Bank
Investment Consultant	Marquette Associates

Addendum B – Board of Trustees Adoption of Policy

This Investment Policy Statement was adopted by the Board of Trustees of the Glen Ellyn Police Pension Fund on 7/19/2017.

Board of Trustees' Acknowledgments:

We have received this copy of the Pension Fund's Investment Policy. We have studied its provisions and believe that we can both abide by its restrictions and fulfill its goals and expectations over the timetables set forth in the Policy.

Name	Name
Trustee	Trustee - President
Title	Title
Name	Name
Trustee	
Title	Title
Name	Name
Trustee - Secretary	
Title	Title
Name	Name
Trustee	
Title	Title

Addendum C – Investment Professional Adoption of Policy

Investment Professional's Acknowledgments:

We have received this copy of the Pension Fund's Investment Policy. We have studied its provisions and believe that we can both abide by its restrictions and fulfill its goals and expectations over the timetables set forth in the Policy.

MARQUETTE ASSOCIATES, INC
Firm Name

CHRISTOPHER CAPARELLI, CFA
Investment Professional Name

Investment Professional Signature

Glen Ellyn Police Pension Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting 10/19/2022 4:30 PM
Department: Finance
Department Head: Larry Noller
Category: Contract
Prepared By: Larry Noller

AGENDA ITEM (ID # 2022-2764)

DOC ID: 2022-2764

Consider approval of administrative and accounting services.

Statement of the Issue:
Consider approval of administrative and accounting services.

Analysis:
The Village of Glen Ellyn currently provides the Police Pension Fund with administrative and accounting services by utilizing Finance Department staff. Many Police Pension Funds in the local area utilize outsourced services to provide these services. The Finance Department continues to experience increasing demand for services and outsourcing a portion or all of pension fund accounting and administrative tasks is recommended.

Budget Impact:
The cost of services with be included in the Police Pension Fund budget. Investment expenses are expected to decrease due to the recent consolidation.

Action Requested:
Consider approval of a contract for administrative and accounting services.

Attachments:

Glen Ellyn Police Pension Board
535 Duane Street
Glen Ellyn, IL 60137

Meeting 10/19/2022 4:30 PM
Department: Finance
Department Head:
Category: Reminder
Prepared By:

AGENDA ITEM (ID # 2022-2736)

DOC ID: 2022-2736

Meetings in 2023: January 18, April 19, July 19, October 18

Statement of the Issue:

Analysis:

Budget Impact:

Action Requested:

Attachments: