



Agenda
Village of Glen Ellyn
Finance Commission Meeting
Friday, February 13, 2026
7:00 AM
Glen Ellyn Civic Center, Room 301

Visitors are most welcome to attend all meetings of the Finance Commission and can find copies of the Agenda at the meeting or online at www.glenellyn.org prior to the meeting. Any individual with a disability requiring reasonable accommodation in order to participate in a meeting should contact The Village of Glen Ellyn ADA Coordinator, 630-469-5000, at least five (5) business days in advance of the next scheduled meeting. All matters on the Agenda may be discussed, amended, and acted upon.

- A. **Call to Order**
- B. **Roll Call**
- C. **Public Comment**
- D. **Approval of Minutes**
 - 1) December 12, 2025 meeting
- E. **Financial Reports**
 - 1) Q4 2025 Financial Report
- F. **Police Pension Funding Policy**
 - 1) Police Pension Funding Policy
- G. **Staff Report**
- H. **Chairperson's Report**
- I. **Trustee Liaison's Report**
- J. **Other Business**

Civility Pledge - In the interest of civility, I pledge to promote civility by listening, being respectful of others, acknowledging that we are striving to support and improve our community, and understanding that we each may have different ideas for achieving that objective.

Finance Commission Agenda

February 13, 2026

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K. Reminders

L. Adjourn



Minutes
 Village of Glen Ellyn
 Finance Commission
 Regular Meeting
 December 12, 2025
 7:00AM
 Glen Ellyn Civic Center

Board or Commission: Finance
Meeting: Regular
Quorum: Yes

Date: December 12, 2025
Called to Order: 7:00 a.m.
Adjourned: 7:45 a.m.

MEMBER ATTENDANCE:

Chris Goodman	Chair	Present
Lea Dan	Vice-Chair	Present
Anne Arnold	Commissioner	Present
Mike Graham	Commissioner	Present
Leo Hoerdemann	Commissioner	Absent
Grant Lavery	Commissioner	Present
Kevin Moffitt	Commissioner	Present
Brian Niksa	Commissioner	Present
Scott Waldbusser	Commissioner	Absent
Also Present:		
Patrick Brankin	Finance Director	
Kelli Christiansen	Village Trustee	
Elisa Pollina	Recording Secretary	

A. CALL TO ORDER

The December 12, 2025 regular meeting of the Finance Commission was called to order by Chairman Goodman at 7:00 AM at the Glen Ellyn Civic Center.

B. PUBLIC COMMENT – None

C. APPROVAL OF MINUTES FROM NOVEMBER 14, 2025 MEETING

MOVE TO APPROVE THE MINUTES OF FINANCE COMMISSION FROM 11/14/2025

RESULT: Motion Unanimously Carried

MOVER: Commissioner Moffitt

SECONDER: Commissioner Dan

AYES: 7

D. 2026 AGENDA PLANNING

1. 2026 Agenda Planning – Chairman Goodman reported that he met with Village Manager Franz and Finance Director Brankin to discuss items for the Commission’s 2026 agenda. Topics identified include completing the scorecard and taking a deeper review of facilities needs as they relate to Village finances. Commissioner Moffitt asked for clarification on what “facilities’ needs” would encompass. Chairman Goodman explained that this includes items such as lead service line replacements, fire stations and the Public Works facility, which is nearing obsolescence.

Trustee Christiansen added that with respect to fire stations, additional considerations include where a station would be located if an existing facility is demolished and how fire services would be temporarily relocated. She also noted the ongoing need for fire stations on both the north and south sides of the railroad tracks, as fire service areas extend beyond Geneva Road. Finance Director Brankin stated that construction on a fire station would not begin in 2026 and that the Village is already generating revenues to be used for this purpose.

Chairman Goodman emphasized that the Public Works facility is a high priority due to its small size and deteriorated condition. Commissioner Niksa asked whether the Village has identified facility needs that must be addressed within the next ten years. Trustee Christiansen responded that while there have been general discussions, the Village Board will be holding a strategic planning session to establish priorities. Commissioner Niksa stated a preference for receiving direction from the Board to help shape the Commission’s agenda.

Finance Director Brankin noted that expenditures related to lead service line replacement are funded for 2025 and 2026. He added that the final inventory is due in 2026, at which point water fees can be reevaluated. Trustee Christiansen added that the number of lead service lines continues to decrease, which is encouraging, and that replacements will be coordinated with street repair projects. Brankin also mentioned that police pension assumptions will be another topic of discussion in 2026.

Chairman Goodman concluded by summarizing the proposed 2026 agenda items, which include the scorecard, facilities’ needs, fire stations, fees, and police pension assumptions, in addition to the Commission’s regular items such as quarterly financial reports. He noted that a calendar will be developed for the upcoming year.

- E. STAFF REPORT** – Finance Director Brankin provided a staff report, stating that there will be no meeting in January, with the next meeting scheduled for February 13, 2026. He also reported that the Finance Department is in the process of hiring a part-time accountant and has identified a strong candidate. In addition, the department is seeking to fill a staff accountant position.

- F. CHAIRPERSON'S REPORT** – Chairman Goodman thanked the Commission for their work over the past year.
- G. TRUSTEE LIAISON'S REPORT** – Trustee Christiansen provided several updates. She reported that demolition at the hotel site is ongoing. She also noted that the Village Board approved the Historic Preservation Commission's incentive pilot program. In addition, the Board granted several variances at Monday's meeting.
- H. OTHER BUSINESS** – None
- I. REMINDERS** – Next meeting, Friday, February 13, 2026 at 7:00 a.m.
- J. ADJOURNMENT**– Commissioner Niksa motioned to adjourn the meeting and Commissioner Dan seconded the motion. The meeting was adjourned at 7:45 a.m.

Submitted by Elisa Pollina, Recording Secretary

Reviewed by Patrick Brankin, Finance Director



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

Meeting 2/13/2026 7:00 AM
Department: Finance
Department Head:
Category: Report
Prepared By:

AGENDA ITEM (ID # 2026-118)

DOC ID: 2026-118

Q4 2025 Financial Report

Statement of the Issue:

Analysis:

Budget Impact:

Contribution to Strategic Plan

Action Requested:

Attachments:

Glen Ellyn Police Pension Fund

Cost Impact of Interest Rate Changes

	Baseline: 6.5% Interest	Scenario 1: 6.75% Interest	Scenario 2: 7.00% Interest
Plan Funding Impact			
Funded Status			
Total Actuarial Accrued Liability (AL)	\$68,296,635	\$66,043,813	\$63,907,632
Actuarial Value of Assets (AVA)	<u>42,052,296</u>	<u>42,052,296</u>	<u>42,052,296</u>
Unfunded Actuarial Accrued Liability (UAAL)	26,244,339	23,991,517	21,855,336
Funded Ratio (AVA / AL)	61.6%	63.7%	65.8%
<i>Change from Baseline</i>		2.1%	4.2%
Actuarial Recommended Contribution			
Normal Cost	\$1,301,002	\$1,217,811	\$1,140,960
Administrative Expenses	66,212	66,368	66,523
Payment Required to Amortize UAAL	<u>2,181,669</u>	<u>2,031,297</u>	<u>1,884,374</u>
Total Recommended Contribution	3,548,883	3,315,476	3,091,857
Expected Member Contributions	<u>(526,883)</u>	<u>(526,883)</u>	<u>(526,883)</u>
Expected Village Contribution	3,022,000	2,788,593	2,564,974
<i>Change from Baseline</i>		(233,407)	(457,026)
Accounting Impact			
Net Pension Liability			
Total Pension Liability (TPL)	\$67,703,303	\$65,476,225	\$63,362,894
Plan Fiduciary Net Position	<u>41,484,269</u>	<u>41,484,269</u>	<u>41,484,269</u>
Net Pension Liability (NPL)	26,219,034	23,991,956	21,878,625
Funded Ratio (AVA / AL)	61.3%	63.4%	65.5%
<i>Change from Baseline</i>		2.1%	4.2%
Assumptions and Methods			
Interest Rate	6.50%	6.75%	7.00%
Funded Target	100%	100%	100%
Amortization Years ¹	16	16	16
Payroll Growth Assumption	3.25%	3.25%	3.25%
Cost Method	EAN	EAN	EAN
Valuation Date	1/1/2025	1/1/2025	1/1/2025
Applicable to Fiscal Year Ending	12/31/2026	12/31/2026	12/31/2026



Village of Glen Ellyn Police Pension Fund

GASB Disclosure Information Statements 67/68

Measurement Date: December 31, 2024

GASB 68 Expense

Reporting Date: December 31, 2024

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

April 28, 2025

Patrick Brankin, CPA
Village of Glen Ellyn Police Pension Fund

Re: GASB Statements 67/68 – Village of Glen Ellyn Police Pension Fund

Dear Mr. Brankin,

We are pleased to present this report of the GASB Statements 67/68 measured as of December 31, 2024. GASB 68 Expense is determined for the reporting period ending December 31, 2024.

The calculation of the liability associated with the benefits referenced in this report was performed to satisfy the requirements of GASB 67/68 and is not applicable for other purposes, such as determining the plan's funding requirements. Use of the results for other purposes may not be applicable and may produce significantly different results.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of January 1, 2025. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB 67/68.

DATA AND ASSUMPTIONS

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

DISCLOSURES AND LIMITATIONS

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in plan provisions or applicable law. Due to the limited scope of this report, we did not provide an analysis of these potential differences.

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.

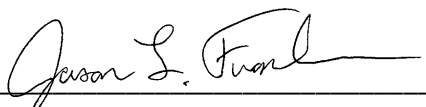
ACTUARIAL CERTIFICATION

The valuation has been conducted in accordance with all applicable laws and regulations, as well as generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board.

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 this report has any direct financial interest or indirect material interest in Village of Glen Ellyn Police Pension Fund, 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.

Respectfully submitted,
Foster & Foster, Inc.



Jason L. Franken, FSA, EA, MAAA



Heidi Andorfer, FSA, EA, MAAA

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SUMMARY

Valuation Date	01/01/2025	01/01/2024
GASB 67/68 Measurement Date	12/31/2024	12/31/2023
GASB 68 Reporting Date	12/31/2024	12/31/2023

PLAN MEMBERSHIP

Inactives Currently Receiving Benefits	38	38
Inactives Not Yet Receiving Benefits	11	13
Active Plan Members	<u>45</u>	<u>43</u>

Total	94	94
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Covered Payroll	\$ 4,995,590	\$ 4,493,047
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NET PENSION LIABILITY/(ASSET)

Total Pension Liability	\$ 67,703,303	\$ 64,998,211
Plan Fiduciary Net Position	<u>41,484,269</u>	<u>38,269,224</u>
Net Pension Liability/(Asset)	\$ 26,219,034	\$ 26,728,987

Plan Fiduciary Net Position As a % of Total Pension Liability	61.27%	58.88%
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Net Pension Liability/(Asset) As a % of Covered Payroll	524.84%	594.90%
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Total Pension Expense/(Income)	\$ 3,477,129	\$ 2,953,933
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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	4.28%	4.00%
Number of Years Future Benefit Payments Are Expected to be Paid	All Years	All Years

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

GASB 67/68 Measurement Date	12/31/2024	12/31/2023
GASB 68 Reporting Period Ending	12/31/2024	12/31/2023

TOTAL PENSION LIABILITY

Service Cost	1,130,581	1,019,899
Interest	4,198,488	3,785,354
Changes in Benefit Terms	0	0
Experience Gains/Losses	385,631	4,286,273
Changes of Assumptions	0	0
Contributions – Buy Back	63,745	117,266
Benefit Payments	(3,073,353)	(2,853,792)
Net Change in Total Pension Liability	<u>2,705,092</u>	<u>6,355,000</u>
Total Pension Liability – Beginning	64,998,211	58,643,211
Total Pension Liability – Ending (a)	<u>\$ 67,703,303</u>	<u>\$ 64,998,211</u>

PLAN FIDUCIARY NET POSITION

Contributions – Employer	2,152,200	2,082,300
Contributions – Employee	495,063	445,261
Contributions – Buy Back	63,745	117,266
Net Investment Income	3,639,561	4,556,704
Benefit Payments	(3,073,353)	(2,853,792)
Administrative Expense	(62,171)	(68,181)
Other	<u>0</u>	<u>0</u>
Net Change in Plan Fiduciary Net Position	3,215,045	4,279,558
Plan Fiduciary Net Position – Beginning	38,269,224	33,989,666
Adjustment to beginning of year	<u>0</u>	<u>0</u>
Plan Fiduciary Net Position – Ending (b)	<u>\$ 41,484,269</u>	<u>\$ 38,269,224</u>

Net Pension Liability – Ending (a) – (b) \$ 26,219,034 \$ 26,728,987

Plan Fiduciary Net Position
 As % of Total Pension Liability 61.27% 58.88%

Covered Payroll \$ 4,995,590 \$ 4,493,047

Net Pension Liability
 As % of Covered Payroll 524.84% 594.90%

SENSITIVITY TO CHANGES IN DISCOUNT RATE

GASB 67/68 Measurement Date	12/31/2024	12/31/2023
GASB 68 Reporting Date	12/31/2024	12/31/2023
Discount Rate	6.50%	6.50%
+ 1% Discount Rate	7.50%	7.50%
- 1% Discount Rate	5.50%	5.50%
Sponsor's Net Pension Liability		
Current Discount Rate	\$ 26,219,034	\$ 26,728,987
1% Increase in Discount Rate	17,997,202	18,796,728
1% Decrease in Discount Rate	36,388,493	36,554,107

PENSION EXPENSE YEAR-END DECEMBER 31, 2024

For the year ended December 31, 2024, the Sponsor will recognize a Pension Expense/(Income) of \$3,477,129. Below is a summary of the components of the Pension Expense.

Fiscal Year End	12/31/2024
Beginning of Measurement Period	01/01/2024
End of Measurement Period	12/31/2024
Service Cost	\$ 1,130,581
Interest on Total Pension Liability	4,198,488
Changes in Benefit Terms	0
Contributions – Employee	(495,063)
Projected Earnings on Investments	(2,473,703)
Administrative Expenses	62,171
Recognition of deferred outflows/(inflows)	
Experience Gains/Losses	712,576
Assumption Changes	100,836
Investment Returns	241,243
Total Pension Expense	\$ 3,477,129

PENSION DEFERRED OUTFLOWS/INFLOWS - YEAR-END DECEMBER 31, 2024

On December 31, 2024, the Sponsor will report 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	3,970,901	606,017
Changes of assumptions	0	123,342
Net difference between projected and actual earnings on pension plan investments	249,451	0
Total	\$ 4,220,352	\$ 729,359

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:	
2025	\$ 949,566
2026	1,471,271
2027	14,086
2028	333,565
2029	667,415
Thereafter	55,090

SUPPLEMENTARY GASB 68 EXPENSE DETAIL

AMORTIZATION SCHEDULE – EXPERIENCE

Year	Initial Base	Recognition Period	2024	2025	2026	2027	2028	Thereafter
2024	\$ 385,631	7	\$ 55,091	\$ 55,090	\$ 55,090	\$ 55,090	\$ 55,090	\$ 110,180
2023	4,286,273	7	612,325	612,325	612,325	612,325	612,325	612,325
2022	(704,748)	7	(100,678)	(100,678)	(100,678)	(100,678)	(100,678)	0
2021	1,350,386	7	192,912	192,912	192,912	192,912	0	0
2020	(1,219,830)	6	(203,305)	(203,305)	0	0	0	0
2019	367,487	6	61,248	0	0	0	0	0
2018	664,880	7	94,983	0	0	0	0	0
Net Increase/(Decrease) in Pension Expense			\$ 712,576	\$ 556,344	\$ 759,649	\$ 759,649	\$ 566,737	\$ 722,505

AMORTIZATION SCHEDULE – CHANGES OF ASSUMPTIONS

Year	Initial Base	Recognition Period	2024	2025	2026	2027	2028	Thereafter
2021	\$ (287,796)	7	\$ (41,114)	\$ (41,114)	\$ (41,114)	\$ (41,114)	0	0
2018	993,650	7	141,950	0	0	0	0	0
Net Increase/(Decrease) in Pension Expense			\$ 100,836	\$ (41,114)	\$ (41,114)	\$ (41,114)	0	0

AMORTIZATION SCHEDULE – INVESTMENTS

Year		Initial Base	Recognition Period		2024	2025	2026	2027	2028	Thereafter
2024	\$	(1,165,858)	5	\$	(233,170)	\$ (233,172)	\$ (233,172)	\$ (233,172)	\$ (233,172)	\$ 0
2023		(2,356,383)	5		(471,277)	(471,277)	(471,277)	(471,277)	0	0
2022		7,285,922	5		1,457,185	1,457,185	1,457,185	0	0	0
2021		(1,592,002)	5		(318,400)	(318,400)	0	0	0	0
2020		(965,475)	5		(193,095)	0	0	0	0	0
Net Increase/(Decrease) in Pension Expense				\$	241,243	\$ 434,336	\$ 752,736	\$ (704,449)	\$ (233,172)	\$ 0

ADDITIONAL EXHIBITS

SCHEDULE OF CONTRIBUTIONS

Plan Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contrib. as % of Covered Payroll
12/31/2024	\$ 2,152,136	\$ 2,152,200	\$ (64)	\$ 4,995,590	43.08%
12/31/2023	\$ 2,082,272	\$ 2,082,300	\$ (28)	\$ 4,493,047	46.34%

The following assumptions were used to determine the Actuarially Determined Contribution for the plan year ended December 31, 2024:

Calculation Timing	The Actuarially Determined Contribution is calculated using a January 1, 2023 valuation date.
Interest Rate	6.50%
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the January 1, 2023 Actuarial Valuation Report for the Village of Glen Ellyn Police Pension Fund prepared by Foster & Foster Actuaries and Consultants.

ASSUMPTIONS

Valuation Date	January 1, 2025
GASB 67/68 Measurement Date	December 31, 2024
GASB 68 Reporting Date	December 31, 2024
Discount Rate	6.50%
Long-Term Rate of Return	6.50%
Cost Method	Entry Age Normal
Latest Experience Study Date	2022
Mortality	
<i>Active Lives:</i>	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.
<i>Inactive Lives:</i>	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).
<i>Disabled Lives:</i>	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).
Salary Scale	Service-based rates
Inflation	2.50%

A summary of other assumptions reflected in the valuation can be found in the January 1, 2025 Actuarial Valuation Report for the Village of Glen Ellyn Police Pension Fund prepared by Foster & Foster Actuaries and Consultants.

CHANGES IN ASSUMPTIONS

Total Pension Liability as of the December 31, 2024 measurement date reflects no assumption changes.

DEVELOPMENT OF THE DISCOUNT RATE

The projection of cash flows used to determine the Discount Rate assumed that current 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.

No projected benefit payments were discounted using a high-quality municipal bond rate of 4.28 percent. The high-quality municipal bond rate was 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 single equivalent Discount Rate was 6.50 percent.

SUMMARY OF CURRENT PLAN

PLAN DESCRIPTION

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 Actuarial Valuation as of January 1, 2025 for the Village of Glen Ellyn Police Pension Fund prepared by Foster & Foster Actuaries and Consultants.

BENEFIT CHANGES

No benefit changes have been reflected since the prior year.



VILLAGE OF GLEN ELLYN

POLICE PENSION FUNDING POLICY

Updated by the Village Board on 11-28-2022

1.0 Applicability

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

2.0 Background

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

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

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

3.0 Policy

3.1 Village Annual Required Contribution (ARC)

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

- a. The ARC will be calculated by an enrolled actuary.
- b. The ARC will include the normal cost for current service and amortization to collect or refund any under- or over-funded amount.
- c. The normal cost will be calculated using the entry age normal level of percentage of payroll actuarial cost method using the following assumptions:
 - i. The investment rate of return assumption will be 6.50%.
 - ii. Other factors, such as salary increases, payroll growth, rates of separation, disability, retirement, mortality, etc., shall be determined by Village management in consultation with the actuary to reflect current experience.
- d. The Village will transition to a 15-year open amortization period beginning in 2022. The transition will be in one-year increments with a target completion date of 2027.
- e. Actuarial assets will be set to market value as of the January 1, 2022 valuation. Thereafter, the assets will be determined using a smoothing method to reduce the effects of market volatility on the Village's contributions. A 5-year smoothed market value method will be used to recognize variances from actuarial assumptions compared to actual market returns.

3.2 Transparency and Reporting

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

- a. A copy of the annual actuarial valuation for the Glen Ellyn Police Pension Fund shall be made available to the Village Board and the Glen Ellyn Police Pension Fund Board of Trustees.
- b. The Village's Annual Comprehensive Financial Report shall be published on its website. This report includes information on the Village's annual contribution to the Glen Ellyn Police Pension Fund, and funded status of the Glen Ellyn Police Pension Fund.
- c. Each year, the Village Board shall approve the Village's annual contribution to the Glen Ellyn Police Pension Fund.
- d. The Village's annual operating budget shall include the Village's contribution to the Glen Ellyn Police Pension Fund as well as a budget for the Glen Ellyn Police Pension Fund. The budget for the Glen Ellyn Police Pension Fund is controlled by the Glen Ellyn Police Pension Fund Board of Trustees, in accordance with state law. The budget document

shall be published on the Village website and made available for public inspection at the Civic Center and Glen Ellyn Public Library.

3.3 Review of Funding Policy

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