AGENDA
Administrative-Finance Committee
October 7, 2024
6:00 p.m. – City Hall Conference Room

1. **Call to Order**
2. **Public Comment**
3. **New Business**
   a. **Motion to approve the tax levy determination for general and special purposes for Fiscal Year 2024-2025**
   b. **Police pension fund report – continued review**
   c. **Review of concert expenses**
   d. **Approval of Minutes – September 3, 2024**
4. **Other Business**
5. **Next Meeting – November 4, 2024**
6. **Adjournment**

AGENDA MEMO
Administrative/Finance Committee
Meeting Date: October 7, 2024

Issue Statement

Motion to approve the tax levy determination for general and special purposes for Fiscal Year 2024-2025.

Background/History

The process for setting a tax levy is to determine how much revenue to collect from the property tax, and request that the County levy a tax to generate that amount of money. The first approval required is the tax levy determination, which takes place prior to the approval of the tax levy ordinance. Not less than 20 days prior to the adoption of the aggregate levy, the Council shall determine the amounts of money to be levied. There are also special requirements if the aggregate amount of the Corporate and Special Purpose levy is more than 105% or of the preceding year's extension and abatements.

Unfortunately, we are still subject to a timing constraint that requires us to make our initial request by the end of December, a few months before we are far enough into the budget process to make a final judgment on what we will need. In previous years the City has approached the process with an underlying assumption that the Council will not increase property taxes for the combined general corporate purpose (general fund) and special corporate levy (police pension fund).

At the same time, the Council can approve additional abatements up to the end of March. This gives the Council the ability to request a "ceiling" amount, while allowing us to review the budget early next year and consider abatements to the original request.

The attached ordinance requests a general corporate purpose (general fund=$zero) and special corporate levy (police pension fund=$2,506,793) for a total of $2,506,793 which represents a 0.00% increase over this year's non-debt extension. The police pension actuary report recommended a city contribution of $2,971,285 for FYE 26. This is a 14.72% increase ($381,350) compared to last year's police pension contribution of $2,589,935. In order to maintain last year's tax extension and not increase the property tax the city would contribute $459,325 from other revenue sources. Last year, in order to maintain the previous year's levy, the city contributed $83,297 from other revenues. It is obvious that the shortage on the tax levy will continue to grow annually. Making up the shortage from other revenues reduces our annual contribution from the general fund to the capital projects fund. If the city council considers levying the full amount for the pension contribution, and not use other revenues to make up the shortage, the owner of a home with a fair market value of $465,200 would pay an estimated $62.00 more in property taxes. The last property tax levy increase was in 2009, which included a 2.4% increase. If the council determines to levy an amount equal to the full recommended pension contribution of $2,971,285, you can still abate any amount until the end of March 2025. A draft ordinance requesting a levy of $2,971,285 is also attached.

Additionally, a debt levy for any outstanding bonds has been filed upon the adoption of the bond ordinances. The 2023 levy amount to pay for the principal and interest on these bonds totaled $692,825. The 2024 levy amount to pay for the principal and interest on these bonds totals $683,100. After the water fund bond abatements, the total bond amount to be paid is $-0-. All of the bond abatement will be presented in conjunction with our budget review. Aggregate refunds are also in the debt extension category provided by the county. This is not included in our levy but provided by the county in the final levy extension. The aggregate refund in this the 2024 extension was $5,166.52

With respect to the tax levy for Special Service Area #1, we have a plan for maintenance expenses for these wetlands and storm water infrastructure, and the recommended revenue from this levy is proposed to be maintained at $5,000.

Staff/Committee Recommendation

Staff recommends approval of the levy determination and ordinances which:

- Set the City's 2024 general property tax levy and special corporate tax levy (police pension fund) at $2,971,285 (which is equal to the full recommended pension contribution) and consider an abatement after the FYE 26 budget discussions.
- Set the City's 2024 Special Service Area I property tax levy at $5,000.

Alternate Consideration

- Set the City's 2024 general property tax levy and special corporate tax levy (police pension fund) at $2,511,960.

Decision Mode

The tax levy determination will be on the October 21, 2024, Council meeting for formal consideration. This final tax levy ordinance will be on the November 18, 2024, City Council agenda for formal consideration.

DRAFT FOR TAX LEVY ETERMINATION
<u>FULL PENSION AMOUNT</u>

CITY OF DARIEN

DU PAGE COUNTY, ILLINOIS

ORDINANCE NO.______________

AN ORDINANCE LEVYING TAXES FOR
GENERAL AND SPECIAL CORPORATE PURPOSES
FOR THE FISCAL YEAR COMMENCING ON THE FIRST DAY OF MAY, 2024,
AND ENDING ON THE THIRTIETH DAY OF APRIL, 2025,
<u>FOR THE CITY OF DARIEN, ILLINOIS</u>

ADOPTED BY THE

MAYOR AND CITY COUNCIL

OF THE

CITY OF DARIEN

THIS ________ DAY OF NOVEMBER, 2024

Published in pamphlet form by authority of the Mayor and City Council of the City of Darien, DuPage County, Illinois, this __________ day of November, 2024.

AN ORDINANCE LEVYING TAXES FOR
GENERAL AND SPECIAL CORPORATE PURPOSES
FOR THE FISCAL YEAR COMMENCING ON THE FIRST DAY OF MAY, 2024,
AND ENDING ON THE THIRTIETH DAY OF APRIL, 2025,
FOR THE CITY OF DARIEN, ILLINOIS

WHEREAS, the City of Darien is a home rule unit of local government pursuant to the provisions of Article VII, Section 6 of the Illinois Constitution of 1970; and

WHEREAS, as a home rule unit of local government, the City may exercise any power and perform any function pertaining to its government except as limited by Article VII, Section 6; and

WHEREAS, the City Council of the City of Darien, Illinois, adopted the Annual Budget for the City of Darien, Illinois, for the Fiscal Year beginning on May 1, 2024, and ending on April 30, 2025, and which has been duly published.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, IN THE EXERCISE OF ITS HOME RULE POWERS, as follows:

SECTION 1: A tax for the following sums of money or so much thereof as may be authorized by law to defray all expenses and liabilities of the City of Darien be, and the same is hereby levied, for the purposes specified against all taxable property in said City for the Fiscal Year commencing on the First day of May, 2024, and ending on the Thirtieth day of April, 2025.

Purpose	Amount Budgeted	Derived From Other Sources	Amount Levied
For Department of Administration:			
Total	1,541,552	1,541,552	0
For Police Department:			
Total	11,058,328	11,058,328	0
For Community Development Department:			
Total	1,174,191	1,174,191	0
For PW Streets:			
Total	4,989,380	4,989,380	0

Total Amount Levied for General Corporate Purposes	0
Police Pension Fund…………………	2,971,285
2012 G.O. Refunding Bond- Water System….	300,150
2018G.O. Bond- Water System	382,950
Total Amount Levied for Special Corporate Purposes & Debt	**$ 3,654,385**
TOTAL TAX LEVY FOR ALL FUNDS	**$3,654,385**

SECTION 2: The City Clerk of the City of Darien is hereby directed to file with the County Clerk of the County of DuPage, a certified copy of this Ordinance as provided by law.

SECTION 3: If any item or portion of this Ordinance is for any reason held invalid, such decision shall not affect the validity of the remaining portion of this Ordinance.

SECTION 4: This ordinance and each of its terms shall be the effective legislative act of a home rule municipality without regard to whether such ordinance should (a) contain terms contrary to the provisions of current or subsequent non-preemptive state law, or (b) legislate in a manner or regarding a matter not delegated to municipalities by state law. It is the intent of the corporate authorities of the City of Darien that to the extent that the terms of this ordinance should be inconsistent with any non-preemptive state law, that this ordinance shall supersede state law in that regard within its jurisdiction.

SECTION 5: This Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form, as required by law, and shall be known as Ordinance Number ____________ of the City of Darien, Illinois.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, this 18th day of November 2024.

AYES: ____

NAYS: ____

ABSENT: ____

APPROVED BY THE MAYOR OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, this 18th day of November 2024.

____
JOSEPH MARCHESE, MAYOR

ATTEST:

____
JOANNE E. RAGONA, CITY CLERK

APPROVED AS TO FORM:

____
CITY ATTORNEY

DRAFT FOR TAX LEVY ETERMINATION
PARTIAL PENSION AMOUNT

CITY OF DARIEN

DU PAGE COUNTY, ILLINOIS

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FOR THE CITY OF DARIEN, ILLINOIS

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2012 G.O. Refunding Bond- Water System….			300,150
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Total Amount Levied for Special Corporate Purposes & Debt			**$3,195,060**
TOTAL TAX LEVY FOR ALL FUNDS			**$3,195,060**

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AYES: ____

NAYS: ____

ABSENT: ____

APPROVED BY THE MAYOR OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, this 18th day of November, 2024.

ATTEST:

____
JOSEPH MARCHESE, MAYOR

____
JOANNE E. RAGONA, CITY CLERK

APPROVED AS TO FORM:

____
CITY ATTORNEY

CITY OF DARIEN
M E M O

TO: **Administrative/Finance Committee Members**
FROM: **Bryon D. Vana, City Administrator**
DATE: **October 1, 2024**
SUBJECT: **Police Pension**

The Administrative/Finance Committee discussed the police pension actuarial valuation at its last meeting. The committee asked to continue discussion on this item. The information from last month's meeting is below.

Attached is the CITY OF DARIEN POLICE PENSION FUND ACTUARIAL VALUATION AS OF MAY 1, 2024, conducted by the pension board. Treasurer Coren will provide an overview of the valuation report.

See summary below:

1. Current budget amount: $2,589,935

2. Amount recommended for next year: $2,971,285

3. This is approximately a 14.7% increase and a $381,350 increase over last year's recommended contribution.

4. FYE 26 budget forecast for city's contribution : $2,978,425

CITY OF DARIEN
POLICE PENSION FUND

ACTUARIAL VALUATION
AS OF MAY 1, 2024

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING APRIL 30, 2026

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

August 13, 2024

Board of Trustees
City of Darien Police Pension Fund

Re: Actuarial Valuation Report – City of Darien Police Pension Fund

Dear Board:

We are pleased to present to the Board this report of the annual actuarial valuation of the City of Darien Police Pension Fund. 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. Use of the results for other purposes may not be applicable and could produce significantly different results.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Article 3, Illinois Pension Code, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, 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 valuation, we have relied on personnel, plan design, and asset information supplied by the Board, financial reports prepared by the custodian bank and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

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 City of Darien, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Darien 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 City of Darien Police Pension Fund, performed as of May 1, 2024, 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 April 30, 2026.

The contribution requirements, compared with those set forth in the May 1, 2023 actuarial report, are as follows:

Valuation Date	5/1/2024	5/1/2023
Applicable to Fiscal Year Ending	4/30/2026	4/30/2025
Total Recommended Contribution	\$3,372,367	\$2,949,559
% of Projected Annual Payroll	83.3%	81.3%
Member Contributions (Est.)	(401,082)	(359,624)
% of Projected Annual Payroll	(9.9%)	(9.9%)
City Recommended Contribution	2,971,285	2,589,935
% of Projected Annual Payroll	73.4%	71.4%

As you can see, the Total Recommended Contribution shows an increase when compared to the results determined in the May 1, 2023 actuarial valuation report. The increase is mainly attributable to an assumption change, an increase in normal cost associated with an increase in active membership, the increase in amortization payment due to the payroll growth assumption, and unfavorable plan experience.

Plan experience was unfavorable overall on the basis of the plan's actuarial assumptions. Sources of unfavorable experience included an investment return of 4.98% (Actuarial Asset Basis) which fell short of the 7.00% assumption and lower than expected inactive mortality. There were no significant sources of favorable experience.

CHANGES SINCE PRIOR VALUATION

Plan Changes Since Prior Valuation

There were no plan changes since the prior valuation.

Actuarial Assumption/Method Changes Since Prior Valuation

The interest rate was decreased from 7.00% to 6.80%.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump 5/1/2024	Old Assump 5/1/2024	5/1/2023
A. Participant Data			
Number Included			
Actives	35	35	32
Service Retirees	26	26	24
Beneficiaries	4	4	4
Disability Retirees	4	4	4
Terminated Vested	13	13	15
Total	82	82	79
Total Annual Payroll	$4,047,249	$4,047,249	$3,628,898
Payroll Under Assumed Ret. Age	4,047,249	4,047,249	3,628,898
Annual Rate of Payments to:			
Service Retirees	2,646,116	2,646,116	2,477,980
Beneficiaries	271,837	271,837	271,837
Disability Retirees	219,865	219,865	209,742
Terminated Vested	43,718	43,718	114,630
B. Assets			
Actuarial Value	37,161,612	37,161,612	35,693,069
Market Value	35,749,975	35,749,975	32,873,737
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	25,787,267	24,646,783	22,176,238
Disability Benefits	2,049,964	1,967,228	1,830,343
Death Benefits	263,830	254,095	237,273
Vested Benefits	1,354,332	1,295,464	1,232,877
Service Retirees	38,801,856	38,029,506	36,140,326
Beneficiaries	2,528,193	2,494,173	2,557,376
Disability Retirees	3,062,329	3,001,805	2,945,769
Terminated Vested	377,800	361,458	1,593,286
Total	74,225,571	72,050,512	68,713,488

C. Liabilities - (Continued)	New Assump 5/1/2024	Old Assump 5/1/2024	5/1/2023
Present Value of Future Salaries	39,842,121	39,318,570	36,142,412
Present Value of Future Member Contributions	3,948,354	3,896,470	3,581,713
Normal Cost (Retirement)	705,719	665,599	616,865
Normal Cost (Disability)	122,190	117,576	105,619
Normal Cost (Death)	14,555	14,081	12,906
Normal Cost (Vesting)	79,498	76,561	69,299
Total Normal Cost	921,962	873,817	804,689
Present Value of Future Normal Costs	8,318,192	7,787,036	7,404,240
Accrued Liability (Retirement)	19,308,858	18,608,476	16,392,128
Accrued Liability (Disability)	866,884	842,486	791,183
Accrued Liability (Death)	109,135	106,374	101,115
Accrued Liability (Vesting)	852,324	819,198	788,065
Accrued Liability (Inactives)	44,770,178	43,886,942	43,236,757
Total Actuarial Accrued Liability	65,907,379	64,263,476	61,309,248
Unfunded Actuarial Accrued Liability (UAAL)	28,745,767	27,101,864	25,616,179
Funded Ratio (AVA / AL)	56.4%	57.8%	58.2%

	New Assump 5/1/2024	Old Assump 5/1/2024	5/1/2023
D. Actuarial Present Value of Accrued Benefits			
Vested Accrued Benefits			
Inactives	44,770,178	43,886,942	43,236,757
Actives	7,217,635	6,810,474	5,323,499
Member Contributions	3,829,983	3,829,983	3,455,143
Total	55,817,796	54,527,399	52,015,399
Non-vested Accrued Benefits	539,419	520,010	600,118
Total Present Value Accrued Benefits	56,357,215	55,047,409	52,615,517
Funded Ratio (MVA / PVAB)	63.4%	64.9%	62.5%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	1,309,806	0	
Plan Experience	0	1,875,359	
Benefits Paid	0	(3,020,824)	
Interest	0	3,577,357	
Other	0	0	
Total	1,309,806	2,431,892	

Valuation Date Applicable to Fiscal Year Ending	New Assump 5/1/2024 4/30/2026	Old Assump 5/1/2024 4/30/2026	5/1/2023 4/30/2025
E. Pension Cost			
Normal Cost [1]	$984,655	$934,984	$861,017
% of Total Annual Payroll [1]	24.3	23.1	23.7
Administrative Expenses [1]	53,143	53,242	61,286
% of Total Annual Payroll [1]	1.3	1.3	1.7
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 17 years (as of 5/1/2024) [1]	2,334,569	2,234,967	2,027,256
% of Total Annual Payroll [1]	57.7	55.2	55.9
Total Recommended Contribution	3,372,367	3,223,193	2,949,559
% of Total Annual Payroll [1]	83.3	79.6	81.3
Expected Member Contributions [1]	(401,082)	(401,082)	(359,624)
% of Total Annual Payroll [1]	(9.9)	(9.9)	(9.9)
Expected City Contribution	2,971,285	2,822,111	2,589,935
% of Total Annual Payroll [1]	73.4	69.7	71.4

F. Past Contributions	
Plan Years Ending:	4/30/2024
Total Recommended Contribution	2,781,003
City	2,406,164
Actual Contributions Made:	
Members (excluding buyback)	374,839
City	2,393,656
Total	2,768,495
G. Net Actuarial (Gain)/Loss	1,634,485

[1] Contributions developed as of 5/1/2024 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
2024	28,745,767
2025	28,365,910
2026	27,884,349
2030	24,742,352
2034	19,080,181
2037	12,605,337
2041	0

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

		Actual	Assumed
Year Ended	4/30/2024	4.98%	4.97%
Year Ended	4/30/2023	6.68%	5.26%
Year Ended	4/30/2022	5.25%	5.62%
Year Ended	4/30/2021	4.98%	5.39%
Year Ended	4/30/2020	4.81%	5.03%

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

		Actual MVA	Actual AVA	Assumed
Year Ended	4/30/2024	9.71%	4.98%	7.00%
Year Ended	4/30/2023	1.92%	4.48%	7.00%
Year Ended	4/30/2022	-8.23%	6.43%	7.00%
Year Ended	4/30/2021	25.25%	9.14%	7.00%
Year Ended	4/30/2020	1.28%	4.66%	7.00%

DEVELOPMENT OF MAY 1, 2024 AMORTIZATION PAYMENT

(1)	Unfunded Actuarial Accrued Liability as of May 1, 2023	$25,616,179
(2)	Sponsor Normal Cost developed as of May 1, 2023	445,065
(3)	Expected administrative expenses for the year ended April 30, 2024	57,277
(4)	Expected interest on (1), (2) and (3)	1,826,292
(5)	Sponsor contributions to the System during the year ended April 30, 2024	2,393,656
(6)	Expected interest on (5)	83,778
(7)	Expected Unfunded Actuarial Accrued Liability as of April 30, 2024, (1)+(2)+(3)+(4)-(5)-(6)	25,467,379
(8)	Change to UAAL due to Assumption Change	1,643,903
(9)	Change to UAAL due to Actuarial (Gain)/Loss	1,634,485
(10)	Unfunded Accrued Liability as of May 1, 2024	28,745,767
(11)	UAAL Subject to Amortization (100% AAL less Actuarial Assets)	28,745,767

Date Established	Years Remaining	5/1/2024 Amount	Amortization Amount
5/1/2024	17	28,745,767	2,185,926

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of May 1, 2023	$25,616,179
(2) Expected UAAL as of May 1, 2024	25,467,379
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	717,311
Salary Increases	(22,571)
Active Decrements	(20,681)
Inactive Mortality	331,587
Programming Updates	580,594
Other	48,245
Change in UAAL due to (Gain)/Loss	1,634,485
Change to UAAL due to Assumption Change	1,643,903
(4) Actual UAAL as of May 1, 2024	$28,745,767

RECONCILIATION OF CHANGES IN CONTRIBUTION REQUIREMENT

(1) Contribution Determined as of May 1, 2023	$ 2,589,935
(2) Summary of Contribution Impact by component:	
Change in Normal Cost	73,967
Change in Assumed Administrative Expense	(8,044)
Investment Return (Actuarial Asset Basis)	59,153
Salary Increases	(1,861)
New Entrants	1,476
Active Decrements	(1,705)
Inactive Mortality	27,344
Contributions (More) or Less than Recommended	1,068
Increase in Amortization Payment Due to Payroll Growth Assumption	65,886
Change in Expected Member Contributions	(41,458)
Assumption Change	149,174
Programming Updates	47,879
Other	8,471
Total Change in Contribution	381,350
(3) Contribution Determined as of May 1, 2024	$2,971,285

PROJECTION OF BENEFIT PAYMENTS

Year	Payments for Current Actives	Payments for Current Inactives	Total Payments
2024	78,321	3,149,091	3,227,412
2025	164,082	3,191,695	3,355,777
2026	246,775	3,258,392	3,505,167
2027	316,238	3,315,363	3,631,601
2028	416,397	3,371,264	3,787,661
2029	574,975	3,425,884	4,000,859
2030	732,554	3,471,259	4,203,813
2031	888,718	3,510,469	4,399,187
2032	1,065,270	3,542,554	4,607,824
2033	1,268,630	3,566,516	4,835,146
2034	1,474,027	3,581,381	5,055,408
2035	1,670,543	3,603,214	5,273,757
2036	1,881,224	3,597,714	5,478,938
2037	2,085,658	3,580,875	5,666,533
2038	2,281,570	3,552,386	5,833,956
2039	2,464,754	3,537,596	6,002,350
2040	2,626,534	3,486,337	6,112,871
2041	2,808,909	3,423,622	6,232,531
2042	3,003,799	3,349,661	6,353,460
2043	3,217,382	3,264,682	6,482,064
2044	3,410,351	3,168,977	6,579,328
2045	3,588,218	3,063,072	6,651,290
2046	3,748,433	2,947,602	6,696,035
2047	3,940,820	2,822,784	6,763,604
2048	4,132,429	2,689,437	6,821,866
2049	4,317,459	2,548,640	6,866,099
2050	4,501,141	2,401,612	6,902,753
2051	4,703,907	2,249,667	6,953,574
2052	4,870,002	2,094,192	6,964,194
2053	5,000,564	1,936,731	6,937,295
2054	5,132,400	1,778,969	6,911,369
2055	5,244,404	1,622,807	6,867,211
2056	5,335,212	1,470,207	6,805,419
2057	5,412,381	1,323,038	6,735,419
2058	5,474,726	1,183,016	6,657,742
2059	5,522,272	1,051,502	6,573,774
2060	5,554,509	929,450	6,483,959
2061	5,569,261	817,455	6,386,716
2062	5,565,395	715,802	6,281,197
2063	5,541,575	624,451	6,166,026

ACTUARIAL ASSUMPTIONS AND METHODS

Interest Rate	6.80% 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.

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%

Inflation	2.50%.
Cost-of-Living Adjustment	<u>Tier 1</u>: 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. <u>Tier 2:</u> 1.25% per year after the later of attainment of age 60 or first anniversary of retirement.
Marital Status	80% of Members are assumed to be married.
Spouse's Age	Males are assumed to be three years older than females.
Funding Method	Entry Age Normal Cost Method.
Actuarial Asset Method	Investment gains and losses are smoothed over a 5-year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of the Market Value of Assets.
Funding Policy Amortization Method	The UAAL is amortized according to a Level Percentage of Payroll method over a period ending in 2041. The initial amortization amount is 100% of the Accrued Liability less the Actuarial Value of Assets.
Payroll Growth	3.25% 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>Accrued Actuarial Liability</u> is determined according to the plan's actuarial cost method. This amount represents the portion of the anticipated future benefits allocated to years prior to the valuation date.

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

<u>Market Value of Assets</u> is the fair market value of plan assets as of the valuation date. This amount may be adjusted to produce an Actuarial Value of Assets for plan funding purposes.

<u>Actuarial Value of Assets</u> is the asset value used in the valuation to determine contribution requirements. It represents the plan's Market Value of Assets, with adjustments according to the Actuarial Asset Method. These adjustments produce a "smoothed" value that is likely to be less volatile from year to year than the Market Value of Assets.

<u>Unfunded Accrued Liability</u> is the excess of the Accrued Actuarial Liability over the Actuarial Value of Assets.

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

<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.

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

DISCUSSION OF RISK

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

Throughout this report, actuarial results are determined under various assumption scenarios. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. It is possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

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

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

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

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

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

- Contribution Risk: This risk results from the potential that actual employer contributions may deviate from actuarially determined contributions, which are determined in accordance with the Board's funding policy. The funding policy is intended to result in contribution requirements that if paid when due, will result in a reasonable expectation that assets will accumulate to be sufficient to pay plan benefits when due. Contribution deficits, particularly large deficits and those that occur repeatedly, increase future contribution requirements and put the plan at risk for not being able to pay plan benefits when due.

Impact of Plan Maturity on Risk

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

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

- The Support Ratio, determined as the ratio of active to inactive members, has decreased from 79.1% on May 1, 2021 to 74.5% on May 1, 2024, indicating that the plan has been rapidly maturing.

- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 67.9%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors will need to be made up for over a shorter time horizon than would be needed for a less mature plan.

- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has decreased from 59.2% on May 1, 2021 to 56.4% on May 1, 2024, due mainly to unfavorable plan experience and assumption 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, stayed approximately the same from May 1, 2021 to May 1, 2024. The current Net Cash Flow Ratio of -0.8% indicates that contributions are not currently covering the plan's benefit payments and administrative expenses.

Low Default-Risk Obligation Measure

ASOP No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions, was revised as of December 2021 to include a "low-default-risk obligation measure" (LDROM). This liability measure is consistent with the determination of the actuarial accrued liability shown on page 8 in terms of member data, plan provisions, and assumptions/methods, including the use of the Entry Age Normal Cost Method, except that the interest rate is tied to low-default-risk fixed income securities. The S&P Municipal Bond 20 Year High Grade Rate Index (daily rate closest to, but not later than, the measurement date) was selected to represent a current market rate of low risk but longer-term investments that could be included in a low-risk asset portfolio. The interest rate used in this valuation was 4.42%, resulting in an LDROM of $91,912,218. The LDROM should not be considered the "correct" liability measurement; it simply shows a possible outcome if the Board elected to hold a very low risk asset portfolio. Given that plan benefits are paid over time through the combination of contributions and investment returns, prudent investments selected by the Board help to balance asset accumulation through these two sources.

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

	5/1/2024	5/1/2023	5/1/2022	5/1/2021
Support Ratio				
Total Actives	35	32	32	34
Total Inactives	47	47	46	43
Actives / Inactives	74.5%	68.1%	69.6%	79.1%
Asset Volatility Ratio				
Market Value of Assets (MVA)	35,749,975	32,873,737	32,756,189	36,134,523
Total Annual Payroll	4,047,249	3,628,898	3,401,589	3,472,348
MVA / Total Annual Payroll	883.3%	905.9%	963.0%	1,040.6%
Accrued Liability (AL) Ratio				
Inactive Accrued Liability	44,770,178	43,236,757	42,884,737	40,389,129
Total Accrued Liability	65,907,379	61,309,248	58,859,095	55,673,258
Inactive AL / Total AL	67.9%	70.5%	72.9%	72.5%
Funded Ratio				
Actuarial Value of Assets (AVA)	37,161,612	35,693,069	34,656,435	32,971,457
Total Accrued Liability	65,907,379	61,309,248	58,859,095	55,673,258
AVA / Total Accrued Liability	56.4%	58.2%	58.9%	59.2%
Net Cash Flow Ratio				
Net Cash Flow [1]	(302,088)	(505,387)	(422,580)	(322,917)
Market Value of Assets (MVA)	35,749,975	32,873,737	32,756,189	36,134,523
Ratio	-0.8%	-1.5%	-1.3%	-0.9%

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

STATEMENT OF FIDUCIARY NET POSITION
April 30, 2024

ASSETS	MARKET VALUE
Cash and Cash Equivalents:	
Money Market	311,230
Cash and Cash Equivalents	15,050
Total Cash and Equivalents	326,280
Receivables:	
Prepaids	530
Total Receivable	530
Investments:	
Pooled/Common/Commingled Funds	35,426,025
Total Investments	35,426,025
Total Assets	35,752,835
LIABILITIES	
Liabilities:	
Payable:	
Expenses	2,860
Total Liabilities	2,860
Net Assets:	
Active and Retired Members' Equity	35,749,975
NET POSITION RESTRICTED FOR PENSIONS	35,749,975
TOTAL LIABILITIES AND NET ASSETS	35,752,835

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED April 30, 2024
Market Value Basis

ADDITIONS		
Contributions:		
Member	374,839	
City	2,393,656	
Total Contributions		2,768,495
Investment Income:		
Net Realized Gain (Loss)	496,000	
Unrealized Gain (Loss)	2,458,758	
Net Increase in Fair Value of Investments		2,954,758
Interest & Dividends		248,323
Less Investment Expense [1]		(24,755)
Net Investment Income		3,178,326
Total Additions		5,946,821
DEDUCTIONS		
Distributions to Members:		
Benefit Payments	3,020,824	
Refund of Contributions/Transfers	0	
Total Distributions		3,020,824
Administrative Expenses		49,759
Total Deductions		3,070,583
Net Increase in Net Position		2,876,238
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		32,873,737
End of the Year		35,749,975

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

ACTUARIAL ASSET VALUATION
April 30, 2024

Development of Actuarial Value of Assets

Market Value of Assets, 4/30/2024	35,749,975
(Gains)/Losses Not Yet Recognized	1,411,637
Actuarial Value of Assets, 4/30/2024	37,161,612
4/30/2024 Limited Actuarial Assets:	37,161,612

Development of Investment Gain/Loss

Market Value of Assets, 4/30/2023	32,873,737
Contributions Less Benefit Payments & Administrative Expenses	(302,088)
Expected Investment Earnings[1]	2,290,589
Actual Net Investment Earnings	3,178,326
2024 Actuarial Investment Gain/(Loss)	887,737

[1] Expected Investment Earnings = 7.00% x (32,873,737 + 0.5 x -302,088)

Gains/(Losses) Not Yet Recognized

Plan Year Ending	Gain/(Loss)	Amounts Not Yet Recognized by Valuation Year 2024	2025	2026	2027	2028
4/30/2021	5,288,555	1,057,711	0	0	0	0
4/30/2022	(5,470,380)	(2,188,152)	(1,094,076)	0	0	0
4/30/2023	(1,652,310)	(991,386)	(660,924)	(330,462)	0	0
4/30/2024	887,737	710,190	532,642	355,095	177,547	0
Total		(1,411,637)	(1,222,358)	24,633	177,547	0

Development of Asset Returns

(A) 4/30/2023 Actuarial Assets:	35,693,069
(I) Net Investment Income:	
1. Interest and Dividends	248,323
2. Realized Gains (Losses)	496,000
3. Change in Actuarial Value	1,051,063
4. Investment Expenses	(24,755)
Total	1,770,631
(B) 4/30/2024 Actuarial Assets:	37,161,612
Actuarial Asset Rate of Return = (2 x I) / (A + B - I):	4.98%
Market Value of Assets Rate of Return:	9.71%
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	(717,311)

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
April 30, 2024
Actuarial Asset Basis

INCOME		
Contributions:		
Member	374,839	
City	2,393,656	
Total Contributions		2,768,495
Earnings from Investments		
Interest & Dividends	248,323	
Net Realized Gain (Loss)	496,000	
Change in Actuarial Value	1,051,063	
Total Earnings and Investment Gains		1,795,386
EXPENSES		
Administrative Expenses:		
Investment Related[1]	24,755	
Other	49,759	
Total Administrative Expenses		74,514
Distributions to Members:		
Benefit Payments	3,020,824	
Refund of Contributions/Transfers	0	
Total Distributions		3,020,824
Change in Net Assets for the Year		1,468,543
Net Assets Beginning of the Year		35,693,069
Net Assets End of the Year[2]		37,161,612

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

STATISTICAL DATA

	5/1/2024	5/1/2023	5/1/2022	5/1/2021
Actives - Tier 1				
Number	17	17	17	18
Average Current Age	45.5	44.5	43.5	42.9
Average Age at Employment	24.9	24.9	24.9	24.9
Average Past Service	20.6	19.6	18.6	18.0
Average Annual Salary	$130,749	$126,221	$120,726	$116,719
Actives - Tier 2				
Number	18	15	15	16
Average Current Age	34.2	33.8	32.8	32.1
Average Age at Employment	29.2	28.9	28.9	28.8
Average Past Service	5.0	4.9	3.9	3.3
Average Annual Salary	$101,362	$98,876	$89,950	$85,713
Service Retirees				
Number	26	24	24	23
Average Current Age	66.4	66.3	65.3	65.0
Average Annual Benefit	$101,774	$103,249	$100,349	$97,575
Beneficiaries				
Number	4	4	4	4
Average Current Age	71.2	70.2	69.2	68.2
Average Annual Benefit	$67,959	$67,959	$67,959	$67,959
Disability Retirees				
Number	4	4	4	3
Average Current Age	61.3	60.3	59.3	65.8
Average Annual Benefit	$54,966	$52,436	$51,167	$51,647
Terminated Vested				
Number	13	15	14	13
Average Current Age	39.5	40.6	40.8	40.5
Average Annual Benefit [1]	$21,859	$28,658	$28,658	$28,658

[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	0	0	0	0	0	0	0	0	0	0	0
25 - 29	1	0	0	2	1	0	0	0	0	0	0	4
30 - 34	1	0	1	1	1	1	0	0	0	0	0	5
35 - 39	1	0	0	0	1	2	2	1	0	0	0	7
40 - 44	0	0	0	0	0	3	1	4	0	0	0	8
45 - 49	0	0	0	0	0	0	0	1	5	0	0	6
50 - 54	0	0	0	0	0	0	0	0	3	2	0	5
55 - 59	0	0	0	0	0	0	0	0	0	0	0	0
60 - 64	0	0	0	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	3	0	1	3	3	6	3	6	8	2	0	35

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 5/1/2023	32
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
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	32
g. New entrants	3
h. Total active life participants in valuation	35

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	24	4	4	15	47
Retired	2	0	0	(2)	0
Vested Deferred	0	0	0	0	0
Death, With Survivor	0	0	0	0	0
Death, No Survivor	0	0	0	0	0
Disabled	0	0	0	0	0
Refund of Contributions	0	0	0	0	0
Rehires	0	0	0	0	0
Expired Annuities	0	0	0	0	0
Data Corrections	0	0	0	0	0
Hired/Termed in Same Year	0	0	0	0	0
b. Number current valuation	26	4	4	13	47

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 (4-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.

CITY OF DARIEN

M E M O

TO: Administrative/Finance Committee Members
FROM: Bryon D. Vana, City Administrator
DATE: October 1, 2024
SUBJECT: Concert and Oktoberfest Revenue and Expense Review

A summary of the revenue and expenses for the summer concert series (3) and Oktoberfest are attached.

In summary, the expenses for the concerts and fest are:

DATE	EXPENSES
June 27th	6,434
July 25th	6,340
August 29th	6,750
September 21st	8,830

In addition, please note, these expenses do not include our attorney fees of $7,535 to develop the intergovernmental agreements (IGAs) with the park district. Our grant agreement with the chamber allows them to retain the sponsorship revenue from the concerts, which totaled $2,750. The Lions Club retained any sponsorship fees for Oktoberfest, which totaled approximately $4,000.
The city's FYE 25 budget for special events is $38,000

Please contact me with any questions.

Summer Concert Series 2024

EVENT DATE		DESCRIPTION	CONTRACT/PROPOSAL #	DATE	COST	BUDGET	OTHER	COMMENTS
		Special Events (4)				**$20,000.00**		
		Contingency				**$10,000.00**		
		Special Events Mgmt (4)				**$8,000.00**		
		TOTAL BUDGET				**$38,000.00**		
Thursday, June 27th								
	1	Contractor Agreement (A Padalik)			2,000			
	2	Staging - MG Audio Inc			2,300			
	3	Band - The Mix	11481	2/6/2024	1,300			
	4	Portable John	282819		500			
	5	LRS- Refuse/Recyl						
	6	Banners/Signs/Miscell			333.88			Concert banners
		TOTAL #1			**6,434**			
						31,566.12		
Thursday, July 25th								
	1	Contractor Agreement (A Padalik)			2,000			
	2	Staging - MG Audio Inc			2,300			
	3	Band - Cadillac Grove			1,500			
	4	Portable John	282819		500			
	5	LRS - Refuse/Recycl						
	6	Banners/Signs/Miscell			40			extension cords (2)
		TOTAL #2			**6,340**			
						25,226.12		
Thursday, August 29th								
	1	Contractor Agreement (A Padalik)			2,000			
	2	Staging - MG Audio Inc			2,300			
	3	Band - Reckless		2/6/2024	1,500			
	4	Portable John	282819		500			
	5	LRS - Refuse/Recycl						
	6	Banners/Signs			0			
	7	Generator - 25KW & Distro pnl			450			Generator - add on
		TOTAL #3			**6,750**			
						18,476.12		
September 21st		**Oktoberfest**						
	1	Contractor Agreement (A Padalik)			2,000			
	2	Staging with generator			2,750			Generator - add on
$200 deposit required	3	Band - The Happy Wanderers &	921242		800			
		Hoodwink'd			1,200			
	4	Portable John	282823		880			
	5	LRS - Refuse/Recycl						
	6	Banners/Signs			322.41			
	7	Split with Lions Club - cups			878			
		TOTAL Oktoberfest			**8,829.98**			
						$9,646.14		
		OTHER FEES						
		Volunteer Coverage - IRMA					300.00	Prorated coverage
		Legal Fees					7,535.00	May, June & July for agreements
		LRS - special sweep (Darien Fest)						$517.72 - Chamber reimburse city
		Chamber - Sponsors collection						**$2,750**

City of Darien
Minutes of the Administrative/Finance Committee
September 3, 2024

Chairwoman/Alderwoman Sullivan called the meeting to order at 6:00 pm. Committee members Leganski and Schauer was present. Also in attendance was City Administrator Vana and Treasurer Coren, Julie Saenz-Accounting Manager, Mayor Marchese, SIKICH auditor Kellen OMalley

Presentation – Draft FYE 24 Annual Financial Report

Kellen OMalley of SIKICH presented the draft Annual Financial Report for the Year Ended April 30, 2024. The final report will be presented to the City Council October 7, 2024.

Pension Fund Report – Overview by Treasurer Coren

Treasurer Coren provided an overview of the CITY OF DARIEN POLICE PENSION FUND ACTUARIAL VALUATION AS OF MAY 1, 2024, conducted by the pension board. The committee asked to add this item to the October Administrative/Finance Committee meeting agenda.

FYE 24 Audit to Budget Comparison (to be distributed)

Staff advised that upon completion of the yearly financial audit, the Administrative/Finance Committee reviews a comparison between the FYE 4-30-24 audited numbers and the FYE 4-30-24 estimated numbers included in the FYE 4-30-25 budget.

The General Fund audited fund balance exceeded the estimated balance used in the 4-30-25 budget by $2,323,304. The City Council previously approved the *Capital Improvements Plan Guidelines*. Section 3 of the guidelines includes the following:

- Surplus from the general fund, in excess of 3 months operating reserve, will be transferred to the capital projects fund annually

Based on these guidelines, staff recommended that the Administrative/Finance Committee recommend that the City Council approve an additional FYE 25 transfer of $2,000,000 to the Capital Projects Fund from the General Fund. This item will be scheduled for the October 7, 2024, City Council meeting. The committee unanimously recommended that the City Council approve an additional FYE 25 transfer of $2,000,000 to the Capital Projects Fund from the General Fund.

Other Business

Mayor Marchese and Administrator Vana updated the committee on the next steps for city council review of the draft strategic plan. The council will discuss the strategic plan at its September 16

<u>Minutes – August 5, 2024</u> - The committee unanimously approved the minutes.

<u>Adjournment</u> - The meeting adjourned at 6:58 p.m.

Approved:

Mary Sullivan, Chairwoman __________________________________

Ted Schauer, Member____

Gerry Leganski, Member _____________________________________