

Administrative-Finance Committee
August 5, 2019
6:00 p.m. – City Hall Conference Room

- 1. Call to Order**
- 2. Public Comment**
- 3. New Business**
 - a. Video Proposal for City of Darien – Alkaye Media Group Police**
 - b. Resolution – Approving the Study of a Potential IGA with Willowbrook, Burr Ridge and Hinsdale (Sterigenics Property)**
 - c. Pension Fund Report – Overview by Treasurer Coren**
 - d. Approval of Minutes – June 3, 2019**
- 4. Other Business**
- 5. Next Meeting – September 3, 2019**
- 6. Adjournment**

AGENDA MEMO
Administrative/Finance Committee
August 5, 2019

ISSUE STATEMENT

A motion approving the proposal submitted by Alkaye Media Group to produce two (2) videos of the City of Darien.

BACKGROUND/HISTORY

Alkaye Media Group has been the primary video consultant to the City of Darien for many years. The City is in need of updated videos to showcase Darien and lure both, businesses and potential residents, to the community. The videos will highlight the City of Darien's attractions, focusing on shopping, schools, proximity to highway transportation, parks, clock tower, etc.

Both videos will be produced within the FYE 20 budget of \$10,000 (12-4239). The proposal, **Attachment A**, outlines the breakdown of costs included.

STAFF/COMMITTEE RECOMMENDATION

Staff recommends the approval of a motion approving a proposal from Alkaye Media Group to produce two (2) videos of the City of Darien.

ALTERNATE CONSIDERATION

As directed.

DECISION MODE

This will be placed on the August 19, 2019 City Council Agenda for formal approval.



Video Marketing Strategists and Producers
38 N. Cass Westmont, IL 60559 630-971-8700

June 29, 2019

Proposal To:
Bryon Vana
Administrator
City of Darien, Illinois

From:
Al Kohout
Executive Producer
630-971-8700

Based on completed survey and meeting, we propose the following

PROJECT OBJECTIVE

Complete two (2) video productions of The City of Darien. Each video will be a maximum of 10 minutes each.

These videos would showcase various aspects of the city. The primary purpose of the videos would be:

- (1) Entice Families to Move to Darien
- (2) Entice New Businesses to Move to Darien

The aspects of these videos will be based on survey completed by the City and attached to this proposal (exhibit A)

This work will be completed for the sum, not to exceed \$10,000,

PRODUCTION FEES WILL INCLUDE:

- Research
- Script Development
- Planning / Coordination
- Video Production (shooting, editing)

PRODUCTION STYLE

- High definition video cameras
- Aerial (drone) footage where possible
- Interviews of selected people
- Narration (possible on screen host may be considered at additional fee)

FINAL VIDEO FORMAT DELIVERY

Client will receive a video file (MP4) of each version, which can be used in any computer with a video player or internet viewing.

A DVD of each version will also be provided.



EXHIBIT A

Community Profile Video Survey

City: *City of Darien*

Project Coordinator: *Bryon Vana*

Contact info (phone) *630-353-8114*

Email: *bvana@darienil.gov*

In your own words, what is the ultimate purpose of this video? (Two separate videos/Video A, Video B)

To showcase aspects of the city that highlight the quality of our living environment.

(A) Entice Families to Move to Darien

(B) Entice New Businesses to Move to Darien

What action would you like the viewer to take upon watching the video?

I would want current residents to view the video with a new appreciation of the different amenities the city offers. I would want non-residents and businesses to view the video and gain insight into the amenities we offer, which would assist them in deciding to make Darien their future home.

What areas of your community or surrounding area do you feel are critical to the message? (These will be covered in visual form)

"A" = Residents Video

"B" = Both Videos

"C" = Business Video

- . Clock Tower- B*
- . Darien Towne Center - B*
- . Chestnut Court Shopping Center - B*
- . Carriage Greens Country Club - B*
- . National Shrine of St. Teresa - A*
- . Churches/Schools - A*
- . Darien Community Park - B*
- . Darien Sportsplex - A*
- . Darien Park District Community Center – A*
- . Forest Preserves – A*
- . Argonne National Lab – C*
- . Chicago Skyline – B*
- . Highway Transportation – C*
- . Local Businesses - C*

Schools (name /location): *(For Both Videos)*

Hinsdale South High School, Cass Junior High, Eisenhower Junior High, Kingswood Academy, Our Lady of Peace School, Lace School

Retail (name /location): *(For Both Videos)*

- *Darien Towne Center*
- *Chestnut Court*
- *Brookhaven Shopping Center*
- *Towne Center II*
- *New Plaza on Cass Avenue*
- *Jewel Shopping Center*
- *Chuck's Southern Comforts*
- *Extended Stay Hotel*
- *"Nice Office Buildings"*

Industrial (name /location) *(For Business Video)*

- *New Sterling Bay Warehouse (Across I55)*
- *New Pannitoni Warehouse (On Lemont Road)*

Other Business types (name /location) *(For Resident Video)*

Restaurants: Chuck's Southern Comforts, Carriage Greens Country Club, Alpine Banquets, Jam and Jelly Café, etc.

Government (name/location): *(For Both Videos)*

Darien City Hall, Darien Police Department (Interiors and Exteriors)

Welcome Entryway Signs

New Street Signs

Recreation (name /location) *(Maybe Both, Probably Resident Video)*

Darien Community Park, Darien Sportsplex, Darien Park District Community Center, Various Baseball Fields, Hinsdale South Football Field

Churches (name /location): *(For Resident Video)*

Our Lady of Peace, St. John Lutheran, Lord of Life Lutheran, Four Corners Church, Marion Hills Bible Church, Our Lady of Mt. Carmel. National Shrine of St. Teresa

Transportation (name /location) *(For Both Videos)*

Proximity to I55 and I355 Highways, 75th Street Corridor

Other – Please list *(For Resident Video)*

Visuals of various neighborhoods in Darien, which would highlight its diversity. Examples: Darien Club, Carriage Greens, Bailey Park, Pinehurst, Marion Hills

Who do you foresee being featured in the video? (Please list their name, position and contact details)
–this list can be modified

- *Mayor Joseph Marchese – (Both Videos)*
- *City Administrator Bryon Vana – (Both Videos)*

- *Municipal Director Dan Gombac – (Both Videos)*
- *Stephanie Gurgone – Executive Director, Darien Park District (Resident Video)*
- *April Padalik – CEO, Darien Chamber of Commerce - (Business Video)*
- *Dean Rodkin, President, Darien Historical Society Board of Directors – (Resident Video)*
- *Nick Skewers – President, Darien Youth Club (DYC) – (Resident Video)*
- *Joan Wayman – President, Darien Rotary – (Both Videos)*
- *Residents and Business Owners – (Both Videos)*
- *“Good” Voice Narrator*
- *Teachers from Local Schools – (Residents Video)*

What other elements are critical to and need to be highlighted? (For example: demographics, education, median income, housing values)

Resident Video needs to emphasize our neighborhoods (especially our growth over the last 10 – 15 years), schools, shopping, religious leanings, volunteer spirit, community organizations and the easy access to transportation.

The Business video also needs to emphasize our neighborhoods, how city staff and government work to assist local businesses in enhancing their growth, our thorough, yet expedient procedures for bringing new businesses into Darien and our access to transportation.

AGENDA MEMO
Administrative Finance Committee
August 5, 2019

ISSUE STATEMENT

Approval of a **RESOLUTION APPROVING THE STUDY OF A POTENTIAL INTERGOVERNMENTAL AGREEMENT WITH WILLOWBROOK, BURR RIDGE AND HINSDALE (STERIGENICS PROPERTY)**

BACKGROUND/HISTORY

The intent of this resolution is to have Mayor Marchese and City Administrator Vana meet and confer with representatives of Willowbrook, Burr Ridge and Hinsdale in order to explore the feasibility of entering into an Intergovernmental Agreement providing for the possible acquisition of the Sterigenics property in Willowbrook. The group will:

- Determine appropriate public purposes for the use of such property upon acquisition.
- Determine whether the public use of the Subject Property should be active or passive.
- Establish rules for the joint use of any such facility by the residents of the participating municipalities.
- Determine financing options and cost allocations among the participating municipalities.
- Involve our elected representatives in this process.
- Determine the need for legislative assistance to achieve the goals of the Intergovernmental Agreement, including but not limited to seeking “quick take” authority from the Illinois General Assembly.

Any proposed agreement developed with the working group would need approval from the City Council.

STAFF/COMMITTEE RECOMMENDATION

As directed

ALTERNATE CONSIDERATION

As directed.

DECISION MODE

This item will be placed on the August 5, 2019, City Council Agenda for consideration.

RESOLUTION NO. _____

A RESOLUTION APPROVING THE STUDY OF A POTENTIAL INTERGOVERNMENTAL AGREEMENT WITH WILLOWBROOK, BURR RIDGE AND HINSDALE (STERIGENICS PROPERTY)

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

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, pursuant to its home-rule powers, as follows:

SECTION 1: Authorization. The Mayor and City Administrator are hereby authorized to meet and confer with representatives of Willowbrook, Burr Ridge and Hinsdale in order to explore the feasibility of entering into an Intergovernmental Agreement providing for the possible acquisition of the Sterigenics property in Willowbrook.

SECTION 2: Potential Elements of Intergovernmental Agreement. The City Council determines that any such Intergovernmental Agreement should consider the following elements:

A. Determining appropriate public purposes for the use of such property upon acquisition.

B. Determining whether the public use of the Subject Property should be active or passive.

RESOLUTION NO. _____

C. Establishing rules for the joint use of any such facility by the residents of the participating municipalities.

D. Determining financing options and cost allocations among the participating municipalities.

E. Involving our elected representatives in this process.

F. Determining the need for legislative assistance to achieve the goals of the Intergovernmental Agreement, including but not limited to seeking “quick take” authority from the Illinois General Assembly.

SECTION 3: Report to City Council. The Mayor and Administrator shall, from time to time, advise the City Council as to the status of such efforts. Any report shall be publicly made at a City Council meeting.

SECTION 4: Effective Date. This Resolution shall be in full force and effect from and after its passage and approval.

PASSED BY THE CITY COUNCIL OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, this ____ day of _____, 2019.

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED BY THE MAYOR OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, this ____ day of _____, 2019.

JOSEPH MARCHESE, MAYOR

RESOLUTION NO. _____

ATTEST:

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: July 29, 2019
SUBJECT: Treasurer's Review/Overview- Police Pension Fund-Actuarial Valuation as of May 1, 2019

Treasurer Coren will provide a review/overview of Police Pension Fund-Actuarial Valuation Report as of May 1, 2019. The report is currently scheduled to be presented to the City Council on September 3, 2019 and to the Police Pension Board on August 7, 2019. This review will provide the committee members with additional background information prior to the formal presentations.

CITY OF DARIEN
POLICE PENSION FUND
ACTUARIAL VALUATION
AS OF MAY 1, 2019
CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING APRIL 30, 2021
GASB 67/68 DISCLOSURE INFORMATION
AS OF APRIL 30, 2019



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

June 26, 2019

Board of Trustees
City of Darien Police Pension Fund
1710 Plainfield Road
Darien, IL 60561

Re: Actuarial Valuation Report (including GASB Statements No. 67 and No. 68) – 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. 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 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 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.

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.

The total pension liability, net pension liability, and certain sensitivity information shown in the GASB results are based on an actuarial valuation performed as of the valuation date.


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

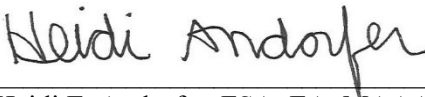
To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the City of Darien, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the City of Darien Police Pension Fund.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

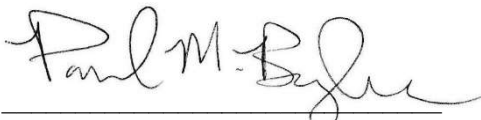
If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 630-620-0200.

Respectfully submitted,

Foster & Foster, Inc.

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

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

By: 
Paul M. Baugher, 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, 2019, 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, 2021.

The contribution requirements, compared with those set forth in the May 1, 2018 actuarial report, are as follows:

Valuation Date	5/1/2019	5/1/2018
Applicable to Fiscal Year Ending	<u>4/30/2021</u>	<u>4/30/2020</u>
Total Recommended Contribution	\$2,234,109	\$2,027,891
% of Projected Annual Payroll	67.3%	64.1%
Member Contributions (Est.)	328,960	313,541
% of Projected Annual Payroll	9.9%	9.9%
City Recommended Contribution	1,905,149	1,714,350
% of Projected Annual Payroll	57.4%	54.2%

As you can see, the Total Recommended Contribution shows an increase when compared to the results determined in the May 1, 2018 actuarial valuation report. The increase is attributable to assumption changes reflected as part of this valuation and the anticipated amortization payment increase due to the payroll growth assumption.

Plan experience was favorable overall on the basis of the plan's actuarial assumptions. Sources of favorable experience included more inactive mortality than expected, fewer retirements than expected, and an average salary increase of 4.05% which fell short of the 5.15% assumption. These gains were offset in part by a loss associated with an investment return of 5.70% (Actuarial Asset Basis) which fell short of the 7.00% assumption.

CHANGES SINCE PRIOR VALUATION

Plan Changes Since Prior Valuation

No plan changes have occurred since the prior valuation.

Actuarial Assumption/Method Changes Since Prior Valuation

The valuation reflects the following assumption change:

- The mortality rates were updated to reflect the PubS-2010 tables.

There were no method changes since the prior valuation.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump <u>5/1/2019</u>	Old Assump <u>5/1/2019</u>	<u>5/1/2018</u>
A. Participant Data			
Number Included			
Actives	33	33	32
Service Retirees	20	20	21
Beneficiaries	3	3	2
Disability Retirees	3	3	3
Terminated Vested	<u>13</u>	<u>13</u>	<u>12</u>
Total	72	72	70
Total Annual Payroll	\$3,319,478	\$3,319,478	\$3,163,883
Payroll Under Assumed Ret. Age	3,319,478	3,319,478	3,163,883
Annual Rate of Payments to:			
Service Retirees	1,843,463	1,843,463	1,869,443
Beneficiaries	166,278	166,278	84,753
Disability Retirees	150,937	150,937	148,936
Terminated Vested	114,630	114,630	62,338
B. Assets			
Actuarial Value	29,406,129	29,406,129	28,029,102
Market Value	29,022,830	29,022,830	27,497,602
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	20,330,930	19,538,741	18,861,571
Disability Benefits	1,671,680	1,470,000	1,424,682
Death Benefits	187,950	418,712	406,695
Vested Benefits	1,422,725	1,391,098	1,397,040
Service Retirees	28,527,593	27,616,696	28,409,022
Beneficiaries	1,731,462	1,677,240	884,122
Disability Retirees	2,184,008	1,944,852	1,929,966
Terminated Vested	<u>1,198,977</u>	<u>1,176,079</u>	<u>445,808</u>
Total	57,255,325	55,233,418	53,758,906

C. Liabilities - (Continued)	New Assump <u>5/1/2019</u>	Old Assump <u>5/1/2019</u>	<u>5/1/2018</u>
Present Value of Future Salaries	33,983,292	33,796,036	32,152,081
Present Value of Future Member Contributions	3,367,744	3,349,187	3,186,271
Normal Cost (Retirement)	533,229	512,477	498,543
Normal Cost (Disability)	93,483	82,974	78,505
Normal Cost (Death)	8,531	16,626	16,204
Normal Cost (Vesting)	<u>72,358</u>	<u>70,962</u>	<u>69,415</u>
Total Normal Cost	707,601	683,039	662,667
Present Value of Future Normal Costs	6,611,328	6,339,333	6,228,079
Accrued Liability (Retirement)	15,278,218	14,707,899	14,090,582
Accrued Liability (Disability)	705,296	614,977	612,255
Accrued Liability (Death)	112,174	270,169	261,603
Accrued Liability (Vesting)	906,269	886,173	897,469
Accrued Liability (Inactives)	<u>33,642,040</u>	<u>32,414,867</u>	<u>31,668,918</u>
Total Actuarial Accrued Liability	50,643,997	48,894,085	47,530,827
Unfunded Actuarial Accrued Liability (UAAL)	21,237,868	19,487,956	19,501,725
Funded Ratio (AVA / AL)	58.1%	60.1%	59.0%

	New Assump <u>5/1/2019</u>	Old Assump <u>5/1/2019</u>	<u>5/1/2018</u>
D. Actuarial Present Value of Accrued Benefits			
Vested Accrued Benefits			
Inactives	33,642,040	32,414,867	31,668,918
Actives	5,645,733	5,362,300	4,937,854
Member Contributions	<u>3,331,533</u>	<u>3,331,533</u>	<u>3,162,234</u>
Total	42,619,306	41,108,700	39,769,006
Non-vested Accrued Benefits	<u>958,624</u>	<u>929,469</u>	<u>871,209</u>
Total Present Value Accrued Benefits	43,577,930	42,038,169	40,640,215
Funded Ratio (MVA / PVAB)	66.6%	69.0%	67.7%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	1,539,761	0	
New Accrued Benefits	0	753,332	
Benefits Paid	0	(2,125,790)	
Interest	0	2,770,412	
Other	<u>0</u>	<u>0</u>	
Total	1,539,761	1,397,954	

	New Assump	Old Assump	
Valuation Date	5/1/2019	5/1/2019	5/1/2018
Applicable to Fiscal Year Ending	<u>4/30/2021</u>	<u>4/30/2021</u>	<u>4/30/2020</u>

E. Pension Cost

Normal Cost ¹	\$757,133	\$730,852	\$709,054
% of Total Annual Payroll ¹	22.8	22.0	22.4
Administrative Expenses ¹	44,446	44,446	42,133
% of Total Annual Payroll ¹	1.3	1.3	1.3
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 22 years (as of 5/1/2019) ¹	1,432,530	1,314,496	1,276,704
% of Total Annual Payroll ¹	43.2	39.7	40.4
Total Recommended Contribution	2,234,109	2,089,794	2,027,891
% of Total Annual Payroll ¹	67.3	63.0	64.1
Expected Member Contributions ¹	328,960	328,960	313,541
% of Total Annual Payroll ¹	9.9	9.9	9.9
Expected City Contribution	1,905,149	1,760,834	1,714,350
% of Total Annual Payroll ¹	57.4	53.1	54.2

F. Past Contributions

Plan Years Ending:	<u>4/30/2019</u>
Total Recommended Contribution	1,938,653
City	1,618,878
Actual Contributions Made:	
Members (excluding buyback)	319,775
City	<u>1,634,019</u>
Total	1,953,794

G. Net Actuarial (Gain)/Loss (102,000)

¹ Contributions developed as of 5/1/2019 displayed above have been adjusted to account for assumed interest.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2019	21,237,868
2020	21,291,989
2021	21,299,760
2026	20,453,326
2031	17,498,026
2036	11,253,078
2041	0

I. (i) 3 Year Comparison of Actual and Assumed Salary Increases

		<u>Actual</u>	<u>Assumed</u>
Year Ended	4/30/2019	4.05%	5.15%
Year Ended	4/30/2018	4.27%	5.51%
Year Ended	4/30/2017	4.07%	5.50%

(ii) 3 Year Comparison of Investment Return on Actuarial Value

		<u>Actual</u>	<u>Assumed</u>
Year Ended	4/30/2019	5.70%	7.00%
Year Ended	4/30/2018	5.69%	7.00%
Year Ended	4/30/2017	5.74%	7.00%

DEVELOPMENT OF MAY 1, 2019 AMORTIZATION PAYMENT

(1)	Unfunded Actuarial Accrued Liability as of May 1, 2018	\$19,501,725
(2)	Sponsor Normal Cost developed as of May 1, 2018	349,126
(3)	Expected administrative expenses for the year ended April 30, 2019	39,377
(4)	Expected interest on (1), (2) and (3)	1,390,938
(5)	Sponsor contributions to the System during the year ended April 30, 2019	1,634,019
(6)	Expected interest on (5)	57,191
(7)	Expected Unfunded Actuarial Accrued Liability as of April 30, 2019, (1)+(2)+(3)+(4)-(5)-(6)	19,589,956
(8)	Change to UAAL due to Assumption Change	1,749,912
(9)	Change to UAAL due to Actuarial (Gain)/Loss	(102,000)
(10)	Unfunded Accrued Liability as of May 1, 2019	21,237,868
(11)	UAAL Subject to Amortization (100% AAL less Actuarial Assets)	21,237,868

<u>Date</u> <u>Established</u>	<u>Years</u> <u>Remaining</u>	<u>5/1/2019</u> <u>Amount</u>	<u>Amortization</u> <u>Amount</u>
5/1/2019	22	21,237,868	1,338,813

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of May 1, 2018	\$19,501,725
(2) Expected UAAL as of May 1, 2019	19,589,956
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	364,002
Salary Increases	(172,205)
Active Decrements	(356,682)
Inactive Mortality	(117,339)
Other	<u>180,224</u>
Change in UAAL due to (Gain)/Loss	(102,000)
Assumption Changes	<u>1,749,912</u>
(4) Actual UAAL as of May 1, 2019	\$21,237,868

RECONCILIATION OF CHANGES IN CONTRIBUTION REQUIREMENT

(1) Contribution Determined as of May 1, 2018	\$1,714,350
(2) Summary of Contribution Impact by component:	
Change in Normal Cost	21,798
Change in Assumed Administrative Expense	2,313
Investment Return (Actuarial Asset Basis)	24,553
Salary Increases	(11,616)
Active Decrements	(24,059)
Inactive Mortality	(7,915)
Contributions (More) or Less than Recommended	(1,057)
Increase in Amortization Payment Due to Payroll Growth Assumption	44,685
Change in Expected Member Contributions	(15,419)
Assumption Change	144,315
Other	<u>13,201</u>
Total Change in Contribution	190,799
(3) Contribution Determined as of May 1, 2019	\$1,905,149

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 Assump	Old Assump	
Valuation Date	5/1/2019	5/1/2019	5/1/2018
Applicable to Fiscal Year Ending	<u>4/30/2021</u>	<u>4/30/2021</u>	<u>4/30/2020</u>
Actuarial Accrued Liability (PUC)	48,874,980	47,159,443	45,725,891
Actuarial Value of Assets	<u>29,406,129</u>	<u>29,406,129</u>	<u>28,029,102</u>
Unfunded Actuarial Accrued Liability (UAAL)	19,468,851	17,753,314	17,696,789
UAAL Subject to Amortization	14,581,353	13,037,370	13,124,200
Normal Cost ¹	\$889,374	\$859,138	\$834,563
% of Total Annual Payroll ¹	26.8	25.9	26.4
Administrative Expenses ¹	44,446	44,446	42,133
% of Total Annual Payroll ¹	1.3	1.3	1.3
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 21 years (as of 5/1/2019) ¹	1,015,373	907,858	885,250
% of Total Annual Payroll ¹	30.6	27.4	28.0
Total Required Contribution	1,949,193	1,811,442	1,761,946
% of Total Annual Payroll ¹	58.7	54.6	55.7
Expected Member Contributions ¹	328,960	328,960	313,541
% of Total Annual Payroll ¹	9.9	9.9	9.9
Expected City Contribution	1,620,233	1,482,482	1,448,405
% of Total Annual Payroll ¹	48.8	44.7	45.8
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 5/1/2019 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
2019	109,539	2,178,134	2,287,673
2020	194,687	2,198,759	2,393,446
2021	282,555	2,251,929	2,534,484
2022	372,711	2,301,208	2,673,919
2023	462,382	2,368,115	2,830,497
2024	568,380	2,468,018	3,036,398
2025	665,266	2,533,555	3,198,821
2026	770,720	2,579,342	3,350,062
2027	868,308	2,622,650	3,490,958
2028	961,827	2,662,854	3,624,681
2029	1,114,227	2,706,965	3,821,192
2030	1,269,019	2,740,583	4,009,602
2031	1,441,364	2,768,864	4,210,228
2032	1,612,352	2,790,919	4,403,271
2033	1,794,508	2,805,814	4,600,322
2034	2,004,389	2,812,614	4,817,003
2035	2,186,568	2,827,196	5,013,764
2036	2,394,155	2,815,618	5,209,773
2037	2,575,057	2,793,588	5,368,645
2038	2,769,264	2,760,704	5,529,968
2039	2,943,609	2,741,965	5,685,574
2040	3,109,589	2,687,561	5,797,150
2041	3,271,303	2,622,166	5,893,469
2042	3,431,168	2,545,973	5,977,141
2043	3,613,876	2,459,264	6,073,140
2044	3,733,443	2,362,500	6,095,943
2045	3,848,872	2,256,373	6,105,245
2046	3,960,372	2,141,803	6,102,175
2047	4,071,633	2,019,977	6,091,610
2048	4,170,775	1,892,347	6,063,122
2049	4,243,190	1,760,572	6,003,762
2050	4,302,542	1,626,361	5,928,903
2051	4,350,476	1,491,418	5,841,894
2052	4,387,564	1,357,411	5,744,975
2053	4,414,886	1,225,975	5,640,861
2054	4,430,949	1,098,687	5,529,636
2055	4,436,631	977,059	5,413,690
2056	4,431,646	862,467	5,294,113
2057	4,415,910	756,016	5,171,926
2058	4,389,017	658,518	5,047,535

ACTUARIAL ASSUMPTIONS AND METHODS

Interest Rate	7.00% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.
Mortality Rate	<p>Active Lives: PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2018. 10% of active deaths are assumed to be in the line of duty.</p> <p>Inactive Lives: PubS-2010 Healthy Retiree mortality, projected 5 years past the valuation date with Scale MP-2018.</p> <p>Beneficiaries: PubS-2010 Survivor mortality, projected 5 years past the valuation date with Scale MP-2018.</p> <p>Disabled Lives: PubS-2010 Disabled mortality, projected 5 years past the valuation date with Scale MP-2018.</p> <p>The mortality assumptions sufficiently accommodate anticipated future mortality improvements.</p>
Retirement Age	See table later in this section. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.
Disability Rate	See table later in this section. 60% of the disabilities are assumed to be in the line of duty. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.
Termination Rate	See table later in this section. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.

Salary Increases

See table below. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.

Salary Scale	
Service	Rate
0	11.00%
1	10.75%
2	8.75%
3	8.50%
4	7.00%
5	6.25%
6	5.25%
7	4.25%
8 - 16	4.00%
17 - 32	3.75%
32+	3.50%

Inflation

2.50%.

Cost-of-Living Adjustment

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

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

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.

Funding Policy Amortization Method

The UAAL is amortized according to a Level Percentage of Payroll method over a period ending in 2041. The initial amortization amount is 100% of the Accrued Liability less the Actuarial Value of Assets.

Payroll Growth

3.50% per year.

Administrative Expenses

Expenses paid out of the fund other than investment-related expenses are assumed to be equal to those paid in the previous year.

Decrement Tables

<u>% Terminating During the Year</u>		<u>% Becoming Disabled During the Year</u>		<u>% Retiring During the Year (Tier 1)</u>		<u>% Retiring During the Year (Tier 2)</u>	
<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	14.00%	20	0.000%	50 - 51	15%	50 - 54	5%
25	10.40%	25	0.030%	52 - 54	20%	55	40%
30	5.60%	30	0.140%	55 - 64	25%	56 - 64	25%
35	3.10%	35	0.260%	65 - 69	40%	65 - 69	40%
40	1.90%	40	0.420%	70+	100%	70+	100%
45	1.50%	45	0.590%				
50	1.50%	50	0.710%				
56+	0.00%	55	0.900%				
		60	1.150%				

GLOSSARY

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

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

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

Unfunded Accrued Liability is a liability which arises when a pension plan is initially established or improved and such establishment or improvement is applicable to all years of past service.

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

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

- (a) The normal cost accrual rate equals:
 - (i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by
 - (ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.
- (b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.
- (c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.
- (d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

DISCUSSION OF RISK

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

Throughout this report, actuarial results are determined under various assumption scenarios. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. Whenever possible, the recommended assumptions in this report reflect conservatism to allow for some margin of unfavorable future plan experience. However, it is still 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: Risks associated with the items outlined above will inherently create varying liabilities and assets resulting in volatility in contributions. Actuarial losses on assets and liabilities will lead to higher contribution amounts, while actuarial gains on assets and liabilities will lead to lower contribution amounts.

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 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 97.0% to 84.6% over the last four years, meaning the plan has been gradually maturing.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the accrued liability associated with those receiving payments to the Total Accrued Liability, is 66.4%. 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 61.4% on January 1, 2016 to 58.1% on January 1, 2019 due mainly to investment performance and updated assumptions.

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 modelling, as well as the identification of additional risks, can be provided at the request of the reader.

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	<u>1/1/2016</u>	<u>1/1/2017</u>	<u>1/1/2018</u>	<u>1/1/2019</u>
<u>Support Ratio</u>				
Total Actives	32	30	32	33
Total Inactives	33	38	38	39
Actives / Inactives	97.0%	78.9%	84.2%	84.6%
 <u>Asset Volatility Ratio</u>				
Market Value of Assets (MVA)	24,179,284	26,028,563	27,497,602	29,022,830
Total Annual Payroll	3,054,195	2,941,511	3,163,883	3,319,478
MVA / Total Annual Payroll	791.7%	884.9%	869.1%	874.3%
 <u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	25,849,920	30,103,564	31,668,918	33,642,040
Total Accrued Liability	41,553,774	45,969,410	47,530,827	50,643,997
Inactive AL / Total AL	62.2%	65.5%	66.6%	66.4%
 <u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	25,504,285	26,831,419	28,029,102	29,406,129
Total Accrued Liability	41,553,774	45,969,410	47,530,827	50,643,997
AVA / Total Accrued Liability	61.4%	58.4%	59.0%	58.1%

STATEMENT OF FIDUCIARY NET POSITION
April 30, 2019

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Cash and Cash Equivalents	292,332
Total Cash and Equivalents	292,332
Receivables:	
Prepays	530
Accrued Past Due Interest	98,073
Total Receivable	98,603
Investments:	
Municipal Obligations	906,676
Corporate Bonds	3,712,541
U.S. Gov't and Agency Obligations	7,464,095
Stocks	1,208,918
Mutual Funds	15,351,543
Total Investments	28,643,773
Total Assets	29,034,708
 <u>LIABILITIES</u>	
Liabilities:	
Payable:	
Accounts Payable	11,878
Total Liabilities	11,878
Net Assets:	
Active and Retired Members' Equity	29,022,830
NET POSITION RESTRICTED FOR PENSIONS	29,022,830
TOTAL LIABILITIES AND NET ASSETS	29,034,708

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED April 30, 2019
 Market Value Basis

ADDITIONS

Contributions:

Member	319,775
City	1,634,019

Total Contributions 1,953,794

Investment Income:

Net Increase in Fair Value of Investments	649,310
Interest & Dividends	1,174,242
Less Investment Expense ¹	(84,790)

Net Investment Income 1,738,762

Total Additions 3,692,556

DEDUCTIONS

Distributions to Members:

Benefit Payments	2,125,790
Refund of Contributions/Transfers	0

Total Distributions 2,125,790

Administrative Expenses 41,538

Total Deductions 2,167,328

Net Increase in Net Position 1,525,228

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year 27,497,602

End of the Year 29,022,830

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

ACTUARIAL ASSET VALUATION

April 30, 2019

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a five 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.

Plan Year Ending	Gain/(Loss)	Gains/(Losses) Not Yet Recognized				
		Amounts Not Yet Recognized by Valuation Year				
		2019	2020	2021	2022	2023
4/30/2016	(1,725,988)	(345,198)	0	0	0	0
4/30/2017	294,244	117,698	58,849	0	0	0
4/30/2018	(21,537)	(12,922)	(8,615)	(4,307)	0	0
4/30/2019	(178,596)	(142,877)	(107,158)	(71,438)	(35,719)	0
Total		(383,299)	(56,924)	(75,745)	(35,719)	0

Development of Investment Gain/Loss

Market Value of Assets, 4/30/2018	27,497,602
Contributions Less Benefit Payments & Administrative Expenses	(213,534)
Expected Investment Earnings ¹	1,917,358
Actual Net Investment Earnings	1,738,762
2019 Actuarial Investment Gain/(Loss)	(178,596)

¹ Expected Investment Earnings = 7.00% x (27,497,602 + 0.5 x -213,534)

Development of Actuarial Value of Assets

Market Value of Assets, 4/30/2019	29,022,830
(Gains)/Losses Not Yet Recognized	383,299
Actuarial Value of Assets, 4/30/2019	29,406,129
(A) 4/30/2018 Actuarial Assets:	28,029,102
(I) Net Investment Income:	
1. Interest and Dividends	1,174,242
2. Realized Gains (Losses)	0
3. Change in Actuarial Value	501,109
4. Investment Expenses	(84,790)
Total	1,590,561
(B) 4/30/2019 Actuarial Assets:	29,406,129
Actuarial Asset Rate of Return = (2 x I) / (A + B - I):	5.70%
Market Value of Assets Rate of Return:	6.35%
4/30/2019 Limited Actuarial Assets:	29,406,129
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	(364,002)

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 April 30, 2019
 Actuarial Asset Basis

INCOME		
Contributions:		
Member	319,775	
City	1,634,019	
Total Contributions		1,953,794
Earnings from Investments		
Interest & Dividends	1,174,242	
Change in Actuarial Value	501,109	
Total Earnings and Investment Gains		1,675,351
EXPENSES		
Administrative Expenses:		
Investment Related ¹	84,790	
Other	41,538	
Total Administrative Expenses		126,328
Distributions to Members:		
Benefit Payments	2,125,790	
Refund of Contributions/Transfers	0	
Total Distributions		2,125,790
Change in Net Assets for the Year		1,377,027
Net Assets Beginning of the Year		28,029,102
Net Assets End of the Year ²		29,406,129

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

² Net Assets may be limited for actuarial consideration.

STATISTICAL DATA

	<u>5/1/2016</u>	<u>5/1/2017</u>	<u>5/1/2018</u>	<u>5/1/2019</u>
<u>Actives - Tier 1</u>				
Number	26	24	23	22
Average Current Age	42.3	42.4	43.0	43.9
Average Age at Employment	25.9	25.6	25.6	25.6
Average Past Service	16.4	16.8	17.4	18.3
Average Annual Salary	\$101,832	\$104,501	\$108,450	\$111,605
<u>Actives - Tier 2</u>				
Number	6	6	9	11
Average Current Age	28.9	30.5	31.7	32.2
Average Age at Employment	27.9	28.7	29.9	30.0
Average Past Service	1.0	1.8	1.8	2.2
Average Annual Salary	\$67,759	\$72,248	\$74,392	\$78,562
<u>Service Retirees</u>				
Number	18	20	21	20
Average Current Age	62.9	62.9	63.4	64.1
Average Annual Benefit	\$86,082	\$87,595	\$89,021	\$92,173
<u>Beneficiaries</u>				
Number	2	2	2	3
Average Current Age	61.9	62.9	63.9	66.0
Average Annual Benefit	\$42,377	\$42,377	\$42,377	\$55,426
<u>Disability Retirees</u>				
Number	3	3	3	3
Average Current Age	60.8	61.8	62.8	63.8
Average Annual Benefit	\$48,311	\$48,978	\$49,645	\$50,312
<u>Terminated Vested</u>				
Number	10	13	12	13
Average Current Age	38.0	37.0	37.7	38.6
Average Annual Benefit ¹	\$20,779	\$20,779	\$20,779	\$28,658

¹ Average Annual Benefit for Terminated Vested members reflects the benefit for members entitled to a future annual benefit from the plan. Nine of the terminated vested members for the 5/1/2019 valuation are due accumulated contributions only.

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	2	0	0	1	0	0	0	0	0	0	0	3
30 - 34	1	1	0	0	0	3	1	0	0	0	0	6
35 - 39	0	2	0	1	0	1	4	0	0	0	0	8
40 - 44	0	0	0	0	0	0	1	5	0	0	0	6
45 - 49	0	0	0	0	0	0	0	3	3	0	0	6
50 - 54	0	0	0	0	0	0	0	0	0	0	0	0
55 - 59	0	0	0	0	0	0	0	0	0	2	1	3
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	3	3	0	2	0	4	6	8	3	2	2	33

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 5/1/2018	32
b. Terminations	
i. Vested (partial or full) with deferred benefits	(2)
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	<u>0</u>
f. Continuing participants	30
g. New entrants	<u>3</u>
h. Total active life participants in valuation	33

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested <u>Deferred</u>	<u>Total</u>
a. Number prior valuation	21	2	3	12	38
Retired	0	0	0	0	0
Vested Deferred	0	0	0	2	2
Death, With Survivor	(1)	1	0	0	0
Death, No Survivor	0	0	0	0	0
Disabled	0	0	0	0	0
Refund of Contributions	0	0	0	(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	20	3	3	13	39

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 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 eight consecutive years 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.

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% 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.) 50% 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 OF PARTICIPANT DATA

Plan Membership:

	<u>5/1/2019</u>	<u>5/1/2018</u>
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	26	26
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	13	12
Active Plan Members	<u>33</u>	<u>32</u>
Total	72	70
Covered Payroll	\$3,319,478	\$3,163,883

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

GASB 68 Reporting Period Ending	04/30/2019	04/30/2018
Measurement Date	04/30/2019	04/30/2018
Total Pension Liability		
Service Cost	685,980	730,502
Interest	3,270,691	3,168,022
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(473,570)	274,605
Changes of Assumptions	1,749,927	(576,498)
Benefit Payments, Including Refunds of Employee Contributions	(2,125,790)	(2,045,013)
Net Change in Total Pension Liability	3,107,238	1,551,618
Total Pension Liability - Beginning	47,101,075	45,549,457
Total Pension Liability - Ending (a)	\$ 50,208,313	\$ 47,101,075
Plan Fiduciary Net Position		
Contributions - Employer	1,634,019	1,468,691
Contributions - Employee	319,775	295,483
Net Investment Income	1,738,762	1,789,255
Benefit Payments, Including Refunds of Employee Contributions	(2,125,790)	(2,045,013)
Administrative Expense	(41,538)	(39,377)
Net Change in Plan Fiduciary Net Position	1,525,228	1,469,039
Plan Fiduciary Net Position - Beginning	27,497,602	26,028,563
Plan Fiduciary Net Position - Ending (b)	\$ 29,022,830	\$ 27,497,602
Net Pension Liability - Ending (a) - (b)	\$ 21,185,483	\$ 19,603,473
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.80%	58.38%
Covered Payroll	\$ 3,319,478	\$ 3,163,883
Net Pension Liability as a Percentage of Covered Payroll	638.22%	619.60%

Changes reflected in April 30, 2019 results:

The results reflect the assumption changes noted in the assumptions section of the report.

STATEMENT OF CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at April 30, 2018	\$ 47,101,075	\$ 27,497,602	\$ 19,603,473
Changes for a Year:			
Service Cost	685,980	-	685,980
Interest	3,270,691	-	3,270,691
Differences Between Expected and Actual Experience	(473,570)	-	(473,570)
Changes of Assumptions	1,749,927	-	1,749,927
Changes of Benefit Terms	-	-	-
Contributions - Employer	-	1,634,019	(1,634,019)
Contributions - Employee	-	319,775	(319,775)
Net Investment Income	-	1,738,762	(1,738,762)
Benefit Payments, Including Refunds of Employee Contributions	(2,125,790)	(2,125,790)	-
Administrative Expense	-	(41,538)	41,538
Net Changes	3,107,238	1,525,228	1,582,010
Balances at April 30, 2019	\$ 50,208,313	\$ 29,022,830	\$ 21,185,483

Sensitivity of Net Pension Liability to changes in the Discount Rate:

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.00%	7.00%	8.00%
Sponsor's Net Pension Liability	\$ 28,397,877	\$ 21,185,483	\$ 15,288,634

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 APRIL 30, 2019

For the year ended April 30, 2019, the Sponsor will recognize a pension expense of \$2,212,596. On April 30, 2019, 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	264,050	869,478
Changes of assumptions	1,777,609	384,332
Net difference between projected and actual earnings on pension plan investments	383,297	0
Total	\$2,424,956	\$1,253,810

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 April 30:

2020	\$451,524
2021	\$106,326
2022	\$202,438
2023	\$198,131
2024	\$212,727
Thereafter	\$0

COMPONENTS OF PENSION EXPENSE
YEAR-END APRIL 30, 2019

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning Balance	\$ 19,603,473	\$ 1,369,219	\$ 1,536,932	
Total Pension Liability Factors:				
Service Cost	685,980	-	-	685,980
Interest	3,270,691	-	-	3,270,691
Changes in Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience With Regard to Economic or Current Year Amortization	(473,570)	473,570	-	-
Changes in Assumptions About Future Economic or Demographic Factors or Other Inputs Current Year Amortization	1,749,927	-	1,749,927	-
Benefit Payments, Including Refunds of Employee Contributions	-	(96,083)	(451,319)	355,236
Net Change	(2,125,790)	-	-	-
	<u>3,107,238</u>	<u>61,138</u>	<u>1,212,351</u>	<u>4,081,815</u>
Plan Fiduciary Net Position:				
Contributions - Employer	1,634,019	-	-	-
Contributions - Employee	319,775	-	-	(319,775)
Projected Net Investment Income	1,917,358	-	-	(1,917,358)
Difference Between Projected and Actual Earnings on Pension Plan Investments Current Year Amortization	(178,596)	-	178,596	-
Benefit Payments, Including Refunds of Employee Contributions	-	(58,849)	(385,225)	326,376
Administrative Expenses	(2,125,790)	-	-	-
Net Change	(41,538)	-	-	41,538
	<u>1,525,228</u>	<u>(58,849)</u>	<u>(206,629)</u>	<u>(1,869,219)</u>
Ending Balance	<u>\$ 21,185,483</u>	<u>\$ 1,371,508</u>	<u>\$ 2,542,654</u>	<u>\$ 2,212,596</u>

AMORTIZATION SCHEDULE – EXPERIENCE

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience

Year Base Established	Differences Between Expected and Actual Experience	Recognition Period (Years)	2019	2020	2021	2022	2023	2024	2025
2019	\$ (473,570)	6	\$ (78,930)	\$ (78,928)	\$ (78,928)	\$ (78,928)	\$ (78,928)	\$ (78,928)	\$ -
2018	\$ 274,605	6	\$ 45,768	\$ 45,768	\$ 45,768	\$ 45,768	\$ 45,768	\$ -	\$ -
2017	\$ 202,447	5	\$ 40,489	\$ 40,489	\$ 40,489	\$ -	\$ -	\$ -	\$ -
2016	\$ (1,424,513)	6	\$ (237,419)	\$ (237,419)	\$ (237,419)	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			(230,092)	(230,090)	(230,090)	(33,160)	(33,160)	(78,928)	-

AMORTIZATION SCHEDULE – CHANGES OF ASSUMPTIONS

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions

Year Base Established	Effects of Changes in Assumptions	Recognition Period (Years)	2019	2020	2021	2022	2023	2024	2025
2019	\$ 1,749,927	6	\$ 291,652	\$ 291,655	\$ 291,655	\$ 291,655	\$ 291,655	\$ 291,655	\$ -
2018	\$ (576,498)	6	\$ (96,083)	\$ (96,083)	\$ (96,083)	\$ (96,083)	\$ (96,083)	\$ -	\$ -
2017	\$ 798,335	5	\$ 159,667	\$ 159,667	\$ 159,667	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 355,236	\$ 355,239	\$ 355,239	\$ 195,572	\$ 195,572	\$ 291,655	\$ -

AMORTIZATION SCHEDULE – INVESTMENTS

Increase (Decrease) in Pension Expense Arising from the Recognition of the of Differences Between Projected and Actual Earnings on Pension Plan Investments

Year Base Established	Differences		Increase (Decrease) in Pension Expense Arising from the Recognition of the of Differences Between Projected and Actual Earnings on Pension Plan Investments							
	Between Projected and Actual Earnings	Recognition Period (Years)	2019	2020	2021	2022	2023	2024		
2019	\$ 178,596	5	\$ 35,720	\$ 35,719	\$ 35,719	\$ 35,719	\$ 35,719	\$ 35,719	\$ -	\$ -
2018	\$ 21,537	5	\$ 4,307	\$ 4,307	\$ 4,307	\$ 4,307	\$ -	\$ -	\$ -	\$ -
2017	\$ (294,244)	5	\$ (58,849)	\$ (58,849)	\$ (58,849)	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ 1,725,988	5	\$ 345,198	\$ 345,198	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 326,376	\$ 326,375	\$ (18,823)	\$ 40,026	\$ 35,719	\$ -	\$ -	\$ -

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
04/30/2019	1,618,878	1,634,019	(15,141)	3,319,478	49.23%
04/30/2018	1,456,052	1,468,691	(12,639)	3,163,883	46.42%

The following assumptions were used to determine the Actuarially Determined Contribution as of May 1, 2017:

Calculation Timing	The Actuarially Determined Contribution is calculated as of May 1 two years prior to the year in which contributions are reported.
Interest Rate	7.00%
Mortality	RP-2000 Combined Healthy Mortality with a blue collar adjustment, projected to the valuation date with Scale BB.
Disabled Mortality Rate	RP-2000 Disabled Retiree Mortality, projected to the valuation date with Scale BB.
Assumptions	All other assumptions and methods used for determining the Actuarially Determined Contribution can be found in the May 1, 2017 Actuarial Valuation Report for the City of Darien Police Pension Fund prepared by Foster & Foster.

SCHEDULE OF INVESTMENT RETURNS

For the year ended April 30, 2019, the annual money-weighted return on Pension Plan investments, net of pension plan investment expense, was 6.41 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
04/30/2019	6.41%
04/30/2018	6.99%

ASSUMPTIONS – TOTAL PENSION LIABILITY

The valuation reflects the following assumption changes :

- The mortality rates were updated to reflect the PubS-2010 tables.

The following assumptions were used to determine the Net Pension Liability:

Valuation Date	May 1, 2019
Measurement Date	April 30, 2019
GASB 68 Expense Measurement Period	May 1, 2018 - April 30, 2019
Reporting Period	May 1, 2018 - April 30, 2019
Discount Rate	7.00%
Mortality Rate	<p>Active Lives: PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2018. 10% of active deaths are assumed to be in the line of duty.</p> <p>Inactive Lives: PubS-2010 Healthy Retiree mortality, projected 5 years past the valuation date with Scale MP-2018.</p> <p>Beneficiaries: PubS-2010 Survivor mortality, projected 5 years past the valuation date with Scale MP-2018.</p> <p>Disabled Lives: PubS-2010 Disabled mortality, projected 5 years past the valuation date with Scale MP-2018.</p> <p>The mortality assumptions sufficiently accommodate anticipated future mortality improvements.</p>
Retirement Age	See table later in this section. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.
Disability Rate	See table later in this section. 60% of the disabilities are assumed to be in the line of duty. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.
Termination Rate	See table later in this section. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.

Salary Increases

See table below. This is based on a 2017 experience study performed for the State of Illinois Department of Insurance.

Salary Scale	
Service	Rate
0	11.00%
1	10.75%
2	8.75%
3	8.50%
4	7.00%
5	6.25%
6	5.25%
7	4.25%
8 - 16	4.00%
17 - 32	3.75%
32+	3.50%

Inflation

2.50%.

Cost-of-Living Adjustment

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

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

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.

Decrement Tables

% Terminating During the Year		% Becoming Disabled During the Year		% Retiring During the Year (Tier 1)		% Retiring During the Year (Tier 2)	
Age	Rate	Age	Rate	Age	Rate	Age	Rate
20	14.00%	20	0.000%	50 - 51	15%	50 - 54	5%
25	10.40%	25	0.030%	52 - 54	20%	55	40%
30	5.60%	30	0.140%	55 - 64	25%	56 - 64	25%
35	3.10%	35	0.260%	65 - 69	40%	65 - 69	40%
40	1.90%	40	0.420%	70+	100%	70+	100%
45	1.50%	45	0.590%				
50	1.50%	50	0.710%				
56+	0.00%	55	0.900%				
		60	1.150%				

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 April 30, 2019, as provided by Sawyer Falduto Asset Management, LLC, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Large Cap Domestic Equity	35.75%	6.6%
Mid Cap Domestic Equity	5.50%	8.6%
Small Cap Domestic Equity	5.50%	8.4%
International Equity	8.25%	6.4%
Fixed Income	45.00%	1.6%
Total	100.00%	

Concentrations

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan’s fiduciary net position.

Discount Rate

The Discount Rate used to measure the Total Pension Liability was 7.00 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 (7.00 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 7.00 percent. The municipal bond rate is 3.21 percent (based on the weekly 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 7.00 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, 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 eight consecutive years 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.

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% 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.) 50% 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.

GASB 67/68

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.

City of Darien
Minutes of the Administrative/Finance Committee
June 3, 2019

The Meeting was called to order by Chairwoman/Alderswoman Sullivan at 6:00 pm. Committee members Aldermen Gustafson and Schauer were present. Mayor Marchese, Treasurer Coren, City Administrator Vana were also present.

Approval of an Ordinance creating the Darien Economic Development Committee

Mayor Marchese introduced a proposed ordinance which would create a seven member Darien Economic Development Committee (DEDC) and described the purpose of the Economic Development Committee is to advise the City on the development and implementation of business retention/expansion programs, advise the City on the implementation of a marketing program to attract new business and industry, monitor business activity and trends on the local, State, and national level, establish a focal point for businesses to approach and discuss issues that affect them, and engage representatives from community and regional entities as appropriate on matters for economic development. The committee supported the creation of the committee and discussed the importance of business retention and asked questions pertaining to recommendations that may come from the DEDC. The Committee unanimously recommended approval of the ordinance creating the DEDC. The ordinance and appointments to the committee will be scheduled for the June 17th, 2019, Council meeting.

Treasurer's Review/Overview- City Finances

Treasurer Coren distributed a handout and provided a review/overview of city finances, focusing on the General and Capital Projects funds and cash/fund balances. The committee asked a number of questions of Treasurer Coren.

Minutes –November 5, 2018

The Committee unanimously approved the minutes.

Other Business

Alderman Schauer advised of the increased gas tax soon to be implemented by the State and suggested that it may be a good time to review our local gas tax as a way to pay for increasing expenses such as the police pension fund.

Adjournment - The meeting adjourned at 6:59 pm.

Approved:

Mary Sullivan, Chairwoman _____

Eric Gustafson, Member _____

Ted Schauer, Member _____