

Administrative-Finance Committee
October 10, 2011
6:30 P.M. – Conference Room

- 1. Call to Order**
- 2. Establishment of Quorum**
- 3. Public Comment**
- 4. Discussion Items**
 - a. Tax Levy Determination**
- 5. Other Business**
- 6. Next Meeting – November 14, 2011**
- 7. Adjournment**

AGENDA MEMO
City Council
Meeting Date: October 10, 2011

Issue Statement

Approval of tax levy determination for general and special purposes for Fiscal Year 2011-2012.

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 levy is more than 105% of the preceding year. 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. Nonetheless, we have approached the process this year 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). Based on staff anticipating that assessed valuation will decrease city wide the tax rate will increase. That non-bond rate for 2011 was \$.1695.

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. If the council chose to request a higher levy amount

The attached ordinance requests a general corporate purpose (general fund) and special corporate levy (police pension fund) of \$1,617,850 which represents a 0% increase over this year's extension of \$1,617,850. Since we anticipate a decrease in the assessed valuation city wide the tax rate may increase slightly, however residents will pay the same amount they paid last year. I determined the levy for the police pension fund based on the actuary report conducted on the Police Pension Fund.

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.

Additionally, a levy for any outstanding bonds has been filed upon the adoption of the bond ordinances. The 2011 levy amount to pay for the principal and interest on these bonds totals \$1,002,103. Lastly, any abatement will be presented in conjunction with budget review.

Staff/Committee Recommendation

Administrative/Finance Committee and staff recommends approval of the levy determination and ordinances which:

- Set the City's 2011 general property tax levy and special corporate tax levy (police pension fund) at \$1,617,850
- Set the City's 2011 Special Service Area I property tax levy at \$5,000

Alternate Consideration

Levy different amounts.

Decision Mode

The tax levy determination will be on the October 17th, 2011 Council meeting for formal consideration.

This final ordinance will be on the December 5, 2011, City Council agenda for formal consideration.

**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, 2011,
AND ENDING ON THE THIRTIETH DAY OF APRIL, 2012,
FOR THE CITY OF DARIEN, ILLINOIS**

**ADOPTED BY THE
MAYOR AND CITY COUNCIL
OF THE
CITY OF DARIEN**

THIS _____ DAY OF DECEMBER, 2011

**Published in pamphlet form by authority of
the Mayor and City Council of the City of
Darien, DuPage County, Illinois, this
_____ day of December, 2011.**

ORDINANCE NO. _____

**AN ORDINANCE LEVYING TAXES FOR
GENERAL AND SPECIAL CORPORATE PURPOSES
FOR THE FISCAL YEAR COMMENCING ON THE FIRST DAY OF MAY, 2011,
AND ENDING ON THE THIRTIETH DAY OF APRIL, 2012,
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, 2011, and ending on April 30, 2012, 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, 2011, and ending on the Thirtieth day of April, 2012.

ORDINANCE NO. _____

<u>Purpose</u>	<u>Amount Budgeted</u>	<u>Derived From Other Sources</u>	<u>Amount Levied</u>
<u>For Department of Administration:</u>			
For Salaries/Wages	578,100	578,100	0
For Dept. Expenses	355,925	355,925	0
<u>For Police Department:</u>			
For Salaries/Wages	6,201,089	5,665,828	535,261
For Dept. Expenses	1,347,302	1,347,302	0
<u>For Community Development Department:</u>			
For Salaries/Wages	363,150	363,150	0
For Dept. Expenses	136,745	136,745	0
<u>For Public Works Department:</u>			
For Salaries/Wages	913,555	913,555	0
Other Dept. Expenses	688,452	688,452	0
Total Amount Levied for General Corporate Purposes			<u>535,261</u>
Police Pension Fund.....		1,082,589 =	1,082,589
2006 G.O. Bond Issue- Water System		305,908 =	305,908
2007 B G.O. Bonds		494,000 =	494,000
2008 G.O. Bond- Capital Projects		202,194 =	202,194
Total Amount Levied for Special Corporate Purposes & Debt			<u>2,084,691</u>
TOTAL TAX LEVY FOR ALL FUNDS			<u>\$2,619,952</u>

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

ORDINANCE NO. _____

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 5th day of December, 2011.

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED BY THE MAYOR OF THE CITY OF DARIEN, DU PAGE COUNTY, ILLINOIS, this 5th day of December, 2011.

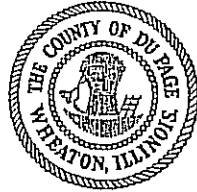
ATTEST: _____ **KATHLEEN MOESLE WEAVER, MAYOR**

JOANNE E. RAGONA, CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

cc: Brian Vana



GARY A. KING
COUNTY CLERK
630/407-5500
FAX 630/407-5501

421 N. COUNTY FARM ROAD
P. O. BOX 1028
WHEATON, IL LINOIS 60187

RECEIVED

MAY 25 2011

CITY CLERK'S OFFICE
CITY OF DARIEN

May 23, 2011

Dear District Official,

Enclosed is a copy of the final calculations of the 2010 tax rates and extensions for your district. All abatements, corrections or re-allocations are reflected in the calculations.

In addition, we have enclosed information to aid you in determining whether or not you must comply with the "Truth in Taxation Act" for next year's 2011 tax levy.

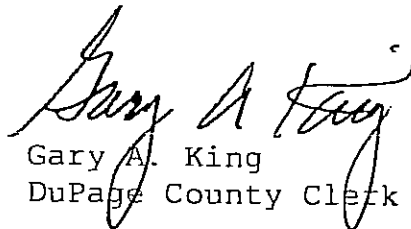
Even though your district may be limited by the tax cap, all districts whose new 2011 levy request exceeds 105% of the prior years extension must follow the provisions of the "Truth in Taxation Act," (Chapter 35, paragraph 215/1 - 215/9 of the Illinois Compiled Statutes).

Please note the Consumer Price Index as defined under Section 1-5 of the Property Tax Extension Limitation Law, for the Tax Year 2011 is 1.5%.

For your convenience we have also enclosed a checklist regarding documents that you are required to file with our office for Tax Year 2011/2012.

I am pleased to be of assistance in this matter.

Very truly yours,


Gary A. King
DuPage County Clerk

Enclosures: 3

DOCUMENTS TO BE FILED WITH THE COUNTY CLERK

Suggested Filing Checklist

1. _____ Budget & Appropriation Ordinance * (35 ILCS 200/18-50)
NOTE: Must be filed within 30 days of adoption.
District Clerk or Secretary certifies copy of budget.
Chief Fiscal officer certifies revenue estimates.
Failure may result in property taxes not being extended.
2. _____ Certification of Budget & Appropriation Ordinances*
3. _____ Certification of Estimated Revenues by Source*
4. _____ Tax Levy (35 ILCS 200/18-15)
5. _____ Certification of Tax Levy*
6. _____ Certification of Truth in Taxation Compliance
(35ILCS 200/18-55 through 18-100)
7. _____ Fiscal Responsibility Report Card (EXCEPT SCHOOL
DISTRICTS)(35 ILCS 200/30-30)

* In order to avoid tax objections against certifications lacking original signature and seal, check before filing that signatures are original and that the seal has been affixed.

2010 Bond / Interest Worksheet

1800000
CITY OF DARIEN

DATE	BOND DESCRIPTION	LEAVE AMOUNT	PAID	PAID DATE	PAID AMOUNT	FINAL LEV. AMOUNT
7-1-06	F GENERAL OBLIGATION 2006	307,673.76		3-7-11	307,673.76	0.00
5-15-07	G GENERAL OBLIGATION 2007A&B	503,000.00				503,000.00
6-15-08	H REFUNDING 2008	201,568.76				201,568.76

TOTAL BONDS 704,568.76

FINAL

1820010
OARIEN SPEC SERV 1

TOWNSHIPS: DOWNERS GROVE
OUPAGE COUNTY
2010 CUR VALUATION

28,876,720
28,876,720
28,876,720

28,876,720

RES: FARM:
COMM:
IND:
T-RE:

RR: 28,876,720
GTOT: 28,876,720

LIMITING RATE: TAX BURDEN: RATE REDUCTION:

LEVY	AMOUNT	PLUS	LIMIT	EXTD	RATE	TAXES EXTENDED	TAX LIMITATION ACT	DISTRICT ADJUSTMENT
						AMOUNT	RATE	EXTENSION
								RATE
								EXTENSION
SPECIAL SERVICE AREA	5,000.00	5,050.00	.3000	.0175		5,053.43		
TOTAL CAP FUNDS	5,000.00	5,050.00		.0175		5,053.43		
*TOTAL NON CAP FUNDS								
GRAND TOTAL	5,000.00	5,050.00		.0175		5,053.43		

DU PAGE COUNTY
CALCULATIONS FOR "TRUTH IN TAXATION" PROCESS

TAXING DISTRICT NAME: CITY OF DARIEN

TOTAL 2010 TAX EXTENSION:
(INCLUDING DEBT) 2,329,894.34

TOTAL 2010 DEBT EXTENSION:
(INCLUDES DEBT SERVICE
AND P.B.C. LEASES) 712,044.73

SUB TOTAL = REMOVAL OF
DEBT SERVICE 1,617,849.61

ADDITION OF 2010 ABATEMENTS:
(DOES NOT INCLUDE
BOND ABATEMENTS) NONE

TOTAL 2010 AGGREGATE EXTENSION:
(INCLUDES CORPORATE & SPECIAL
PURPOSES, ABATEMENTS AND NO DEBT) 1,617,849.61

*** ADDITION OF 1.05% TO TOTAL AGGREGATE
EXTENSION (INCLUDES CORPORATE AND
SPECIAL PURPOSES, ABATEMENTS AND NO DEBT): 1,648,742.09

*** YOUR 2011 TAX LEVY REQUEST, MINUS DEBT, CANNOT EXCEED
THIS FIGURE WITHOUT COMPLIANCE TO THE "TRUTH IN
TAXATION ACT".

ALL OF THE ABOVE CALCULATIONS ARE FOR DU PAGE COUNTY ONLY. IF
YOUR DISTRICT OVERLAPS INTO ANY OTHER COUNTY, YOU WILL NEED TO
OBTAIN THE REMAINDER OF YOUR EXTENSION INFORMATION FROM THAT
COUNTY, IN ORDER TO HAVE ALL THE NECESSARY FIGURES YOU WILL NEED
TO DETERMINE COMPLIANCE WITH "TRUTH IN TAXATION".

ANY DISTRICT WHO MUST PUBLISH IN ORDER TO COMPLY WITH THE
"TRUTH IN TAXATION ACT", WILL NEED TO INCLUDE 2011 DEBT
SERVICE FIGURES IN THE PUBLICATION NOTICE, AS REQUIRED BY SENATE
BILL 136, PASSED 12-5-1989. ACCORDING TO OUR RECORDS AS OF
APRIL 30, 2011, YOUR DEBT SERVICE FIGURE IS \$1,002,102.52 . ANY
DEBT ISSUED AFTER THIS DATE, BUT PRIOR TO YOUR PUBLICATION DATE,
MUST BE ADDED TO THIS FIGURE.

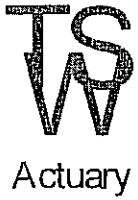
DU PAGE COUNTY
CALCULATIONS FOR "TRUTH IN TAXATION" PROCESS

TAXING DISTRICT NAME:	DARIEN SPEC SERV 1	
TOTAL 2010 TAX EXTENSION: (INCLUDING DEBT)		5,053.43
TOTAL 2010 DEBT EXTENSION: (INCLUDES DEBT SERVICE AND P.B.C. LEASES)		NONE
SUB TOTAL = REMOVAL OF DEBT SERVICE		5,053.43
ADDITION OF 2010 ABATEMENTS: (DOES NOT INCLUDE BOND ABATEMENTS)		NONE
TOTAL 2010 AGGREGATE EXTENSION: (INCLUDES CORPORATE & SPECIAL PURPOSES, ABATEMENTS AND NO DEBT)		5,053.43
*** ADDITION OF 1.05% TO TOTAL AGGREGATE EXTENSION (INCLUDES CORPORATE AND SPECIAL PURPOSES, ABATEMENTS AND NO DEBT):		5,306.10

*** YOUR 2011 TAX LEVY REQUEST, MINUS DEBT, CANNOT EXCEED THIS FIGURE WITHOUT COMPLIANCE TO THE "TRUTH IN TAXATION ACT".

ALL OF THE ABOVE CALCULATIONS ARE FOR DU PAGE COUNTY ONLY. IF YOUR DISTRICT OVERLAPS INTO ANY OTHER COUNTY, YOU WILL NEED TO OBTAIN THE REMAINDER OF YOUR EXTENSION INFORMATION FROM THAT COUNTY, IN ORDER TO HAVE ALL THE NECESSARY FIGURES YOU WILL NEED TO DETERMINE COMPLIANCE WITH "TRUTH IN TAXATION".

ANY DISTRICT WHO MUST PUBLISH IN ORDER TO COMPLY WITH THE "TRUTH IN TAXATION ACT", WILL NEED TO INCLUDE 2011 DEBT SERVICE FIGURES IN THE PUBLICATION NOTICE, AS REQUIRED BY SENATE BILL 136, PASSED 12-5-1989. ACCORDING TO OUR RECORDS AS OF APRIL 30, 2011, YOUR DEBT SERVICE FIGURE IS NONE. ANY DEBT ISSUED AFTER THIS DATE, BUT PRIOR TO YOUR PUBLICATION DATE, MUST BE ADDED TO THIS FIGURE.



CITY OF DARIEN
DARIEN POLICE PENSION FUND

Actuarial Valuation Report

For the Year

Beginning May 1, 2011

And Ending April 30, 2012

Timothy W. Sharpe, Actuary, Geneva, IL (630) 262-0600

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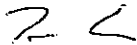
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INTRODUCTION

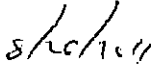
Police-sworn personnel of the City of Darien are covered by the Police Pension Plan that is a defined-benefit, single-employer pension plan. The purpose of this report is to disclose the Tax Levy Requirement and GASB Statements No. 25 & 27 financial information and related actuarial information for the year beginning May 1, 2011, and ending April 30, 2012.

The valuation results reported herein are based on plan provisions in effect as of May 1, 2011, the employee data furnished by the City, the financial data provided by the Fund's trustee and the actuarial methods and assumptions described later in this report. I hereby certify that this report is complete and accurate and fairly presents the actuarial position of the Fund as of April 30, 2011, in accordance with generally accepted actuarial principles and procedures. In my opinion, the assumptions used are reasonably related to the experience of the Plan and to reasonable expectations.

Respectfully submitted,



Timothy W. Sharpe, EA, MAAA
Enrolled Actuary No. 11-4384



Date

SUMMARY OF RESULTS

The provisions of Public Act 096-1495 are reflected in this actuarial report, including changes to benefit provisions (page 13), the actuarial methods (page 14), and the amortization period and method (page 10).

There were no changes with respect to Actuarial Assumptions from the prior year.

There were no unexpected changes with respect to the participants included in this actuarial valuation (1 new member, 2 terminations, 2 retirements, 0 incidents of disability, annual payroll increase -5.9%, average salary increase 1.6%).

There were no unexpected changes with respect to the Fund's investments from the prior year (annual investment return 8.74%).

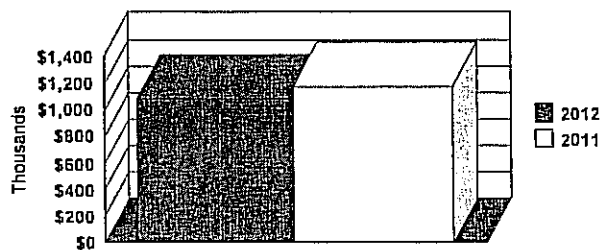
The City's Tax Levy Requirement has decreased from \$1,174,292 last year to \$1,082,589 this year (7.8%). The decrease in the Tax Levy is due to many of the changes referenced above and also due to the investment return was greater than assumed. The Percent Funded has increased from 55.1% last year to 60.7% this year.

SUMMARY OF RESULTS (Continued)

	For Year Ending April 30	
	<u>2012</u>	<u>2011</u>
Tax Levy Requirement	\$ 1,082,589	\$ 1,174,292
		as of May 1
	<u>2011</u>	<u>2010</u>
City Normal Cost	515,689	401,752
Anticipated Employee Contributions	306,198	325,254
Accrued Liability	31,056,795	30,626,124
Actuarial Value of Assets	18,838,718	16,866,119
Unfunded Accrued Liability/(Surplus)	12,218,077	13,760,005
Amortization of Unfunded Accrued Liability/(Surplus)	496,076	695,717
Percent Funded	60.7%	55.1%
Annual Payroll	\$ 3,089,788	\$ 3,282,075

TAX LEVY REQUIREMENT

as of April 30

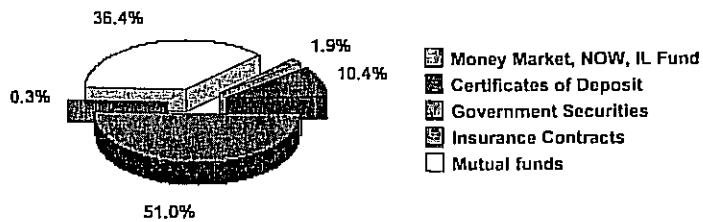


ACTUARIAL VALUATION OF ASSETS

		as of May 1	
	<u>2011</u>		<u>2010</u>
Money Market, NOW, IL Fund	\$ 362,156	\$	545,528
Certificates of Deposit	1,957,200		2,634,681
Government Securities	9,554,992		8,315,241
Insurance Contracts	53,046		51,853
Mutual Funds	6,816,843		5,224,335
Interest Receivable	98,539		98,539
Miscellaneous Receivable/(payable)	<u>(4,059)</u>		<u>(4,059)</u>
Actuarial Value of Assets	\$ <u>18,838,718</u>	\$	<u>16,866,119</u>

SUMMARY OF ASSETS

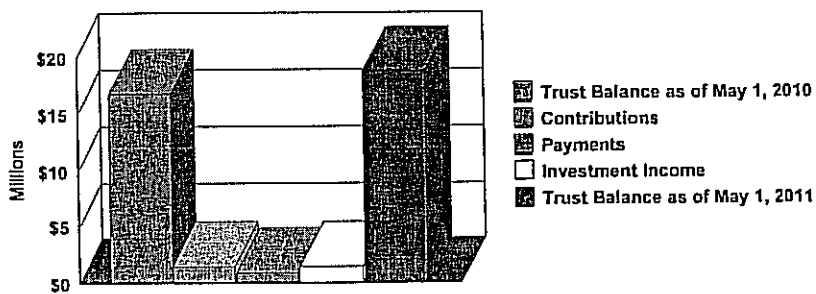
As Of May 1, 2011



ASSET CHANGES DURING PRIOR YEAR

Trust Balance as of May 1, 2010		\$ 16,866,119
Contributions		
City	1,113,781	
Employee	<u>369,341</u>	
Total		1,483,121
Payments		
Benefit Payments	976,616	
Expenses	<u>28,260</u>	
Total		1,004,876
Investment Income		<u>1,494,354</u>
Trust Balance as of May 1, 2011		\$ <u>18,838,718</u>
Approximate Annual Rate of Return		8.74%

ASSET CHANGES DURING PRIOR YEAR



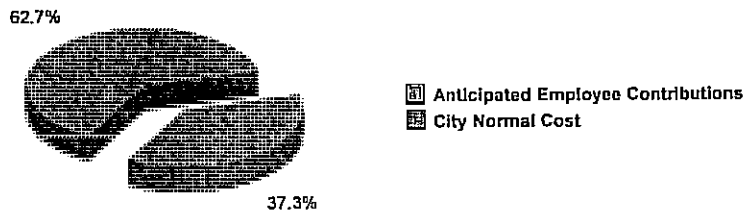
NORMAL COST

The Normal Cost is the actuarial present value of the portion of the projected benefits that are expected to accrue during the year based upon the actuarial valuation method and actuarial assumptions employed in the valuation.

	as of May 1	
	<u>2011</u>	<u>2010</u>
Total Normal Cost	\$ 821,887	\$ 727,006
Anticipated Employee Contributions	<u>306,198</u>	<u>325,254</u>
City Normal Cost	<u>515,689</u>	<u>401,752</u>
Normal Cost Payroll	\$ 3,089,788	\$ 3,282,075
City Normal Cost Rate	16.69%	12.24%
Total Normal Cost Rate	26.60%	22.15%

NORMAL COST

As Of May 1, 2011



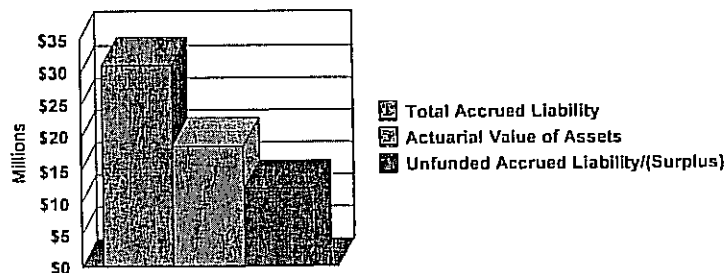
ACCRUED LIABILITY

The Accrued Liability is the actuarial present value of the portion of the projected benefits that has been accrued as of the valuation date based upon the actuarial valuation method and actuarial assumptions employed in the valuation. The Unfunded Accrued Liability is the excess of the Accrued Liability over the Actuarial Value of Assets.

	as of May 1	
Accrued Liability	<u>2011</u>	<u>2010</u>
Active Employees	\$ 17,393,677	\$ 18,508,787
Children Annuities	0	0
Disability Annuities	1,957,534	2,065,055
Retirement Annuities	10,867,413	9,679,532
Surviving Spouse Annuities	838,171	372,750
Terminated Vested Annuities	<u>0</u>	<u>0</u>
Total Annuities	13,663,118	12,117,337
Total Accrued Liability	31,056,795	30,626,124
Actuarial Value of Assets	<u>18,838,718</u>	<u>16,866,119</u>
Unfunded Accrued Liability/(Surplus)	\$ <u>12,218,077</u>	\$ <u>13,760,005</u>
Percent Funded	60.7%	55.1%

ACCRUED LIABILITY

As Of May 1, 2011



TAX LEVY REQUIREMENT

The Public Act 096-1495 Tax Levy Requirement is determined as the annual contribution necessary to fund the normal cost, plus the amount to amortize the excess (if any) of ninety percent (90%) of the accrued liability over the actuarial value of assets as a level percentage of payroll over a thirty (30) year period which commenced in 2011, plus an adjustment for interest. Prior to 2011, the amortization amount was equal to the amount to amortize the unfunded accrued liability as a level percentage of payroll over a forty (40) year period which commenced in 1993. Beginning in 2011, the amortization period has been reset to 30 years.

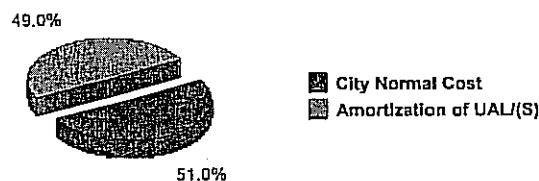
	For Year Ending April 30	
	<u>2012</u>	<u>2011</u>
City Normal Cost as of Beginning of Year	\$ 515,689	\$ 401,752
Amortization of Unfunded Accrued Liability/(Surplus)	496,076	695,717
Interest for One Year	<u>70,824</u>	<u>76,823</u>
Tax Levy Requirement as of End of Year	\$ <u>1,082,589</u>	\$ <u>1,174,292</u>

Public Act 096-1495 Tax Levy Requirement

1) Normal Cost (PUC)	515,689
2) Accrued Liability (PUC)	31,056,795
3) Amortization Payment	369,980
4) Interest for One Year	61,997
5) PA 096-1495 Tax Levy Requirement (1 + 3 + 4)	\$ 947,666

TAX LEVY REQUIREMENT

For Fiscal Year Ending April 30, 2012



SUMMARY OF PLAN PARTICIPANTS

The actuarial valuation of the Plan is based upon the employee data furnished by the City. The information provided for Active participants included:

Name
Sex
Date of Birth
Date of Hire
Compensation
Employee Contributions

The information provided for Inactive participants included:

Name
Sex
Date of Birth
Date of Pension Commencement
Monthly Pension Benefit
Form of Payment

Membership	<u>2011</u>	<u>2011</u>	<u>2010</u>	<u>2010</u>
Current Employees				
Vested	28		28	
Nonvested	<u>8</u>		<u>11</u>	
Total	<u>36</u>		<u>39</u>	
Inactive Participants		<u>Annual Benefits</u>		<u>Annual Benefits</u>
Children	0 \$	0	0 \$	0
Disabled Employees	3	124,728	3	124,183
Retired Employees	11	794,606	10	689,574
Surviving Spouses	2	84,753	1	31,962
Terminated Vesteds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>16</u>	<u>1,004,087</u>	<u>14</u>	<u>845,719</u>
Annual Payroll	\$	3,089,788	\$	3,282,075

SUMMARY OF PLAN PARTICIPANTS (Continued)

Age and Service Distribution

Service Age	0-4	5-9	10-14	15-19	20-24	25-29	30+	Total	Salary
20-24									
25-29	4	1						5	65,599
30-34	1	7						8	78,554
35-39		2	4	1				7	81,231
40-44			1					1	83,009
45-49				4	3	2		9	96,745
50-54						4	1	5	102,761
55-59							1	1	97,225
60+									
Total	<u>5</u>	<u>10</u>	<u>5</u>	<u>5</u>	<u>3</u>	<u>6</u>	<u>2</u>	<u>36</u>	<u>85,827</u>
Salary	62,597	79,866	82,681	87,248	105,630	97,634	112,905		

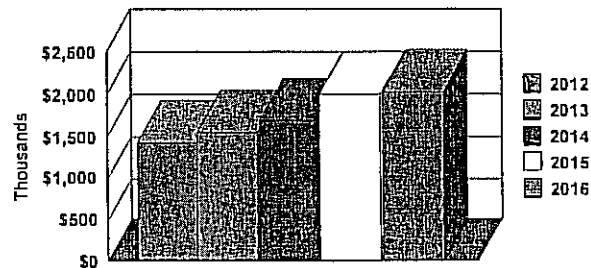
Average Age: 39.9 Average Service: 14.6

DURATION (years) Active Members: 16.2 Retired Members: 9.1 All Members: 13.0

PROJECTED PENSION PAYMENTS

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$1,434,454	\$1,562,050	\$1,706,289	\$2,016,164	\$2,023,522

PROJECTED PENSION PAYMENTS
2012-2016



SUMMARY OF PLAN PROVISIONS

The Plan Provisions have been changed from the prior year (discussion at page 4).

The City of Darien Police Pension Fund was created and is administered as prescribed by "Article 3. Police Pension Fund - Municipalities 500,000 and Under" of the Illinois Pension Code (Illinois Compiled Statutes, 1992, Chapter 40). A brief summary of the plan provisions is provided below.

Employees attaining the age of (50) or more with (20) or more years of creditable service are entitled to receive an annual retirement benefit of (2.5%) of final salary for each year of service up to (30) years, to a maximum of (75%) of such salary.

Employees with at least (8) years but less than (20) years of credited service may retire at or after age (60) and receive a reduced benefit of (2.5%) of final salary for each year of service.

Surviving spouses receive (100%) of final salary for fatalities resulting from an act of duty, or otherwise the greater of (50%) of final salary or the employee's retirement benefit.

Employees disabled in the line of duty receive (65%) of final salary.

The monthly pension of a covered employee who retired with (20) or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least (55) years, by (3%) of the originally granted pension. Beginning with increases granted on or after July 1, 1993, the second and subsequent automatic annual increases shall be calculated as (3%) of the amount of the pension payable at the time of the increase.

Employees are required to contribute (9.91%) of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than (20) years of service, accumulated employee contributions may be refunded without accumulated interest.

For Employees hired after January 1, 2011, the Normal Retirement age is attainment of age 55 and completion of 10 years of service; Early Retirement age is attainment of age 50, completion of 10 years of service and the Early Retirement Factor is 6% per year; the Employee's Accrued Benefit is based on the Employee's final 8-year average salary not to exceed \$106,800 (as indexed); Cost-of-living adjustments are simple increases (not compounded) of the lesser of 3% or 50% of CPI beginning the later of the anniversary date and age 60; Surviving Spouse's Benefits are 66 2/3% of the Employee's benefit at the time of death.

ACTUARIAL METHODS

The Actuarial Methods employed for this valuation are as follows:

Projected Unit Credit Cost Method (for years beginning on or after 2011)

Under the Projected Unit Credit Cost Method, the Normal Cost is the present value of the projected benefit (including projected salary increases) earned during the year.

The Accrued Liability is the present value of the projected benefit (including projected salary increases) earned as of the actuarial valuation date. The Unfunded Accrued Liability is the excess of the Accrued Liability over the plan's assets. Experience gains or losses adjust the Unfunded Accrued Liability.

Entry Age Normal Cost Method (for years beginning prior to 2011)

Under the Entry Age Normal Cost Method the Normal Cost for each participant is computed as the level percentage of pay which, if paid from the earliest age the participant is eligible to enter the plan until retirement or termination, will accumulate with interest to sufficiently fund all benefits under the plan. The Normal Cost for the plan is determined as the greater of a) the sum of the Normal Costs for all active participants, and b) 17.5% of the total payroll of all active participants.

The Accrued Liability is the theoretical amount that would have accumulated had annual contributions equal to the Normal Cost been paid. The Unfunded Accrued Liability is the excess of the Accrued Liability over the plan's assets. Experience gains or losses adjust the Unfunded Accrued Liability.

ACTUARIAL ASSUMPTIONS

The Actuarial Assumptions used for determining the Tax Levy Requirement and GASB Statements No. 25 & 27 Disclosure Information are the same and have not been changed from the prior year. The Actuarial Assumptions employed for this valuation are as follows:

Valuation Date	May 1, 2011
Asset Valuation Method	Market Value
Investment Return	7.00%
Salary Scale	5.50%
Mortality	1971 Group Annuity Mortality Table
Withdrawal	State of Illinois DOI Experience Rates
Disability	State of Illinois DOI Experience Rates
Retirement	State of Illinois DOI Experience Rates (100% by Age 62)
Marital Status	80% Married, Spouse Same Age
Plan Expenses	None

Sample Annual Rates Per 100 Participants

<u>Age</u>	<u>Mortality</u>	<u>Withdrawal</u>	<u>Disability</u>	<u>Retirement</u>
20	0.05	6.00	0.07	
30	0.81	5.10	0.10	
40	0.16	2.85	0.20	
50	0.53		0.52	20.00
60	1.31		0.60	83.33
62	1.59			100.00

GASB STATEMENTS NO. 25 & 27 DISCLOSURE INFORMATION

The Governmental Accounting Standards Board (GASB) issued Statements No. 25 & 27 that established generally accepted accounting principles for the annual financial statements for defined benefit pension plans. The required information is as follows:

Membership in the plan consisted of the following as of:

	<u>April 30, 2011</u>	<u>April 30, 2010</u>
Retirees and beneficiaries receiving benefits	16	14
Terminated plan members entitled to but not yet receiving benefits	0	0
Active vested plan members	28	28
Active nonvested plan members	<u>8</u>	<u>11</u>
Total	<u>52</u>	<u>53</u>
Number of participating employers	1	1

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
04/30/09	14,488,861	28,067,625	13,578,764	51.6%	3,059,620	443.8%
04/30/10	16,866,119	30,626,124	13,760,005	55.1%	3,282,075	419.2%
04/30/11	18,838,718	31,056,795	12,218,077	60.7%	3,089,788	395.4%

GASB STATEMENTS NO. 25 & 27 DISCLOSURE INFORMATION (Continued)

ANNUAL PENSION COST AND NET PENSION OBLIGATION

	<u>April 30, 2011</u>	<u>April 30, 2010</u>
Annual required contribution	1,103,909	939,778
Interest on net pension obligation	(3,724)	(2,991)
Adjustment to annual required contribution	<u>2,728</u>	<u>2,114</u>
Annual pension cost	1,102,913	938,901
Contributions made	<u>1,113,781</u>	<u>949,373</u>
Increase (decrease) in net pension obligation	(10,868)	(10,472)
Net pension obligation beginning of year	<u>(53,205)</u>	<u>(42,733)</u>
Net pension obligation end of year	<u>(64,073)</u>	<u>(53,205)</u>

THREE-YEAR TREND INFORMATION

Fiscal Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
04/30/09	927,253	101.1%	(42,733)
04/30/10	938,901	101.1%	(53,205)
04/30/11	1,102,913	101.0%	(64,073)

GASB STATEMENTS NO. 25 & 27 DISCLOSURE INFORMATION (Continued)

FUNDING POLICY AND ANNUAL PENSION COST

Contribution rates:

City	36.05%	28.93%
Plan members	9.91%	Same

Annual pension cost	1,102,913	938,901
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Contributions made	1,113,781	949,373
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Actuarial valuation date	04/30/2011	04/30/2010
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Actuarial cost method	Projected Unit Credit	Entry age
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Amortization period	Level percentage of pay, closed	Same
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Remaining amortization period	30 years	23 years
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Asset valuation method	Market	Same
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Actuarial assumptions:

Investment rate of return*	7.00%	Same
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Projected salary increases*	5.50%	Same
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*Includes inflation at	3.00%	Same
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Cost-of-living adjustments	3.00% per year	Same
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