

Posted: 11/8/2017

**REGULAR CITY COUNCIL MEETING**  
**November 13, 2017, 7:00 P.M.**  
**Marengo City Hall, 132 East Prairie Street**

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Roll Call**
4. **Public Participation** (Interested parties are invited to speak for two minutes. Any person wishing to address the City Council must approach the podium, be recognized by the Mayor, and provide their name for the record. Anyone wishing to speak may be asked but not required to provide their address.)
5. **Special Proclamation** - Proclamation making November 15, 2017 "School Board Members Day"
6. **Special Recognition** – Volunteer Service Award - Marengo Settlers' Days Inc. and Marengo Community Farmer's Market
7. **Approval of Minutes:** October 16, 2017 special meeting minutes; October 23, 2017 regular meeting minutes; October 30, 2017 special meeting minutes
8. **Approval of the List of Bills**
9. **New Business**
  - a. Motion to consent to Mayor's appointments to Marengo Cemetery Board
  - b. Annual presentation of Police Pension Fund report by the Police Pension Board
  - c. Discussion and motion to determine estimated amount of tax levy for FY 17/18
  - d. Discussion and direction on statements of qualifications for wastewater engineering services
  - e. Motion approving an agreement with Integrated Public Resources for Class 1 wastewater operator services
  - f. Motion approving a resolution adopting the McHenry County Hazard Mitigation Plan
  - g. Motion approving an intergovernmental agreement with McHenry County for MCRide services
  - h. Motion approving an ordinance declaring certain municipal property as surplus
10. **Mayor's Statements and Reports**
11. **Department Head and Staff Reports**
12. **Reports and Statements from City Council**
13. **Executive Session**
  - a. Discussion of performance and compensation of personnel and appointment of officer pursuant to 5 ILCS 120/2(c)(1) and (3)
14. **Adjournment**

PROCLAMATION PASSING  
Resolution School Board Members Day  
November 15, 2017

WHEREAS, School board members are elected to sit in trust for their diverse communities, and in that capacity are charged with meeting the community’s expectations and aspirations for the public education of their children; and

WHEREAS, School board members are entrusted with the guardianship and wise expenditure of scarce tax dollars, and they are responsible for maintaining and preserving the buildings, grounds, and other areas of the school district that the community has put in their trust; and

WHEREAS, School board members are responsible for providing leadership that ensures a clear, shared vision of public education for their schools, that sets high standards for the education of all students, and requires the effective and efficient operation of their districts; and

WHEREAS, School board members adopt public policy to give voice to that leadership and employ a superintendent to administer board policy, and are also responsible for the regular monitoring of the district's performance and compliance with state policy; and

WHEREAS, School board members selflessly volunteer countless hours to public service with no compensation; and

WHEREAS, Employers are supportive of their employees who serve as school board members, generously lending support and time; employers give their employees the opportunity to better serve the needs of the school districts and communities they represent through sometimes tremendous sacrifice to the employer; and

WHEREAS, Decisions made by school board members directly impact the quality of life in their communities, placing them as the front line of American democracy; therefore, be it

RESOLVED, BY CITY COUNCIL for the CITY OF MARENGO, that we proclaim November 15, 2017, as “School Board Members Day” as a way to honor those citizens who devote their time and energy for the successful education of our children representing:

- ❖ MARENGO COMMUNITY HIGH SCHOOL DISTRICT 154
- ❖ MARENGO-UNION ELEMENTARY SCHOOL DISTRICT 165
- ❖ RILEY COMMUNITY CONSOLIDATED SCHOOL DISTRICT 18
- ❖ ZION LUTHERN SCHOOL

**MARENGO CITY COUNCIL  
Special Meeting Minutes  
City Council Chambers  
132 E. Prairie Street  
Marengo, IL 60152  
October 16, 2017**

**CALL TO ORDER**

Mayor John Koziol called the meeting to order at 7:00 PM.

**PLEDGE OF ALLEGIANCE**

Mayor Koziol led everyone in the Pledge of Allegiance.

**ROLL CALL**

Present this evening are Mayor John Koziol; Aldermen Matt Keenum, Mike Miller, Michael Smith, Nicole DeBoer, Dennis Hammortree, Brett Martin, Todd Hall, and Steve Mortensen. Also present are Assistant City Administrator Joshua Blakemore, Acting City Attorney David McArdle and Finance Director Jennifer Snelten.

**PUBLIC PARTICIPATION**

None

**NEW BUSINESS**

*a. Discussion and Request for Direction on Marengo Cemetery Board*

Mayor Koziol spoke about the 2 options being considered regarding the Cemetery Board. The first option would be to appoint new members of the board (as all of the members of the current board have submitted their resignations effective December 15, 2017). The second option would be to dissolve the board and absorb the running of the cemetery through City Hall.

Alderman Hall noted that there is a 3<sup>rd</sup> option, that being to privatize the cemetery, selling it to a company that would own the land and would be responsible for maintaining, selling, funerals, etc. There are companies that specialize in that, one being Service Corp. Intl. This company has property all over the United States, with 2400 employees. Dignity Funeral Homes is a part of this corporation, which is the company that owns the Marengo-Union Funeral Home. He outlined some of the information that he had on them. Some of the questions posed by the Council: disposition of current perpetual funds, ownership of the house on the grounds, legality of going with privatization, current owners of lots have to agree to the sale?, increased cost of lot due to privatization?, etc. Alderman Hall will research this option more and provide the Council with answers to their questions and concerns.

Assistant City Administrator Blakemore noted that the documents that were requested from the Cemetery Board have been emailed to the Council members. Also, the tenant at the house that is on the cemetery property came to City Hall today asking if there was going to be a change in the rental property.

Alderman DeBoer questioned what would happen with the older section of the cemetery, preserving it and maintaining it if it was privatized.

Attorney McArdle spoke about the process that would be followed if the property was sold.

Alderman Hammortree questioned what the cost would be to go to privatization of the cemetery, and also why other towns chose to go with privatization. Alderman Hall advised that some of the town did not

have funds to maintain the cemeteries, and that was why they sold. As to the cost, he did not have an answer or that.

Next item discussed involved appointment of new cemetery board members, and Alderman Mortensen made suggestions on possible members. Mayor Koziol advised that two individuals have reached out to him to be considered. The main concern would be in filling the position of manager, due to the time that would be involved. The storage of records was discussed, as well as scanning the existing records so they are now stored in a computer program.

There was discussion on expectations of a new board, such as balancing their budget, or coming as close to the projection as possible. Alderman Mortensen reminded the Council that the city cemetery is owned by the City, and it has to be maintained. If that requires levying taxes to do the job properly, then we have to levy taxes. Eliminating the tax levy does not solve the problem. Alderman Hall stated that it was for that reason (the tax levy) that he looked into privatizing the cemetery, which would then eliminate the need for a tax levy. He then reviewed the past years information, comparing the expenses incurred and the funds available. In 2011, the cemetery showed a surplus (or profit) of \$18,800, the City supplemented their income, via the tax levy, by \$35,000. When you take out the tax levy funds, the cemetery that year showed a deficit of \$16,000. In 2012, the tax levy was \$37,741, and the technical profit was \$14,000. If you pull the tax levy money out, the actual loss was \$23,712.

Alderman Mortensen expressed concern that this was the wrong way to look at the cemetery and the expenses incurred, as you can't know when people are going to die, or when they are going to purchase lots, etc.

Alderman Miller questioned what the cost was going to be for the mowing of the cemetery, and Mrs. Richardson advised that she had received a verbal quote for \$32,000. Alderman Miller stated that the cemetery should have sent out a RFP in order to get competitive bids to do the work.

Alderman DeBoer questioned how quickly the City was going to move on this, since the current board is done the middle of December. With forming a new board, not being sure if we are going to continue the tax levy, and knowing that the current employees are retiring and those positions will need to be filled, the new board will be starting at "ground zero" on all of this.

The final option discussed involved the City staff absorbing the day-to-day work, such as accounting and payroll needs, but there would still need to have someone in charge. Accessibility to the records would be restricted to regular business hours at City hall, which could be a problem after hours and on the weekends. The availability factor (24/7) would apply for deaths, not for people doing research. Assistant City Administrator Blakemore advised that with the staff currently employed, the City would not have adequate time to take on additional duties.

Mayor Koziol asked various aldermen to look further into the options discussed. Matt Keenum will check with other municipalities to see how they are run, and what their expenses are. Todd Hall will research privatizing the property. Josh and Jennifer (Finance Director Snelten) will go over the documentation provided by the cemetery board and see how much of the work could be absorbed by staff. Alderman Mortensen requested that the City put the mowing of the property out for bid now, in order to get a better idea of what the cost could be next spring.

Josh recapped his take on what was discussed, and how the City would proceed at this time.

Finance Director Jennifer Snelten spoke about the previous contact made to bring the handling of the day-to-day paperwork for the cemetery board was done when the staffing of City hall was different. At the

current time, adding that to their work load would be stretching everyone quite thin. She recommended employing someone part time to help with phones, do paperwork, etc.

**ADJOURNMENT**

Alderman Nicole DeBoer made a motion, seconded by Alderman Todd Hall, to adjourn the meeting. The motion passed with a voice vote. The meeting adjourned at 8:06 PM.

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*Constance J. Borleitner*  
City Clerk

The City Council approved these minutes on \_\_\_\_\_.

**DRAFT**

**MARENGO CITY COUNCIL**  
**Regular Meeting Minutes**  
**City Council Chambers**  
**132 E. Prairie St**  
**Marengo, IL 60152**  
**October 23, 2017**

**CALL TO ORDER**

Mayor John Koziol called the meeting to order at 7:00 PM.

**PLEDGE OF ALLEGIANCE**

Mayor Koziol led everyone in the Pledge of Allegiance.

**ROLL CALL**

Present this evening are Mayor John Koziol; Aldermen Matt Keenum, Mike Miller, Michael Smith, Nicole DeBoer, Dennis Hammortree, Brett Martin, Todd Hall and Steve Mortensen. Also present are Assistant City Administrator Joshua Blakemore, Public Works Director Howard Moser, Acting City Attorney David McArdle, Finance Director Jennifer Snellen and Sergeant Paul Fritz (sitting in for Chief Solarz).

**PUBLIC PARTICIPATION**

A resident spoke to the Council regarding the building that was demolished, leaving a hole. It is an eyesore. There also is a concern about the intersection of Routes 20 & 23. Vehicles are supposed to stop at the white line – but the white line is almost non-existent. What can the City do about these problems? A request was made to ask everyone to please speak clearly into the microphones.

**APPROVAL OF MINUTE** *October 9, 2017 Regular Meeting Minutes*

Alderman Nicole DeBoer made a motion, seconded by Alderman Steve Mortensen, to approve the minutes from the October 9, 2017 meeting. The aldermen voted as follows:

Ayes: Keenum, Mortensen, DeBoer, Miller, Hall, Smith, Hammortree and Martin

Nays: 0

The motion passed.

**APPROVAL OF LIST OF BILLS**

A question was asked about an invoice from Zukowski, Rogers, Flood & McArdle, in the amount of \$7,000. Attorney McArdle recommended removing the invoice, allow him to research the matter, and after review by the Council, have it added to the list for the next meeting.

Alderman Matt Keenum made a motion, seconded by Alderman Michael Smith, to approve the list of bills, minus the one from Zukowski, Rogers, Flood & McArdle, in the amount of \$7,000. The aldermen voted as follows:

Ayes: Smith, Keenum, Mortensen, DeBoer, Miller, Martin and Hall

Nays: Hammortree

The motion passed.

**NEW BUSINESS**

- a. Discussion and Request for Direction on Marengo Cemetery Board

Alderman Hall introduced a representative from the Marengo-Union Funeral Home regarding SCI, and advised what had transpired. Pictures were taken of the property, along with information on number of spaces available for sale. This information was forwarded to their home office in Houston, Texas.

Getting a response could take a while. The average cost for a lot through SCI is about \$1200, and the average cost for grave openings is about \$1500.

It was suggested by the Council that the City put the mowing of the cemetery out for bid at this time, to determine what the costs would be. It was also suggested that a replacement board be appointed as soon as possible, so they can work with the existing board on how things are handled, etc.

Alderman Keenum reviewed information he had from surrounding cemeteries, Crystal Lake, Harvard, Huntley, Cary, and Hampshire Township. Some are privately owned and some are City owned. The costs for lot purchase and grave openings differed, as well as how the properties are maintained.

It was decided that another special meeting be held next Monday – October 30<sup>th</sup>, 2017 – at 7 PM, to further discuss this situation, and to review appointments for the board.

### **MAYOR'S STATEMENTS AND REPORTS**

Mayor Koziol spoke briefly about the Rt 20 & 23 intersection, and a meeting that will be held on November 3<sup>rd</sup> with IDOT. The intersection at Prospect and Rt 176 will also be discussed.

### **DEPARTMENT HEAD AND STAFF REPORTS**

*Public Works Director Howard Moser* noted that the paving on the public parking lot – Municipal Lot #1 – will be done this week. Met with Karen Katamay, with the IEPA, last week for the annual inspection of the WWTP, and advised that she was pleased with the performance of the staff and the plant. There were some code changes that she requested, and those will be taken care of. The contract that the City has with MCO – for the Class 1 operator – ends at the end of October. The operator is taking a position with a different firm, and the new firm has provided the City with an agreement for the services, and that agreement will be presented to the Council at the next meeting. The planting of the Norway Spruce was done recently. It has been planted at the flag pole, and will be used for all future Holiday tree lightings. It was donated by Walnut Creek Nursery.

*Finance Director Jennifer Smelten* distributed two handouts to the Council. The first is on the Property Tax Projections. The current project from the County shows an increase of 2.32% - or an additional \$35,091 over last year. The second involves the Revolving Loan Fund and included a list of projects that the funds could be used for. The staff will present their recommended list for 2018, for the Council to review. The financial reports were provided to the Council in the packet.

*Assistant City Administrator Joshua Blakemore* spoke about a meeting that he had with Public Works Director Moser and Mayor Koziol on the various options and projects to use the RLF for. Updated the Council on the applications received for the WWTP position. HR Green and their team, met with McHenry County Department of Transportation last week to discuss the toll way project and keep them updated. They will be meeting with the TollWay and the McHenry County Department of Transportation in November to review the next steps to be taken. He also reviewed what is going on with the Dial-A-Ride and what is happening with Riley Township and Marengo Township, and the possibility of each township doing separate contracts with McRide. The projected annual cost for 2018 should be \$7,648. Updated the Council on what is going on with 300 West LLC – and the water line project. Information on the Wastewater Engineering Request for Qualifications (RFQ) was briefly discussed. A packet of information will be presented to the Council at the meeting next Monday.

*Sergeant Paul Fritz* noted that Saturday is the DEA “Drug Buy Back Day”. There is a collection box in the lobby of the police department for residents to use. Officer Hernandez is starting her training in the academy. November 1<sup>st</sup> to the 3<sup>rd</sup>, the department will be doing a Fire Arm Training Simulator, at the McGill’s building. The police department is participating in “No Shave November,” along with other departments within the County. The cost is \$30 per participant, and the McHenry County Chiefs of Police Association is paying for this. The recipient of the proceeds has not been determined yet.

Acting Attorney David McArdle had no report.

**REPORTS AND STATEMENTS FROM CITY COUNCIL**

Alderman Miller requested status on the new "Welcome to Marengo" signs that were purchased. Assistant City Administrator Blakemore discussed the various locations and the status of each.

Alderman Hammortree questioned when the Settler's Days signs would be taken down. He was advised that they are the property of the Chamber of Commerce – not the City of Marengo. Public Works Director Moser volunteered to remove them, if the Council approved – which they did.

**EXECUTIVE SESSION**

- a. *Discussion of Performance and Compensation of Personnel and Appointment of Officer, Pursuant to 5 ILCS 120/2 (c) (1) and (3)*

Alderman Nicole DeBoer made a motion, seconded by Alderman Steve Mortensen, to go to Executive Session for discussion of performance and compensation of personnel and appointment of officer, pursuant to 5 ILCS 120/2 (c) (1) and (3). The aldermen voted as follows:

Ayes: Martin, Hammortree, Hall, Keenum, Mortensen, Miller, DeBoer and Smith  
Nays: 0  
The motion passed.

*The Council recessed at 7:55 PM.  
The Council reconvened at 8:25 PM.*

**ROLL CALL**

In attendance are Mayor John Koziol, Aldermen Michael Smith, Matt Keenum, Brett Martin, Steve Mortensen, Nicole DeBoer, Todd Hall, Mike Miller and Dennis Hammortree. Also present is Acting City Attorney David McArdle.

**NEW BUSINESS**

- a. *Motion on item discussed in executive session*

Mayor Koziol stated that the new business item would be removed from the agenda, and the Council would proceed to adjourn.

Alderman Smith questioned who to contact on ordinance enforcement, and Mayor Koziol advised that Howard Moser, the Public Works Director, was handling those items.

**ADJOURNMENT**

Alderman Nicole DeBoer made a motion, seconded by Alderman Todd Hall, to adjourn the meeting. The motion passed with a voice vote. The meeting adjourned at 8:26 PM.

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Constance J Boxleitner  
City Clerk

These minutes were approved by the Council on \_\_\_\_\_, 2017.

**MARENGO CITY COUNCIL  
Special Meeting Minutes  
City Council Chambers  
132 E. Prairie Street  
Marengo, IL 60152  
October 30, 2017**

**CALL TO ORDER**

Mayor John Koziol called the meeting to order at 7:00 PM.

**PLEDGE OF ALLEGIANCE**

Mayor Koziol led everyone in the Pledge of Allegiance.

**ROLL CALL**

Present this evening are Mayor John Koziol; Aldermen Matt Keenum, Mike Miller, Michael Smith, Nicole DeBoer, Dennis Hammortree, Brett Martin, Todd Hall and Steve Mortensen. Also present are Assistant City Administrator Joshua Blakemore, Chief of Police Richard Solarz and Public Works Director Howard Moser.

**PUBLIC PARTICIPATION**

None

**NEW BUSINESS**

*a. Discussion and Request for Direction on Marengo Cemetery Board*

Alderman Hall updated the Council on new information that he has received regarding the various companies that would purchase the property (city cemetery), those being WI Carriage Services, and StoneMor Partners LP. He contacted another company today, known for being a broker, but did not expect to hear back from them at this time.

Assistant City Administrator Blakemore reported that Public Works Director Moser had obtained initial quotes from 3 mowing companies for doing the cemetery. The first was through Acres Group - \$23,296 done from April to October. Second was with Elite Landscaping - \$29,995 again from April to October. The third is with Clear View Landscape - \$30,800 from April to October.

He then handed out information from a company, Professional Cemetery Services, and introduced Mark Christopherson. Mark spoke to the Council, and noted that they do pretty much everything involved in running a cemetery: maintenance, grave opening/closing, record keeping, cement foundations for headstones, etc. Their company could provide all or some of these services for Marengo. There was also a discussion regarding expanding their services to include internment for cremations.

Alderman Smith questioned how we would put this out to bid, multi-year – single year? Administrator Blakemore recommended that that decision be handled by the new board, as one of the tasks that they will be dealing with. Mayor Koziol noted that 3 people have approached him to be on the board, and he has talked to each of them. He was given a name this evening and will be in touch with that person as well.

There was discussion as to the volume of items (file cabinets and boxes, etc) that need to be transferred to City Hall, and Mrs. Richardson described sizes, etc. for the Council. The moving of those items needs to be completed by the 15<sup>th</sup> of December. The general consensus of the Council was to maintain a cemetery board. Decisions on how to proceed with maintenance of the property will need to be made at the beginning of the year, and bids for those items will be handled at that time.

Mayor Koziol will decide on a board (which requires a minimum of 3 persons) and will present his desired appointments at the November 13<sup>th</sup>, 2017 meeting for the Council's approval.

The current opening / closing of graves and pouring of the cement bases for headstones are being done by Lavern & Darryle Loudenbeck. They spoke with the Council about their desire to keep that relationship, and to possibly expand their services to include the mowing and maintenance.

*b. Discussion and Request for Direction on Statements of Qualifications Received for Wastewater Engineering Services*

Assistant Administrator Blakemore reported that 13 proposals were received. Eleven of the firms walked through the plant with Public Works Director Moser, asking questions, etc. Some of the proposals are more generic in content than others. Blakemore recommended that the Council whittle the group down to their top 4 or 5, and bring that information to the next Council meeting. At that time, a comparison between the Council will be made to see which firms are standing out to be brought in for interviews, and which firms are not. He noted that he put together a rubric that might be helpful in whittling down the list. The criteria he is using: 1) Expertise 2) Experience 3) Project Understanding and 4) Project Approach. He will email this to the Council to use, if they so desire. The Council asked that Public Works Director Moser provide his input on the proposals, as well as getting feedback from the people at the plant.

Alderman Smith asked what the WWTP minimum scope criteria, the median scope criteria, were they looking at this as a holistic approach, or just focus on a couple of specific areas. Public Works Director Moser noted that the workers at the plant and he, have some definite ideas on priorities at the plant, what should be done now, and also what needs to be done long term. He is looking for a firm that could address all of these items.

The Council members will bring their opinions to the November 13<sup>th</sup>, 2017 meeting, to whittle the list down at that time.

**MAYOR'S STATEMENTS AND REPORTS**

Mayor Koziol thanked everyone for attending these special meetings.

**DEPARTMENT HEAD AND STAFF REPORTS**

None

**REPORTS AND STATEMENTS FROM CITY COUNCIL**

Alderman Hall verified that the aldermen are to bring their top 5 choices, regarding the Wastewater Engineering Services, to the November 13, 2017 meeting, and the Council agreed. Alderman Keenum questioned whether we would be combining the December meeting into one meeting. City Clerk Boxleitner explained that the calendar that was approved at the beginning of the year shows one meeting scheduled in December.

**ADJOURNMENT**

Alderman Steve Mortensen made a motion, seconded by Alderman Todd Hall, to adjourn the meeting. The motion passed with a voice vote. The meeting adjourned at 8:07 PM.

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Constance J Boxleitner  
City Clerk

The City Council approved these minutes on \_\_\_\_\_.

#8

MEMORANDUM

TO: City Council  
FROM: City Attorney  
DATE: October 25, 2017  
RE: Attorney Invoices Related to TIF District

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The following may help explain the legal work Carlos and our office performed relative to this matter.

If you review the bills generated by Carlos, a substantial portion of the time spent by Carlos on this matter was devoted to background issues rather than drafting the TIF agreement itself. For example, time was spent trying to arrive at the basic parameters of an arrangement between S&V and the City, such as the time entry of July 31, 2017 regarding "*a draft term sheet*" and negotiating specific terms (see entry of May 4, 2017). A substantial amount of time was spent on liquor license issues, with entries on May 2, 2017, May 5, 2017, May 16, 2017, May 17, 2017, May 18, 2017 and May 23, 2017. The liquor license issue apparently involved the developer requesting some assurances that it would receive a liquor license permit. Carlos also spent time at the Planning & Zoning Commission on this matter and preparing an agenda on May 9, 2017, reviewing the agenda on May 10, 2017, and attending the Planning & Zoning Commission meeting on May 15, 2017. Relatedly, he worked on the special use ordinance on May 17, 2017 and May 18, 2017. All of this work was performed but unrelated to drafting the agreement itself.

Whereas, the bulk of our time was spent on drafting the agreement itself and working with the parties to remove unnecessary documentation and "*side agreements*" to arrive at a single agreement to avoid potential conflicts in the future between the TIF agreement and other documentation such as the promissory note, the assignment agreement, the pledge agreement and

so on (none of these were necessary). There was very little overlap of our services with those of Carlos, i.e., the negotiations regarding the liquor license or preparing for the zoning hearing and follow up on zoning matters. We simply were not involved in either of those matters. Rather, while Carlos was spending time on the “*approach to development*” on March 28, 2017, we were asked to incorporate the parameters of the deal into the TIF agreement. A substantial amount of time was invested by our firm inserting protections for the City that were fundamental, i.e., being indemnified for construction accidents on the subject property; insuring that the City be included as additional insured on the policies of insurance; making sure that if the development stops and City infrastructure is left uncompleted, that the City would have security to draw upon to complete the improvement; correction of legal description error; and that if the developer is running into financial problems and it appears that it will be unable to complete the project, that the City would be in position to withhold TIF funds. We also saw that there was a loophole in the draft agreement that would allow TIF money to be collected by the developer even if no tenants were actually using the strip mall. We did not think this was appropriate or reflected the intention of the City.

The work we did was at \$170 per hour and we discounted the total by \$1,500 to try and do the City a favor. Hopefully, this helps the Council deal with this issue.

## CITY OF MARENGO

BOARD MEETING: 11/13/17

BILLS PAYABLE REPORT FOR NOVEMBER, 2017

PAGE: 1

WARRANT NO.: 1

GENERAL CORPORATE FUND

CHECKS &amp; DIR. DEBITS

DESCRIPTION	ACCOUNT NUMBER	AMOUNT
<u>PAYROLL AND MISCELLANEOUS EXPENDITURES</u>		
BLUE CROSS BLUE SHIELD (228)		\$7,625.59
724136-11 NOVEMBER 2017 MEDICAL & DENTAL INSURANCE PLAN PREMIUMS/EMPLOYEE SHARE	01-208-000	7,625.59
MARENGO CEMETERY BOARD (1260)		\$170.43
10/16/17 PROPERTY TAX DISTRIBUTION #11	01-282-000	110.31
10/30/17 PROPERTY TAX DISTRIBUTION #12	01-282-000	60.12
VISION SERVICE PLAN OF ILLINOIS (2199)		\$100.07
12222915-11 NOVEMBER 2017 VISION INSURANCE PLAN PREMIUMS/ EMPLOYEE SHARE	01-208-000	100.07
TOTAL PAYROLL AND MISCELLANEOUS EXPENDITURES		\$7,896.09
<u>ADMINISTRATION DEPARTMENT EXPENDITURES</u>		
ARTHUR J. GALLAGHER RISK MGMT SVC, INC. (102)		\$84,588.00
2359061 11/1/17-10/31/18 LIABILITY INSURANCE RENEWAL PREMIUM	01-51-408.00	73,013.00
2359061 11/1/17-10/31/18 LIABILITY INSURANCE RENEWAL PREMIUM/AGENCY CONTRACT FEE	01-51-408.00	11,575.00
BLUE CROSS BLUE SHIELD (228)		\$3,640.78
724136-11 NOVEMBER 2017 MEDICAL & DENTAL INSURANCE PLAN PREMIUMS/CITY SHARE	01-51-403.00	3,640.78
CHICAGO METRO AGENCY FOR PLANNING (2360)		\$281.10
FY2018--150 2018 LOCAL CONTRIBUTION AND DUES	01-51-443.00	281.10
11TH STREET EXPRESS-PRINTING, INC. (623)		\$29.89
123044 GENERAL FUND CHECKS	01-51-565.01	29.89
FIRST NATIONAL BANK OF OMAHA (2575)		\$561.48
041647 AMERICAN PUBLIC WORKS ASST/WWTP UTILITY WORKER JOB POSTING ADVERTISEMENT	01-51-580.04	295.00
117228 MENARDS/SETTLERS DAYS PARADE FLOAT MATERIALS	01-51-580.03	45.75
169231 VISTA PRINT/HOLIDAY CARDS	01-51-533.02	156.17
752237 SAMS CLUB/SETTLERS DAY PARADE CANDY	01-51-580.03	64.56
HINCKLEY SPRINGS (2998)		\$26.93
14457314 102517 WATER DELIVERY	01-51-565.01	26.93
OFFICE DEPOT (1575)		\$166.43
970656892001 PRINTER CARTRIDGE/FINANCE OFFICE	01-51-565.01	130.49
972401903001 2018 CALENDARS	01-51-565.01	35.94
RESERVE ACCOUNT (1766)		\$250.00
POSTAGE METER ACCOUNT 28966935	01-51-532.00	250.00
SHAW SUBURBAN MEDIA GROUP (1907)		\$334.80
1017100949 PUBLICATION OF ANNUAL TREASURERS REPORT	01-51-533.00	334.80
SUPERFLEET MASTERCARD (3148)		\$25.01
IFO17 10/1-10/31/17 FUEL	01-51-580.04	25.01
VISION SERVICE PLAN OF ILLINOIS (2199)		\$57.39
12222915-11 NOVEMBER 2017 VISION INSURANCE PLAN PREMIUMS/ CITY SHARE	01-51-403.00	57.39
VERIZON WIRELESS (2787)		\$152.72
687248174-00001 9/16-10/15/17 SERVICE	01-51-523.00	152.72
ZUKOWSKI, ROGERS, FLOOD & MCARDLE (2325)		\$7,000.00
128042 SEPTEMBER 2017 LEGAL SERVICES/REVIEW OF TIF PROJECT FILES AND DOCUMENTATION	01-51-637.00	7,000.00
TOTAL ADMINISTRATION DEPARTMENT EXPENDITURES		\$97,114.53
<u>POLICE DEPARTMENT EXPENDITURES</u>		
AT&T (109)		\$258.25
815Z0400047651 10/16-11/15/17 SERVICE/RADIO CIRCUIT FROM WATER TOWER TO PD	01-52-523.00	258.25

## CITY OF MARENGO

BOARD MEETING: 11/13/17

BILLS PAYABLE REPORT FOR NOVEMBER, 2017

PAGE: 2

WARRANT NO.: 1

GENERAL CORPORATE FUND

CHECKS &amp; DIR. DEBITS

DESCRIPTION	ACCOUNT NUMBER	AMOUNT
<u>POLICE DEPARTMENT EXPENDITURES</u>		
BLUE CROSS BLUE SHIELD (228)		\$16,683.78
724136-11 NOVEMBER 2017 MEDICAL & DENTAL INSURANCE PLAN PREMIUMS/CITY SHARE	01-52-403.00	16,683.78
CDW GOVERNMENT, INC. (307)		\$599.93
KPH4053 DELL OPTIPLEX 3050 COMPUTER	01-52-594.01	599.93
CENTEGRA OCCUPATIONAL HEALTH (2981)		\$125.00
199806 STANDARD DRUG SCREEN DURING HOSPITAL VISIT/BOECKH	01-52-403.00	125.00
CHARTER COMMUNICATIONS (380)		\$309.92
0023655102317 10/1-10/31/17 INTERNET SERVICE	01-52-523.00	59.00
0023655102317 10/1-10/31/17 PHONE SERVICE	01-52-523.00	250.92
CINTAS CORPORATION #355 (411)		\$153.70
355452294 FLOOR MATS	01-52-510.00	76.85
355464529 FLOOR MATS	01-52-510.00	76.85
MSC - 410526 (579)		\$26.00
1000672744 CLEANING SUPPLIES	01-52-565.02	17.85
1000674085 CLEANING SUPPLIES	01-52-565.02	8.15
11TH STREET EXPRESS-PRINTING, INC. (623)		\$29.89
123044 GENERAL FUND CHECKS	01-52-565.02	29.89
FIRST NATIONAL BANK OF OMAHA (2575)		\$582.05
006367 COPQUEST/WEAPON HOLSTER/HERNANDEZ	01-52-469.00	124.95
095521 CREDIT/STAPLES/RETURN OF INK CARTRIDGE	01-52-565.02	-33.29
117157 STAPLES/BANKER BOXES, VOICE RECORDER, INK CARTRIDGES AND BATTERY BACKUP REPLACEMENT BATTERY	01-52-565.02	167.16
117157 STAPLES/BIOHAZARD SHARPS CONTAINER	01-52-565.02	12.49
149247 STAPLES/BANKERS BOXES	01-52-565.02	56.99
242422 IDOT/IPASS REPLENISH	01-52-545.00	80.00
868707 UNITED AIRLINES/BAGGAGE FEES/SOLARZ/ CHIEFS OF POLICE CONFERENCE/PHILADELPHIA	01-52-430.00	50.00
952677 PEAVEY CORP/EVIDENCE TAPE	01-52-565.02	123.75
FISHER AUTO PARTS (3126)		\$379.00
325-407308 MOTOR OIL/SQUADS	01-52-511.00	379.00
HINCKLEY SPRINGS (2998)		\$73.24
14457314 102517 WATER DELIVERY	01-52-565.02	73.24
LINDSAY AUTO PARTS, INC. (1204)		\$216.67
991310 HUB ASSEMBLY/M1	01-52-511.00	89.21
991311 WIPER BLADES/M1	01-52-511.00	32.98
991644 BRAKE ROTORS & BRAKE ASSEMBLY/M5	01-52-511.00	183.69
992741 CREDIT/RETURN OF HUB ASSEMBLY M1/ ORG. INV. 991310	01-52-511.00	-89.21
MARENGO GREENHOUSE & FLORIST, INC. (1267)		\$45.00
103117 BEREAVEMENT ARRANGEMENT/VELASQUEZ	01-52-545.00	45.00
NORTH EAST MULTI-REGIONAL TRAINING (1531)		\$125.00
226424 TRAINING/TAYLOR	01-52-430.00	125.00
OFFICE DEPOT (1575)		\$39.26
972401823001 COPY PAPER	01-52-565.02	39.26
RESERVE ACCOUNT (1766)		\$250.00
POSTAGE METER ACCOUNT 28966935	01-52-532.00	250.00

## CITY OF MARENGO

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GENERAL CORPORATE FUND

CHECKS &amp; DIR. DEBITS

DESCRIPTION	ACCOUNT NUMBER	AMOUNT
<u>POLICE DEPARTMENT EXPENDITURES</u>		
SEMPER FI PRINTING LLC (3082)		\$97.44
29639 LETTERHEAD	01-52-545.00	97.44
RICHARD A SOLARZ (1959)		\$30.83
MEAL REIMBURSEMENT/CHIEFS OF POLICE CONFERENCE/ PHILADELPHIA/10/20-10/21/17	01-52-430.00	30.83
SUPERFLEET MASTERCARD (3148)		\$2,386.47
IFO17 10/1-10/31/17 FUEL	01-52-566.00	2,386.47
TERMINAL SUPPLY CO. (2069)		\$123.04
62041-00 BLINKER BULBS	01-52-511.00	123.04
VISION SERVICE PLAN OF ILLINOIS (2199)		\$182.62
12222915-11 NOVEMBER 2017 VISION INSURANCE PLAN PREMIUMS/ CITY SHARE	01-52-403.00	182.62
VERIZON WIRELESS (2787)		\$294.57
687248174-00001 9/16-10/15/17 SERVICE	01-52-523.00	294.57
TOTAL POLICE DEPARTMENT EXPENDITURES		\$23,011.66
<u>STREET DEPARTMENT EXPENDITURES</u>		
BLUE CROSS BLUE SHIELD (228)		\$5,791.32
724136-11 NOVEMBER 2017 MEDICAL & DENTAL INSURANCE PLAN PREMIUMS/CITY SHARE	01-53-403.00	5,791.32
BONNELL INDUSTRIES INC. (248)		\$69.64
0176404-IN FUEL FOR TRUCK DELIVERY	01-53-511.00	69.64
CHARTER COMMUNICATIONS (380)		\$83.64
0023655102317 10/1-10/31/17 PHONE SERVICE	01-53-523.00	83.64
CINTAS CORPORATION #355 (411)		\$524.03
355450762 UNIFORMS	01-53-469.00	101.01
355453861 UNIFORMS	01-53-469.00	101.01
355456911 UNIFORMS	01-53-469.00	115.67
355459961 UNIFORMS	01-53-469.00	103.17
355463039 UNIFORMS	01-53-469.00	103.17
COMED (439)		\$37.00
2361160029 8/10-9/7/17 SERVICE/STREET LIGHTING/CITY OWNED STREET LIGHTS/ELECTRIC USAGE CHARGES	01-53-527.00	37.00
CONSTELLATION NEWENERGY, INC. (463)		\$12,421.67
1488129005 7/18-9/13/17 SERVICE/STREET LIGHTING/STREET LIGHTS OWNED BY COMED/RENTAL, MAINTENANCE, & USAGE CHARGES/2 MONTH BILLING	01-53-527.00	12,322.14
2243032119 8/11-9/10/17 SERVICE/STREET LIGHTING/CITY LOT #2/ELECTRIC USE CHARGES	01-53-527.00	99.53
CORE & MAIN LP (3150)		\$342.50
H656868 2 REINFORCED PIPE FLARED END SECTIONS	01-53-525.00	1,370.00
H782407 CREDIT/RETURNED REINFORCED END SECTIONS	01-53-525.00	-1,027.50
ED'S AUTOMOTIVE (609)		\$58.00
522 TRUCK INSPECTION/T11	01-53-511.00	29.00
669 TRUCK INSPECTION/T2	01-53-511.00	29.00
EJ EQUIPMENT, INC. (616)		\$402.26
P08700 LOWER HOUSING/T10	01-53-511.00	402.26
11TH STREET EXPRESS-PRINTING, INC. (623)		\$29.89
123044 GENERAL FUND CHECKS	01-53-567.01	29.89
FIRST NATIONAL BANK OF OMAHA (2575)		\$28.00
281212 IL. SECRETERY OF STATE/LICENSE PLATE REPLACEMENT T13, T14 & T4	01-53-511.00	28.00

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GENERAL CORPORATE FUND

CHECKS &amp; DIR. DEBITS

DESCRIPTION	ACCOUNT NUMBER	AMOUNT
<u>STREET DEPARTMENT EXPENDITURES</u>		
ILLINOIS STATE TOLL HIGHWAY AUTHORITY (1008)		\$4.45
G127000000556 7/1-9/30/17 TOLL CHARGES	01-53-511.00	4.45
LINDSAY AUTO PARTS, INC. (1204)		\$443.73
991188 OIL FILTER & COUPLERS/T4	01-53-511.00	16.28
992259 FLASHER BULBS/T10	01-53-511.00	4.12
992691 APPLICATOR BRUSH/SHOP	01-53-511.00	3.13
992694 BULBS/T10	01-53-511.00	2.48
993463 OIL FILTERS & VALVE COVER SET/T11	01-53-511.00	18.40
993509 HYDRAULIC FILTER/T11	01-53-511.00	10.40
993872 NITRILE GLOVES	01-53-567.00	25.98
993907 GASKET MAKER & GASKET GLUE/SHOP	01-53-511.00	19.74
993957 REMOVAL OF BEARING FROM SHAFT & PACKING	01-53-511.00	31.66
994942 COUPLERS, FITTINGS, HOSES, HYDRAULIC HOSE, HOSE ENDS/SWEEPER	01-53-512.00	311.54
MID-WEST TRUCKERS ASSOCIATION (2607)		\$336.50
658164 2018 ANNUAL RANDOM DRUG SCREENING PROGRAM	01-53-438.02	336.50
POWER EQUIPMENT LEASING COMPANY (2405)		\$670.00
W278 ANNUAL INSPECTION/BUCKET TRUCK	01-53-511.00	670.00
SUPERFLEET MASTERCARD (3148)		\$902.16
IFO17 10/1-10/31/17 FUEL	01-53-566.00	902.16
VISION SERVICE PLAN OF ILLINOIS (2199)		\$74.26
12222915-11 NOVEMBER 2017 VISION INSURANCE PLAN PREMIUMS/ CITY SHARE	01-53-403.00	74.26
VERIZON WIRELESS (2787)		\$261.82
687248174-00001 9/16-10/15/17 SERVICE	01-53-523.00	261.82
ZARNOTH BRUSH WORKS, INC. (2313)		\$106.20
0167234-IN OIL SEALS, BEARING CONES & BEARING CUPS	01-53-511.00	88.70
0167256-IN BEARING CONE	01-53-511.00	17.50
TOTAL STREET DEPARTMENT EXPENDITURES		\$22,587.07
<u>PUBLIC GROUNDS, WORKS &amp; BEAUTIFICATION EXPENDITURES</u>		
CHARTER COMMUNICATIONS (380)		\$132.94
0023655102317 10/1-10/31/17 INTERNET SERVICE	01-54-526.03	59.99
0023655102317 10/16-11/15/17 INTERNET SERVICE	01-54-526.03	72.95
CINTAS CORPORATION #355 (411)		\$171.30
355452294 FLOOR MATS	01-54-510.00	85.65
355464529 FLOOR MATS	01-54-510.00	85.65
COMED (438)		\$22.66
27976543007 9/8-10/5/17 SERVICE/109 E. WASHINGTON	01-54-526.03	22.66
11TH STREET EXPRESS-PRINTING, INC. (623)		\$29.87
123044 GENERAL FUND CHECKS	01-54-567.00	29.87
S & B LOCKSMITHS (1838)		\$9.00
100517 DOOR KEYS FOR CALVIN SPENCER PARK BUILDING	01-54-592.00	9.00
TOTAL PUBLIC GROUNDS, WORKS & BEAUTIFICATION EXPENDITURES		\$365.77
<u>BUILDING DEPARTMENT EXPENDITURES</u>		
CHARTER COMMUNICATIONS (380)		\$83.64
0023655102317 10/1-10/31/17 PHONE SERVICE	01-55-523.00	83.64

CITY OF MARENGO

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GENERAL CORPORATE FUND

CHECKS & DIR. DEBITS

DESCRIPTION	ACCOUNT NUMBER	AMOUNT
<u>BUILDING DEPARTMENT EXPENDITURES</u>		
HINCKLEY SPRINGS (2998)		\$44.04
14457314 102517 WATER DELIVERY	01-55-565.00	44.04
ANNA LEYRER (2335)		\$8.00
REIMBURSEMENT LICENSE PLATE REPLACEMENT/M2	01-55-511.00	8.00
RESERVE ACCOUNT (1766)		\$100.00
POSTAGE METER ACCOUNT 28966935	01-55-532.00	100.00
VERIZON WIRELESS (2787)		\$75.12
687248174-00001 9/16-10/15/17 SERVICE	01-55-523.00	75.12
TOTAL BUILDING DEPARTMENT EXPENDITURES		\$310.80
<u>RESERVES EXPENDITURES</u>		
MARENGO POLICE PENSION FUND/#4229-2366 (2920)		\$1,593.64
10/30/17 PROPERTY TAX DISTRIBUTION #12	01-59-779.10	1,593.64
TOTAL RESERVES EXPENDITURES		\$1,593.64

GENERAL CORPORATE FUND RECAP

CODE DESCRIPTION	AMOUNT
PAYROLL AND MISCELLANEOUS	7,896.09
51 ADMINISTRATION DEPARTMENT	97,114.53
52 POLICE DEPARTMENT	23,011.66
53 STREET DEPARTMENT	22,587.07
54 PUBLIC GROUNDS, WORKS & BEAUTIFICATION	365.77
55 BUILDING DEPARTMENT	310.80
59 RESERVES	1,593.64
TOTAL GENERAL CORPORATE FUND EXPENDITURES	152,879.56

CITY OF MARENGO

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AUDIT FUND

CHECKS & DIR. DEBITS

DESCRIPTION	ACCOUNT NUMBER	AMOUNT
GEORGE ROACH & ASSOCIATES, P.C. (1785)		\$9,500.00
102617 AUDIT OF FINANCIAL STATEMENTS & RELATED FILINGS FOR THE STATE OF ILLINOIS/FINAL BILLING	02-00-735.00	9,500.00
TOTAL AUDIT FUND EXPENDITURES		\$9,500.00

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MOTOR FUEL TAX FUND

CHECKS &amp; DIR. DEBITS

DESCRIPTION	ACCOUNT NUMBER	AMOUNT
ALLIED ASPHALT PAVING COMPANY (2496)		\$334.18
213075 HOT MIX ASPHALT	20-00-713.01	334.18
THE BANK OF NEW YORK MELLON (2644)		\$96,112.50
MARENGOBAB10 GENERAL OBLIGATION BONDS SERIES 2010/ INTEREST	20-00-787.00	31,112.50
MARENGOBAB10 GENERAL OBLIGATION BONDS SERIES 2010/ PRINCIPAL	20-00-787.00	65,000.00
FLINT TRADING, INC. (705)		\$406.71
217390 THERMO-PLASTIC LANE MARKING MATERIALS	20-00-713.01	406.71
PETER BAKER & SON (150)		\$2,202.64
18395 HOT MIX ASPHALT	20-00-713.01	2,202.64
TOTAL MOTOR FUEL TAX FUND EXPENDITURES		\$99,056.03

CITY OF MARENGO

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RETAINED PERSONNEL FUND

CHECKS & DIR. DEBITS

DESCRIPTION	ACCOUNT NUMBER	AMOUNT
<u>PAYROLL AND MISCELLANEOUS EXPENDITURES</u>		
MCHENRY COUNTY RECORDER (1339)		\$43.00
690378 RECORDING OF SPECIAL USE PERMIT/CJP ENTERPRISES	22-215-000	43.00
TOTAL PAYROLL AND MISCELLANEOUS EXPENDITURES		\$43.00

RETAINED PERSONNEL FUND RECAP		
CODE	DESCRIPTION	AMOUNT
	PAYROLL AND MISCELLANEOUS	43.00
	TOTAL RETAINED PERSONNEL FUND EXPENDITURES	43.00

## CITY OF MARENGO

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WATER &amp; SEWER FUND

CHECKS &amp; DIR. DEBITS

DESCRIPTION	ACCOUNT NUMBER	AMOUNT
<u>RESERVES EXPENDITURES</u>		
ROBINSON ENGINEERING (3131)		\$4,250.00
17-100145 PHOSPHORUS REMOVAL FEASIBILITY STUDY	30-59-799.00	4,250.00
TOTAL RESERVES EXPENDITURES		\$4,250.00
<u>WATER DEPARTMENT EXPENDITURES</u>		
AMERICAN PUBLIC WORKS ASSOCIATION (67)		\$190.00
675186 12/1/17-11/30/18 MEMBERSHIP DUES	30-70-443.00	190.00
AMERICAN WATER WORKS ASSOC. (71)		\$83.00
7001432064 1/1-12/31/18 MEMBERSHIP DUES/MOSER	30-70-443.00	83.00
BLUE CROSS BLUE SHIELD (228)		\$1,573.09
724136-11 NOVEMBER 2017 MEDICAL & DENTAL INSURANCE PLAN PREMIUMS/CITY SHARE	30-70-403.00	1,573.09
CHARTER COMMUNICATIONS (380)		\$83.64
0023655102317 10/1-10/31/17 PHONE SERVICE	30-70-523.00	83.64
CINTAS CORPORATION #355 (411)		\$123.27
355450762 UNIFORMS	30-70-469.00	24.30
355453861 UNIFORMS	30-70-469.00	24.30
355456911 UNIFORMS	30-70-469.00	24.89
355459961 UNIFORMS	30-70-469.00	24.89
355463039 UNIFORMS	30-70-469.00	24.89
COMED (438)		\$254.52
2512078001 8/8-9/6/17 SERVICE/416 STEVENSON	30-70-526.00	123.02
3279033030 8/14-9/12/17 SERVICE/0 BRIDEN DR	30-70-526.00	84.83
3812080106 8/14-9/12/17 SERVICE/240 N. PROSPECT	30-70-526.00	46.67
CONSOLIDATED MATERIALS (2975)		\$192.83
12587 DUMPING FEES & WASH GRAVEL	30-70-565.02	192.83
DEBT SERVICE FUND (532)		\$22,265.67
NOVEMBER 2017 TRANSFER TO DEBT SERVICE FUND	30-70-587.00	22,265.67
11TH STREET EXPRESS-PRINTING, INC. (623)		\$44.16
123044 WATER SEWER CHECKS	30-70-565.01	44.16
FIRST NATIONAL BANK OF OMAHA (2575)		\$155.86
000247 KINGSCOTE/LEAK DETECTION PACKETS	30-70-565.01	132.11
942293 USPS/MAILING OF WATER TESTING RESULTS TO EPA	30-70-532.00	23.75
M E SIMPSON CO INC (1932)		\$985.00
30676 LEAK LOCATION SERVICES/715 MAPLE	30-70-635.00	985.00
MID-WEST TRUCKERS ASSOCIATION (2607)		\$67.30
658164 2018 ANNUAL RANDOM DRUG SCREENING PROGRAM	30-70-438.02	67.30
PDC LABORATORIES, INC (3138)		\$473.00
879241S WATER SAMPLE TESTING	30-70-638.00	473.00
RESERVE ACCOUNT (1766)		\$200.00
POSTAGE METER ACCOUNT 28966935	30-70-532.00	200.00
SNAP-ON INDUSTRIAL (3069)		\$21.26
ARV/34193673 SOCKETS FOR B-BOX	30-70-593.00	21.26
SUPERFLEET MASTERCARD (3148)		\$166.99
IFO17 10/1-10/31/17 FUEL	30-70-566.00	166.99

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WATER &amp; SEWER FUND

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DESCRIPTION	ACCOUNT NUMBER	AMOUNT
<u>WATER DEPARTMENT EXPENDITURES</u>		
VISION SERVICE PLAN OF ILLINOIS (2199)		\$27.14
12222915-11 NOVEMBER 2017 VISION INSURANCE PLAN PREMIUMS/ CITY SHARE	30-70-403.00	27.14
VERIZON WIRELESS (2787)		\$98.15
687248174-00001 9/16-10/15/17 SERVICE	30-70-523.00	98.15
VIKING CHEMICAL COMPANY (2183)		\$3,019.47
54003 CHLORINE & HYDROFLUOSILICIC ACID	30-70-565.02	5,514.47
54004 CREDIT/CORE DEPOSIT RETURN	30-70-565.02	-2,495.00
TOTAL WATER DEPARTMENT EXPENDITURES		\$30,024.35
<u>SANITARY &amp; WASTEWATER DEPARTMENT EXPENDITURES</u>		
ADVANCE WELDING SERVICE, INC. (2748)		\$150.00
81817 WELDING OF VALVE STEM AT WWTP	30-75-511.02	150.00
BLUE CROSS BLUE SHIELD (228)		\$2,300.56
724136-11 NOVEMBER 2017 MEDICAL & DENTAL INSURANCE PLAN PREMIUMS/CITY SHARE	30-75-403.00	2,300.56
BMO HARRIS BANK N.A. (2638)		\$20,845.75
SERIES 2017 &18 PRINCIPAL & INTEREST PAYMENT/180 8TH AVE.	30-75-587.00	20,845.75
CINTAS CORPORATION #355 (411)		\$293.68
355450762 UNIFORMS	30-75-469.00	72.68
355453861 UNIFORMS	30-75-469.00	72.68
355456911 UNIFORMS	30-75-469.00	49.44
355459961 UNIFORMS	30-75-469.00	49.44
355463039 UNIFORMS	30-75-469.00	49.44
C.E.S. LTD. (414)		\$103.60
LKG/042368 FUSES/RECIRCULATING PUMPS	30-75-511.02	103.60
COMED (438)		\$257.38
0588136038 8/10-9/6/17 SERVICE/800 N. STATE/LIFT STATION	30-75-526.00	257.38
DEBT SERVICE FUND (532)		\$22,265.67
NOVEMBER 2017 TRANSFER TO DEBT SERVICE FUND	30-75-587.00	22,265.67
11TH STREET EXPRESS-PRINTING, INC. (623)		\$44.15
123044 WATER SEWER CHECKS	30-75-565.01	44.15
ERIK P. EVERTSEN (2758)		\$53.71
MILEAGE REIMBURSEMENT/CLASS C OPERATOR WWTP TRAINING/ GENEVA, IL / 100.4 TOTAL MILES /10/24-10/25/17	30-75-430.00	53.71
FIRST NATIONAL BANK OF OMAHA (2575)		\$306.41
050027 AMAZON.COM/LAPTOP CASE WWTP COMPUTER	30-75-565.01	38.04
384567 AGAPE ENTERPRISES/VALVE PLATE	30-75-565.06	100.00
858608 HOLIDAY INN/MANGUM /ERTC CLASS C WATER TRAINING/10/4/17 EDWARDSVILLE IL	30-75-430.00	168.37
GRAINGER (794)		\$207.60
9603456006 MOTOR MOUNT & PUMP COUPLER FOR BOILER	30-75-511.02	207.60
HINCKLEY SPRINGS (2998)		\$21.33
14457314 102517 WATER DELIVERY	30-75-565.01	21.33
LINDSAY AUTO PARTS,INC. (1204)		\$8.12
993378 CLAMPS & FITTINGS	30-75-511.02	8.12
LOU'S GLOVES (2969)		\$172.00
020402 NITRILE GLOVES	30-75-565.02	172.00

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WATER & SEWER FUND

CHECKS & DIR. DEBITS

DESCRIPTION	ACCOUNT NUMBER	AMOUNT
<u>SANITARY &amp; WASTEWATER DEPARTMENT EXPENDITURES</u>		
MENARD'S (1364)		\$312.30
47575 PVC FITTINGS, PVC PIPES, TOGGLE SWITCH, CLEANING SUPPLIES, COUPLINGS	30-75-511.02	193.97
47740 ROPE & PVC ELBOWS	30-75-511.02	118.33
MID-WEST TRUCKERS ASSOCIATION (2607)		\$201.90
658164 2018 ANNUAL RANDOM DRUG SCREENING PROGRAM	30-75-635.00	201.90
NALCO CROSSBOW WATER (2412)		\$213.17
2229046 DI WATER FILTERS & CARBON CARTRIDGES	30-75-565.02	213.17
PDC LABORATORIES, INC (3138)		\$750.00
879240S LAB SAMPLE TESTING & COURIER CHARGES	30-75-635.00	375.00
880842S LAB SAMPLE TESTING & COURIER CHARGES	30-75-635.00	375.00
RESERVE ACCOUNT (1766)		\$200.00
POSTAGE METER ACCOUNT 28966935	30-75-532.00	200.00
SUPERFLEET MASTERCARD (3148)		\$194.96
IFO17 10/1-10/31/17 FUEL	30-75-566.00	194.96
VISION SERVICE PLAN OF ILLINOIS (2199)		\$24.56
12222915-11 NOVEMBER 2017 VISION INSURANCE PLAN PREMIUMS/ CITY SHARE	30-75-403.00	24.56
VERIZON WIRELESS (2787)		\$168.21
687248174-00001 9/16-10/15/17 SERVICE	30-75-523.00	168.21
VORTEX TECHNOLOGIES, INC. (2197)		\$375.00
5249 FLOW SURVEY/EFFLUENT COOLING WATER PUMP & DRAIN PUMPS	30-75-635.00	375.00
TOTAL SANITARY & WASTEWATER DEPARTMENT EXPENDITURES		\$49,470.06

WATER & SEWER FUND RECAP

CODE DESCRIPTION	AMOUNT
59 RESERVES	4,250.00
70 WATER DEPARTMENT	30,024.35
75 SANITARY & WASTEWATER DEPARTMENT	49,470.06
TOTAL WATER & SEWER FUND EXPENDITURES	83,744.41

## CITY OF MARENGO

BOARD MEETING: 11/13/17

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WWTP EXPANSION FUND

CHECKS &amp; DIR. DEBITS

DESCRIPTION	ACCOUNT NUMBER	AMOUNT
IL ENVIRONMENTAL PROTECTION AGENCY (3051)		\$375,043.88
L17-5157 WWTP EXPANSION LOAN/INTEREST PAYMENT	31-00-787.00	107,063.90
L17-5157 WWTP EXPANSION LOAN/PRINCIPAL PAYMENT	31-00-787.00	267,979.98
	TOTAL WWTP EXPANSION FUND EXPENDITURES	\$375,043.88

CITY OF MARENGO

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DEBT SERVICE FUND

CHECKS & DIR. DEBITS

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DESCRIPTION	ACCOUNT NUMBER	AMOUNT
<u>2014 BONDS EXPENDITURES</u>		
AMALGAMATED BANK OF CHICAGO (2967)		\$458,825.00
SERIES 2014 BONDS/CITY OF MARENGO GO BOND/ISSUE 5486/ PRINCIPAL	43-14-787.00	385,000.00
SERIES 2014 BONDS/CITY OF MARENGO GO BOND/ISSUE 5486/ INTEREST	43-14-787.01	73,825.00
TOTAL 2014 BONDS EXPENDITURES		\$458,825.00

<u>DEBT SERVICE FUND RECAP</u>		
CODE	DESCRIPTION	AMOUNT
14	2014 BONDS	458,825.00
	TOTAL DEBT SERVICE FUND EXPENDITURES	458,825.00

## CITY OF MARENGO

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EASTERN CORRIDOR TIF FUND

CHECKS &amp; DIR. DEBITS

DESCRIPTION	ACCOUNT NUMBER	AMOUNT
MARENGO COMMUNITY HIGH SCHOOL DIST. 154 (1262)		\$1,264.66
2016 PROPERTY TAX/10% INCREMENT SHARE PER AGREEMENT/MARENGO EASTERN CORRIDOR TIF	61-00-780.00	1,230.21
2016 PROPERTY TAX/10% INCREMENT SHARE PER AGREEMENT/MARENGO EASTERN CORRIDOR TIF (PENSION FUND)	61-00-780.00	34.45
MARENGO FIRE PROTECTION DISTRICT (1266)		\$127.49
2016 PROPERTY TAX/10% INCREMENT SHARE PER AGREEMENT/MARENGO EASTERN CORRIDOR TIF	61-00-780.00	127.49
MARENGO PARK DISTRICT (1273)		\$171.78
2016 PROPERTY TAX/10% INCREMENT SHARE PER AGREEMENT/MARENGO EASTERN CORRIDOR TIF	61-00-780.00	163.28
2016 PROPERTY TAX/10% INCREMENT SHARE PER AGREEMENT/MARENGO EASTERN CORRIDOR TIF (PENSION FUND)	61-00-780.00	8.50
MARENGO-UNION LIBRARY DISTRICT (1277)		\$78.73
2016 PROPERTY TAX/10% INCREMENT SHARE PER AGREEMENT/MARENGO EASTERN CORRIDOR TIF	61-00-780.00	78.73
MARENGO RESCUE SQUAD (1280)		\$76.05
2016 PROPERTY TAX/10% INCREMENT SHARE PER AGREEMENT/MARENGO EASTERN CORRIDOR TIF	61-00-780.00	76.05
MARENGO TOWNSHIP (2541)		\$254.09
2016 PROPERTY TAX/10% INCREMENT SHARE PER AGREEMENT/MARENGO EASTERN CORRIDOR TIF	61-00-780.00	96.18
2016 PROPERTY TAX/10% INCREMENT SHARE PER AGREEMENT/MARENGO EASTERN CORRIDOR TIF (ROAD & BRIDGE FUND)	61-00-780.00	157.91
MARENGO-UNION CSD #165 (2788)		\$1,299.10
2016 PROPERTY TAX/10% INCREMENT SHARE PER AGREEMENT/MARENGO EASTERN CORRIDOR TIF	61-00-780.00	1,248.55
2016 PROPERTY TAX/10% INCREMENT SHARE PER AGREEMENT/MARENGO EASTERN CORRIDOR TIF (PENSION FUND)	61-00-780.00	50.55
MCHENRY COUNTY COLLEGE (1327)		\$159.71
2016 PROPERTY TAX/10% INCREMENT SHARE PER AGREEMENT/MARENGO EASTERN CORRIDOR TIF	61-00-780.00	157.47
2016 PROPERTY TAX/10% INCREMENT SHARE PER AGREEMENT/MARENGO EASTERN CORRIDOR TIF (PENSION FUND)	61-00-780.00	2.24
MCHENRY COUNTY CONSERVATION DIST (1329)		\$101.55
2016 PROPERTY TAX/10% INCREMENT SHARE PER AGREEMENT/MARENGO EASTERN CORRIDOR TIF	61-00-780.00	101.55
MCHENRY COUNTY TREASURER (1344)		\$413.80
2016 PROPERTY TAX/10% INCREMENT SHARE PER AGREEMENT/MARENGO EASTERN CORRIDOR TIF	61-00-780.00	352.51
2016 PROPERTY TAX/10% INCREMENT SHARE PER AGREEMENT/MARENGO EASTERN CORRIDOR TIF (PENSION FUND)	61-00-780.00	61.29
TOTAL EASTERN CORRIDOR TIF FUND EXPENDITURES		\$3,946.96

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SUMMARY ALL FUNDS

BANK ACCOUNT	BANK	DESCRIPTION	AMOUNT	
01-102-000	01	GENERAL CORPORATE FUND-CASH IN BANK	152,879.56	*
02-102-000	01	AUDIT FUND-CASH IN BANK	9,500.00	*
20-102-000	20	MOTOR FUEL TAX FUND-CASH IN BANK	99,056.03	*
22-102-000	22	RETAINED PERSONNEL FUND-CASH IN BANK	43.00	*
30-102-000	30	WATER & SEWER FUND-CASH IN BANK	83,744.41	*
31-102-000	30	WWTP EXPANSION FUND-CASH IN BANK	375,043.88	*
43-102-000	43	DEBT SERVICE FUND-CASH IN BANK	458,825.00	*
61-102-000	61	EASTERN CORRIDOR TIF FUND-CASH IN BANK	3,946.96	*
TOTAL ALL FUNDS			1,183,038.84	**

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GENERAL CORPORATE FUND

CHECKS & DIR. DEBITS

DESCRIPTION	ACCOUNT NUMBER	AMOUNT
<u>ADMINISTRATION DEPARTMENT EXPENDITURES</u>		
IDES (565)		\$336.13
0802560 CITY OF MARENGO 3RD QUARTER 2017 UNEMPLOYMENT PREMIUMS	01-51-408.02	336.13
IDES (2391)		\$59.77
0809486 MARENGO CEMETERY BOARD 3RD QUARTER 2017 UNEMPLOYMENT PREMIUMS/(REIMBURSED BY CEMETERY BOARD)	01-51-408.02	59.77
TOTAL ADMINISTRATION DEPARTMENT EXPENDITURES		\$395.90

<u>GENERAL CORPORATE FUND RECAP</u>		
CODE	DESCRIPTION	AMOUNT
51	ADMINISTRATION DEPARTMENT	395.90
	TOTAL GENERAL CORPORATE FUND EXPENDITURES	395.90

CITY OF MARENGO

BOARD MEETING: 11/13/17

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SUMMARY ALL FUNDS

BANK ACCOUNT	BANK	DESCRIPTION	AMOUNT
01-102-000	01	GENERAL CORPORATE FUND-CASH IN BANK	395.90 *
		TOTAL ALL FUNDS	395.90 **

#9a

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**NEW BUSINESS**

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**To: City Council**

**From: Mayor John Koziol**

**For: November 13, 2017 Regular City Council Meeting**

**Re: Cemetery Board Appointments**

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Pursuant to Section 10.02 of the Marengo Municipal Code, I am making the following appointments to the City Cemetery Board:

Marty Mohr  
Raymond Knake  
Donnie Bottcher

I am requesting the City Council's consent to these appointments at the November 13, 2017 City Council meeting.

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**MARENGO POLICE  
PENSION BOARD**

# Memo

**To:** Marengo City Council  
**From:** Marengo Police Pension Board  
**Date:** 11/08/17  
**Re:** Annual Pension Report to the City and Request for Funding

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Accompanying this memo are several documents. You will find the latest Actuarial Valuation from Lauterbach & Amen, the Municipal Compliance Report, GASB 67/68 Report and the Annual Statement Submitted to the IDOI. The latest Audit done on the Pension Fund by the Illinois Department of Insurance (IDOI) has not been made available to me at this time.

This year, based on the accompanying reports, the Pension Board is requesting the minimum required contribution of the city. The *minimum* statutory required amount required of the city is \$502,034. While this amount is greater than past years, the recommended amount is actually \$698,679 to be able to pay all pensions and other obligations as required in Article 3 of the Pension Code.

As fiduciaries, the members of the pension board are doing what we can to get it funded the way it needs to be. Part of that task involves the management and investment of the funds. We retain the firm Sawyer and Falduto to do these investments. We have a great working relationship with them. They have done a great job for us, a much better job than prior investment managers. They know the laws we are bound by for investing. We currently are seeing a 7% return on our investments.

The police department is currently lower on man power than prior years which also affect the pension as we pay nearly 10% of our own salaries into the fund. With fewer employees, that is less salary going in and less money that can be invested and earning a return. The pension board is also facing the reality of multiple retirements that are possible from upwards of 3 current employees, which puts the additional burden on the fund to pay those pensions when those times come.

Currently, at the rate being funded, the necessary contribution will continue to rise each year and as reported in the GASB report, will run out of money in about 26 years, leaving the burden fully on the city to cover pension costs for retirees.

# ANNUAL STATEMENT

## Marengo Police Pension Fund

Fiscal Year 5/1/2016 Through 4/30/2017

State of Illinois, City of Marengo, County of McHenry

Established 4/7/1981

Pension Fund Number - 3174 Federal Employer Identification Number (FEIN) - 36-3130922

Organized under the Laws of the State of Illinois,  
made to the Department of Insurance of the State of Illinois Pursuant to the Laws Thereof.

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Fund Subtype: City

### Fund Mailing Address

Street Address 1: 132 East Prairie St  
Street Address 2:  
City, State, Zip: Marengo, IL 60152  
Fax Number: (815)568-7112  
Email Address: akjellgren@cityofmarengo.com

### Location of Member

Name (Last, First MI): Kjellgren, Andrew  
Job Title: Police Officer  
Street Address 1: 132 East Prairie St  
Street Address 2:  
City, State, Zip: Marengo, IL 60152  
Phone Number: (815)568-7112

### Annual Statement Contact Person

Name (Last, First MI): Lauterbach, Sherry  
Job Title: CPA  
Phone Number: (630)393-1483  
Fax Number: (630)393-2516  
Email Address: office@lauterbachamen.com

### Location of Financial Records

Name (Last, First MI): Kjellgren, Andrew  
Job Title: Police Officer  
Street Address 1: 132 East Prairie St  
Street Address 2:  
City, State, Zip: Marengo, IL 60152  
Phone Number: (815)568-7112

# Revenues Statement

1.1	Amount of Ledger Assets at End of Previous Year's Statement:	\$4,856,358.93
1.2	Amount of Ledger Assets at End of Previous Year – Should Coincide with Line 1.1:	\$4,856,358.93
1.3	Adjustment – If Line 1.1 is Different from Line 1.2 (Absolute Value of the Difference of Lines 1.1 and 1.2):	\$0.00
<b><u>From Municipalities</u></b>		
2.1	Current Tax Levy:	\$262,346.48
2.2	All Previous Year's Taxes:	\$0.00
2.3	Illinois Personal Property Replacement Tax:	\$0.00
2.4	Contributions from Municipality (in lieu of tax levy):	\$0.00
2.5	Other Revenue Received From Municipality (from detail):	\$0.00
3.0	<b>Total Received from Municipality (Sum of Lines 2.1 through 2.5):</b>	<b>\$262,346.48</b>
<b><u>From Members</u></b>		
4.1	Salary Deductions – Current Year's Service:	\$100,769.29
4.2	Contributions – Prior Year's Service:	\$0.00
4.3	Repayment of Refund(s):	\$0.00
4.4	Interest Received from Members:	\$0.00
4.5	Other Revenue Received from Members (from detail):	\$0.00
5.0	<b>Total Received from Members (Sum of Lines 4.1 through 4.5):</b>	<b>\$100,769.29</b>
<b><u>From Investments</u></b>		
6.1	Interest on Deposits in Checking, Money Market, IL Fund, Repurchase Agreements and Other Cash Investments (Total Interest Received and Accrued from Schedule A):	\$0.00
6.2	Interest on Certificates of Deposits (Total Interest Received and Accrued from Schedule B):	\$0.00
6.3	Income from State, Local and Corporate Obligations (Difference of (Sum of Total Interest Received and Accrued from Schedule C2, Total Interest Received and Accrued from Schedule C3, and Total Accrual of Discount from Schedule C3) and Total Amortization of Premium from Schedule C3)	\$0.00
6.4	Income from U.S. Government and Agency Obligations (Difference of (Sum of Total Interest Received and Accrued from Schedule D2, Total Interest Received and Accrued from Schedule D3, and Total Accrual of Discount from Schedule D3) and Amortization of Premium from Schedule D3):	\$84,261.75
6.5	Income from Insurance Company Contracts – General Accounts (Difference of Total Earnings Credited to Account from Schedule E and Surrender Charges Paid from Schedule E):	\$0.00
6.6	Income from Insurance Company Contracts – Separate Accounts (Difference of Total Earnings Credited to Account from Schedule F and Surrender Charges Paid from Schedule F):	\$0.00

**From Investments**

6.7	Income from Investment Pools (Total Earnings Credited to Account from Schedule G):	\$0.00	
6.8	Gain/Loss from Sales of Securities (Sum of Total Profit or Loss on Sale from Schedule C2, Total Profit or Loss on Sale from Schedule D2, Total Profit or Loss on Sale from Schedule J2, and Total Profit or Loss on Sale From Schedule K2):	(\$77,627.91)	
6.9	Income from Other Investment Assets (from detail):	\$0.00	
6.10	Unrealized Gains/Losses:	\$293,004.90	
6.11	Income/Dividends from Mutual Funds (Sum of Total Income/Dividends from Schedule K2 and Total Income/Dividends from Schedule K3):	\$73,429.47	
6.12	Income/Dividends from Common and Preferred Stocks (Sum of Total Income/Dividends from Schedule J2 and Total Income/Dividends from Schedule J3):	\$0.00	
7.0	Total Income from Investments (Sum of Lines 6.1 through 6.12):		\$373,068.21

**From Other Sources**

8.0	Donations:		\$0.00
9.0	Other Income (from detail):	(\$2,870.24)	
	<u>Detail Text:</u>	<u>Detail Amount:</u>	
9.0.1	Accrued interest	(\$2,870.24)	
10.0	Total Income (Sum of Lines 3.0, 5.0, 7.0, 8.0, and 9.0):		\$733,313.74
11.0	Amount Carried Forward (Sum of the Beginning of Year Balance and Line 10.0):		\$5,589,672.67

# Expenses Statement

11.0 Amount Carried Forward (Sum of the Beginning of Year Balance and Line 10.0): \$5,589,672.67

## Pensions and Benefits

12.1	Service Pensions:	\$195,619.35	
12.2	Non-Duty Disability Pensions:	\$34,858.23	
12.3	Duty Disability Pensions:	\$71,891.16	
12.4	Occupational Disease Disability Pensions:	\$0.00	
12.5	Surviving Spouse Pensions:	\$60,207.12	
12.6	Children's Pensions:	\$0.00	
12.7	Parents' Pensions:	\$0.00	
12.8	Handicapped Annuitant Pensions:	\$0.00	
12.9	Refund of Contributions:	\$0.00	
12.10	Transfers to other Illinois Public Employee Funds or Systems:	\$0.00	
13.0	Total Pensions and Benefits Paid (Sum of Lines 12.1 through 12.10):		\$362,575.86

## Personal Services

14.1	Salaries and Wages:	\$0.00	
14.2	Group Insurance:	\$0.00	
14.3	Social Security Contributions:	\$0.00	
14.4	Retirement Contributions:	\$0.00	
14.5	Unemployment Insurance:	\$0.00	
14.6	Worker's Compensation:	\$0.00	
15.0	Total Personal Services (Sum of Lines 14.1 through 14.6):		\$0.00

## Insurance

16.1	Fiduciary Insurance:	\$0.00	
16.2	Surety Bonds:	\$0.00	
16.3	Fidelity Bonds:	\$0.00	
16.4	Liability:	\$0.00	
16.5	Property:	\$0.00	
17.0	Total Insurance Expense (Sum of Lines 16.1 through 16.5):		\$0.00

**Professional Services**

18.1	Actuarial:	\$3,800.00	
18.2	Auditing:	\$0.00	
18.3	Accounting and Bookkeeping:	\$10,270.00	
18.4	Medical:	\$1,405.92	
18.5	Legal Expense:	\$405.32	
18.6	Public Stenographer/Court Reporter:	\$0.00	
19.0	Total Professional Services (Sum of Lines 18.1 through 18.6):		\$15,881.24

**Investment Expense**

20.1	Investment Manager/Adviser Fee:	\$12,590.34	
20.2	Custodial:	\$0.00	
20.3	Investment Research:	\$0.00	
20.4	Safe Deposit and Bank Charges:	\$0.00	
20.5	Broker Commissions:	\$0.00	
20.6	Investment Expense (from detail):	\$0.00	
20.7	Indirect Expenses (from detail):	\$0.00	
21.0	Total Investment Expense (Sum of Lines 20.1 through 20.7):		\$12,590.34

**Electronic Data Processing (EDP)**

22.1	Equipment Purchases:	\$0.00	
22.2	Supplies:	\$0.00	
22.3	Professional Services:	\$0.00	
22.4	Repairs and Maintenance:	\$0.00	
22.5	Depreciation:	\$0.00	
23.0	Total Electronic Data Processing (Sum of Lines 22.1 through 22.5):		\$0.00

**Equipment**

24.1	Equipment Purchases:	\$0.00	
24.2	Equipment Repairs, Rental and Maintenance:	\$0.00	
24.3	Depreciation:	\$0.00	
25.0	Total Equipment Expense (Sum of Lines 24.1 through 24.3):		\$0.00

Other

26.1	Conference/Seminar Fees:	\$1,000.00	
26.2	Association Dues:	\$795.00	
26.3	Travel:	\$923.58	
26.4	Postage:	\$0.00	
26.5	Printing:	\$0.00	
26.6	Supplies:	\$0.00	
26.7	Telecommunications:	\$0.00	
26.8	Election Expense:	\$0.00	
26.9	Education Expense:	\$0.00	
26.10	State of Illinois Compliance Fee – Department of Insurance:	\$950.14	
26.11	Other Expense (from detail):	\$0.00	
27.0	Total Other Expenses (Sum of Lines 26.1 through 26.11):		\$3,668.72
28.0	Total Administrative Expenses (Sum of Lines 15.0, 17.0, 19.0, 21.0, 23.0, 25.0, and 27.0):		\$32,140.30
29.0	Total Expenses (Sum of Lines 13.0 and 28.0):		\$394,716.16
30.0	Fund Balance (Difference of Lines 11.0 and 29.0):		\$5,194,956.51

# Assets Statement

31.1	Cash on Hand:		\$0.00
31.2	Deposits in Money Market, Checking, N.O.W., IL Fund, Repurchase Agreements, etc. (Total Balance End of Year from Schedule A):		\$206,091.30
<b><u>Investments</u></b>		<b><u>Actuarial Funding Value:</u></b>	<b><u>Market Value:</u></b>
32.1	Certificates of Deposit (Total Balance End of Year from Schedule B):	\$0.00	\$0.00
32.2	State, Local and Corporate Obligations (Total Value from Schedule C3):	\$522,566.72	\$522,566.72
32.3	U.S. Government and Agency Obligations (Total Value from Schedule D3):	\$2,213,801.00	\$2,213,801.00
32.4	Insurance Company Contracts – General Accounts (Total Balance End of Year from Schedule E):	\$0.00	\$0.00
32.5	Insurance Company Contracts – Separate Accounts (Total Balance End of Year from Schedule F):	\$0.00	\$0.00
32.6	Pooled Investment Accounts (Total Balance End of Year from Schedule G):	\$0.00	\$0.00
32.7	Common and Preferred Stocks (Total Balance End of Year from Schedule J3):	\$0.00	\$0.00
32.8	Mutual Funds (Total Balance End of Year from Schedule K3):	\$2,229,255.44	\$2,229,255.44
33.0	<b>Total Investments (Sum of Lines 32.1 through 32.8):</b>	<b>\$4,965,623.16</b>	<b>\$4,965,623.16</b>
<b><u>Receivables</u></b>			
34.1	Taxes Receivable:	\$0.00	
34.2	Accrued Past Due Interest:	\$23,598.72	
34.3	Salary Deductions:	\$0.00	
34.4	Taxes Received – Not Distributed:	\$0.00	
34.5	Due from Members for Prior Services:	\$0.00	
34.6	Other Receivables (from detail):	\$0.00	
35.0	<b>Total Receivables (Sum of Lines 34.1 through 34.6):</b>		<b>\$23,598.72</b>
36.0	Equipment:	\$0.00	
37.0	Other Assets (from detail):	\$1,360.00	
	<u>Detail Text:</u>	<u>Detail Amount:</u>	
37.0.1	Prepays	\$1,360.00	
		<b><u>Actuarial Funding Value:</u></b>	<b><u>Market Value:</u></b>
38.0	<b>Total Assets (Sum of Lines 31.1, 31.2, 33.0, 35.0, 36.0, and 37.0):</b>	<b>\$5,196,673.18</b>	<b>\$5,196,673.18</b>

Liabilities

39.1	Pensions and Benefits Due and Unpaid:	\$0.00	
39.2	Expenses Due and Unpaid	\$1,716.67	
39.3	All Other Liabilities (from detail):	\$0.00	
40.0	Total Liabilities (Sum of Lines 39.1 through 39.3):		\$1,716.67
		<u>Actuarial Funding Value:</u>	<u>Market Value:</u>
41.0	Net Present Assets, as per Balance (Difference of Lines 38.0 and 40.0):	\$5,194,956.51	\$5,194,956.51

# Schedule A

## Deposits in Checking, Savings, Money Market, N.O.W., IL Fund, etc. Accounts

Name of Institution	Account Number	Date Acquired	Var. Rate	Rate	Beginning Balance	Balance End of Year	Interest Received and Accrued
<b>10102 NOW or Checking Accounts</b>							
HARRIS	3177821	3/1/2014	N	0.000 %	36,054.43	41,887.03	0.00
<b>Totals:</b>					<b>\$36,054.43</b>	<b>\$41,887.03</b>	<b>\$0.00</b>
<b>10105 Money Market Mutual Funds</b>							
SCHWAB	42292366	4/1/2014	N	0.000 %	41,299.95	164,204.27	0.00
<b>Totals:</b>					<b>\$41,299.95</b>	<b>\$164,204.27</b>	<b>\$0.00</b>
					<u>Beginning Balance</u>	<u>Balance End of Year</u>	<u>Interest Received and Accrued</u>
<b>Totals:</b>					<b>\$77,354.38</b>	<b>\$206,091.30</b>	<b>\$0.00</b>

# Schedule B

## Investments in Certificates of Deposit

Name of Institution	Account Number	Date Acquired	Maturity Date	Var. Rate	Rate	Beginning Balance	Balance End of Year	Interest Received and Accrued
						<b>Beginning Balance</b>	<b>Balance End of Year</b>	<b>Interest Received and Accrued</b>
<b>Totals:</b>						\$0.00	\$0.00	\$0.00

# Schedule C - Part 1

## Investments in State, Local and Corporate Obligations - Acquired

Security Description	CUSIP Number	Date Acquired	Maturity Date	Var. Rate	Rate	Par Value of Security	Cost Excluding Interest and Charges	Investment Handling Charges	Accrued Interest Purchased
						Par Value of Security	Cost Excluding Interest and Charges	Investment Handling Charges	Accrued Interest Purchased
Totals:						\$0.00	\$0.00	\$0.00	\$0.00

## Schedule C - Part 2

### Investments in State, Local and Corporate Obligations - Sold

Security Description	CUSIP Number	Date Acquired	Maturity Date	Par Value of Security	Cost Excluding Interest and Charges	Market Value Beginning of Year	Interest Received and Accrued	Date Sold	Receipts from Sale - Interest Excl.	Profit or Loss on Sale	
				Par Value of Security	Cost Excluding Interest and Charges	Market Value Beginning of Year	Interest Received and Accrued			Receipts from Sale - Interest Excl.	Profit or Loss on Sale
				Totals:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	

## Schedule C - Part 3

### Investments in State, Local and Corporate Obligations Held at End of Year

Security Description	CUSIP Number	Date Acquired	Maturity Date	Var. Rate	Rate	Par Value of Security	Cost Excluding Interest and Charges	Rating Agency	Rating	Market Value End of Year	Interest Received and Accrued	Accrual of Discount	Amortization of Premium	Book Value
<b>10203 Municipal Bonds</b>														
CARPERNTE RSVILLE	144303JR6	7/29/2014	12/30/2024	N	5.650 %	25,000.00	28,447.75	Moody's	Aa2	27,405.25	0.00	0.00	0.00	27,405.25
COOK CNTY IL	215633LD8	6/16/2014	12/1/2019	N	4.250 %	25,000.00	27,039.75	Standard & Poor's	AA	25,384.75	0.00	0.00	0.00	25,384.75
COUNTRYSIDE IL	222367DX9	1/6/2015	1/1/2027	N	3.900 %	25,000.00	24,899.25	Moody's	Aa2	25,204.00	0.00	0.00	0.00	25,204.00
COUNTY OF GRUNDY	400289BG8	11/18/2015	2/1/2024	N	3.250 %	10,000.00	10,000.00	Standard & Poor's	AA-	10,059.10	0.00	0.00	0.00	10,059.10
DEKALB IL	240775MY9	6/24/2014	1/1/2020	N	5.100 %	25,000.00	28,053.00	Moody's	Aa3	25,397.75	0.00	0.00	0.00	25,397.75
DES PLAINES IL	250217A71	7/15/2015	12/1/2023	Y	0.000 %	20,000.00	13,980.60	Moody's	Aa2	14,471.80	0.00	0.00	0.00	14,471.80
LAKE CNTY IL	509174LJ5	6/12/2014	1/1/2025	N	5.900 %	50,000.00	57,363.00	Standard & Poor's	AA+	53,851.00	0.00	0.00	0.00	53,851.00
LEMONT IL	525678KD9	9/3/2014	1/1/2024	N	4.400 %	30,000.00	32,401.20	Moody's	Aa2	31,005.90	0.00	0.00	0.00	31,005.90
MCHENRY IL	581170FG7	5/6/2015	12/15/2018	N	4.050 %	15,000.00	16,076.10	Moody's	Aa2	15,490.20	0.00	0.00	0.00	15,490.20
NORTHBROOK IL	663821VN3	1/14/2015	12/1/2023	N	2.550 %	15,000.00	15,000.00	Moody's	Aaa	14,668.35	0.00	0.00	0.00	14,668.35
ROCK ISLAND IL	772487P99	5/7/2015	12/1/2026	N	3.500 %	30,000.00	30,680.51	Moody's	Aa3	29,912.40	0.00	0.00	0.00	29,912.40
SKOKIE IL	830728SP7	5/12/2016	12/1/2026	N	2.550 %	25,000.00	24,948.50	Moody's	Aa1	23,946.75	0.00	0.00	0.00	23,946.75
ST CHARLES IL	787760JF5	7/1/2014	12/15/2022	N	4.950 %	15,000.00	15,963.60	Standard & Poor's	AA	15,292.80	0.00	0.00	0.00	15,292.80
ST CHARLES IL	787760JD0	10/17/2014	12/15/2020	N	4.650 %	15,000.00	16,331.40	Standard & Poor's	AA	15,277.65	0.00	0.00	0.00	15,277.65
WILL ETC CN IL	969080EW6	7/22/2014	1/1/2026	N	6.650 %	25,000.00	28,693.00	Standard & Poor's	AA	26,780.00	0.00	0.00	0.00	26,780.00
WILL ETC IL CSD #20	968648ZN8	1/15/2016	1/1/2024	N	3.000 %	25,000.00	25,175.00	Moody's	Aa2	25,089.75	0.00	0.00	0.00	25,089.75
<b>Totals:</b>						<b>\$375,000.00</b>	<b>\$395,052.66</b>			<b>\$379,237.45</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$379,237.45</b>
<b>10500 Corporate Bonds</b>														
AMERICAN EXPRESS	0258M0DP1	9/8/2014	8/15/2019	N	2.250 %	15,000.00	15,017.92	Moody's	A2	15,113.85	0.00	0.00	0.00	15,113.85
APPLE INC	037833AQ3	6/26/2014	5/6/2019	N	2.100 %	30,000.00	30,176.40	Moody's	Aa1	30,308.28	0.00	0.00	0.00	30,308.28
BERKSHIRE HATHAWAY	084664BZ3	6/18/2014	10/15/2020	N	2.900 %	15,000.00	15,386.46	Moody's	Aa2	15,521.04	0.00	0.00	0.00	15,521.04
EXXON MOBIL COR	30231GAJ1	3/3/2015	3/6/2022	N	2.397 %	25,000.00	25,000.00	Moody's	Aaa	25,138.95	0.00	0.00	0.00	25,138.95

GENERAL ELECTRIC	36966TDT6	6/18/2014	11/15/2020	N	3.750 %	10,000.00	10,502.60	Moody's A1	10,346.14	0.00	0.00	0.00	10,346.14
MCDONALDS CORP	58013MEX8	12/2/2015	12/9/2020	N	2.750 %	20,000.00	19,963.00	Moody's Baa1	20,360.56	0.00	0.00	0.00	20,360.56
MICROSOFT CORP	594918AW4	8/21/2015	12/15/2023	N	3.625 %	25,000.00	26,407.50	Moody's Aaa	26,540.45	0.00	0.00	0.00	26,540.45
<b>Totals:</b>						<b>\$140,000.00</b>	<b>\$142,453.88</b>		<b>\$143,329.27</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$143,329.27</b>

	Par Value of Security	Cost Excluding Interest and Charges	Market Value End of Year	Interest Received and Accrued	Accrual of Discount	Amortization of Premium	Book Value
<b>Totals:</b>	<b>\$515,000.00</b>	<b>\$537,506.54</b>	<b>\$522,566.72</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$522,566.72</b>

## Schedule D - Part 1

### Investments in US Government & Agency Obligations - Acquired

Security Description	CUSIP Number	Date Acquired	Maturity Date	Var. Rate	Rate	Par Value of Security	Cost Excluding Interest and Charges	Investment Handling Charges	Accrued Interest Purchased
<b>10252 Treasury Notes</b>									
Schwab - Fixed Income	912828CJ7	5/31/2016	4/30/2017	Y	0.000 %	24,948.50	24,948.50	0.00	0.00
Schwab - Fixed Income	912828CJ7	6/30/2016	4/30/2017	Y	0.000 %	51,561.59	51,561.59	0.00	0.00
Schwab - Fixed Income	912828CJ7	7/31/2016	4/30/2017	Y	0.000 %	52,964.63	52,964.63	0.00	0.00
Schwab - Fixed Income	912828CJ7	8/31/2016	4/30/2017	Y	0.000 %	72,010.29	72,010.29	0.00	0.00
Schwab - Fixed Income	912828CJ7	9/30/2016	4/30/2017	Y	0.000 %	63,585.62	63,585.62	0.00	0.00
Schwab - Fixed Income	912828CJ7	10/31/2016	4/30/2017	Y	0.000 %	74,234.31	74,234.31	0.00	0.00
Schwab - Fixed Income	912828CJ7	12/31/2016	4/30/2017	Y	0.000 %	126,409.18	126,409.18	0.00	0.00
Schwab - Fixed Income	912828CJ7	4/30/2017	4/30/2017	Y	0.000 %	50,471.50	50,471.50	0.00	0.00
<b>Totals:</b>						<b>\$516,185.62</b>	<b>\$516,185.62</b>	<b>\$0.00</b>	<b>\$0.00</b>
						<b>Par Value of Security</b>	<b>Cost Excluding Interest and Charges</b>	<b>Investment Handling Charges</b>	<b>Accrued Interest Purchased</b>
<b>Totals:</b>						<b>\$516,185.62</b>	<b>\$516,185.62</b>	<b>\$0.00</b>	<b>\$0.00</b>

## Schedule D - Part 2

### Investments in US Government & Agency Obligations - Sold

Security Description	CUSIP Number	Date Acquired	Maturity Date	Par Value of Security	Cost Excluding Interest and Charges	Market Value Beginning of Year	Interest Received and Accrued	Date Sold	Receipts from Sale - Interest Excl.	Profit or Loss on Sale
<b>10252 Treasury Notes</b>										
Schwab - Fixed Income	912828CJ7	4/30/2016	4/30/2017	151.89	151.89	151.89	0.00	5/31/2016	151.89	-77,627.91
Schwab - Fixed Income	912828CJ7	4/30/2016	4/30/2017	119,199.45	119,199.45	119,199.45	0.00	6/30/2016	119,199.45	0.00
Schwab - Fixed Income	912828CJ7	4/30/2016	4/30/2017	130.66	130.66	130.66	0.00	7/31/2016	130.66	0.00
Schwab - Fixed Income	912828CJ7	4/30/2016	4/30/2017	14,127.39	14,127.39	14,127.39	0.00	8/31/2016	14,127.39	0.00
Schwab - Fixed Income	912828CJ7	4/30/2016	4/30/2017	10,131.43	10,131.43	10,131.43	0.00	9/30/2016	10,131.43	0.00
Schwab - Fixed Income	912828CJ7	4/30/2016	4/30/2017	116.38	116.38	116.38	0.00	10/31/2016	116.38	0.00
Schwab - Fixed Income	912828CJ7	4/30/2016	4/30/2017	15,141.35	15,141.35	15,141.35	0.00	11/30/2016	15,141.35	0.00
Schwab - Fixed Income	912828CJ7	4/30/2016	4/30/2017	75,137.21	75,137.21	75,137.21	0.00	12/31/2016	75,137.21	0.00
Schwab - Fixed Income	912828CJ7	4/30/2016	4/30/2017	126,749.16	126,749.16	126,749.16	0.00	1/31/2017	126,749.16	0.00
Schwab - Fixed Income	912828CJ7	4/30/2016	4/30/2017	99.66	99.66	99.66	0.00	2/28/2017	99.66	0.00
Schwab - Fixed Income	912828CJ7	4/30/2016	4/30/2017	99.35	99.35	99.35	0.00	3/31/2017	99.35	0.00
Schwab - Fixed Income	912828CJ7	4/30/2016	4/30/2017	116,050.86	116,050.86	116,050.86	0.00	4/30/2017	116,050.86	0.00
<b>Totals:</b>				<b>\$477,134.79</b>	<b>\$477,134.79</b>	<b>\$477,134.79</b>	<b>\$0.00</b>		<b>\$477,134.79</b>	<b>(\$77,627.91)</b>
				<b>Par Value of Security</b>	<b>Cost Excluding Interest and Charges</b>	<b>Market Value Beginning of Year</b>	<b>Interest Received and Accrued</b>		<b>Receipts from Sale - Interest Excl.</b>	<b>Profit or Loss on Sale</b>
<b>Totals:</b>				<b>\$477,134.79</b>	<b>\$477,134.79</b>	<b>\$477,134.79</b>	<b>\$0.00</b>		<b>\$477,134.79</b>	<b>(\$77,627.91)</b>

## Schedule D - Part 3

### Investments in US Government & Agency Obligations Held at End of Year

Security Description	CUSIP Number	Date Acquired	Maturity Date	Var. Rate	Rate	Par Value of Security	Cost Excluding Interest and Charges	Market Value End of Year	Interest Received and Accrued	Accrual of Discount	Amortization of Premium	Book Value (Amortized Cost)
<b>10252 Treasury Notes</b>												
USTN	912828HZ6	5/15/2008	5/15/2018	N	3.875 %	50,000.00	50,609.38	51,390.65	0.00	\$0.00	0.00	51,390.65
USTN	912828SN1	12/17/2013	3/31/2019	N	1.500 %	50,000.00	49,597.86	50,226.55	0.00	\$0.00	0.00	50,226.55
USTN	912828A83	3/18/2014	12/31/2020	N	2.375 %	50,000.00	50,834.18	51,359.40	0.00	\$0.00	0.00	51,359.40
USTN	912828RC6	12/16/2013	8/15/2021	N	2.125 %	50,000.00	48,965.04	50,820.30	0.00	\$0.00	0.00	50,820.30
USTN	912828VP2	12/17/2013	7/31/2020	N	2.000 %	50,000.00	49,601.76	50,750.00	0.00	\$0.00	0.00	50,750.00
USTN	912828WJ5	3/11/2015	5/15/2024	N	2.500 %	75,000.00	76,929.69	76,957.05	0.00	\$0.00	0.00	76,957.05
USTN	912828A75	12/9/2015	12/31/2018	N	1.500 %	35,000.00	35,122.15	35,153.13	0.00	\$0.00	0.00	35,153.13
USTN	912828G53	8/15/2016	11/30/2021	N	1.875 %	25,000.00	25,873.76	25,109.38	0.00	\$0.00	0.00	25,109.38
USTN	912828N30	12/12/2016	12/31/2022	N	2.125 %	25,000.00	24,966.82	25,242.20	0.00	\$0.00	0.00	25,242.20
<b>Totals:</b>						<b>\$410,000.00</b>	<b>\$412,500.64</b>	<b>\$417,008.66</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$417,008.66</b>
<b>10261 Government National Mortgage Association (GNMA)</b>												
GNMA PL	36202BEK7	6/2/2014	8/20/2018	N	9.500 %	35,000.00	30.08	3.51	0.00	\$0.00	0.00	3.51
GNMA PL	36200MJE4	6/2/2014	5/15/2018	N	4.500 %	50,000.00	3,255.30	361.10	0.00	\$0.00	0.00	361.10
<b>Totals:</b>						<b>\$85,000.00</b>	<b>\$3,285.38</b>	<b>\$364.61</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$364.61</b>
<b>10284 Federal Farm Credit Banks</b>												
FFCB	31331J3J0	6/27/2014	11/24/2021	N	3.460 %	50,000.00	53,861.00	53,546.60	84,261.75	\$0.00	0.00	53,546.60
FFCB	3133EDGS5	9/22/2015	3/11/2022	N	2.700 %	40,000.00	41,760.00	41,454.92	0.00	\$0.00	0.00	41,454.92
FFCB	31331YA26	6/24/2014	4/1/2022	N	4.800 %	50,000.00	57,943.00	56,718.05	0.00	\$0.00	0.00	56,718.05
FFCB	3133ECSW5	6/17/2015	6/24/2022	N	2.490 %	35,000.00	35,587.65	35,916.41	0.00	\$0.00	0.00	35,916.41
FFCB	3133EDBU5	6/11/2014	12/20/2023	N	3.500 %	60,000.00	63,082.80	64,679.22	0.00	\$0.00	0.00	64,679.22
FFCB	3133EDQC9	9/1/2016	7/9/2024	N	3.000 %	15,000.00	16,434.96	15,682.74	0.00	\$0.00	0.00	15,682.74
FFCB	3133EAAD0	10/14/2015	7/23/2024	N	2.810 %	30,000.00	31,086.00	30,994.83	0.00	\$0.00	0.00	30,994.83
FFCB	3133EEX54	7/20/2015	6/16/2025	N	2.910 %	50,000.00	50,105.50	51,632.75	0.00	\$0.00	0.00	51,632.75
FFCB	3133EEY38	8/3/2015	6/17/2025	N	3.000 %	50,000.00	51,282.82	51,962.85	0.00	\$0.00	0.00	51,962.85
FFCB	31331JP23	6/2/2015	9/29/2025	N	3.500 %	50,000.00	53,185.11	53,834.55	0.00	\$0.00	0.00	53,834.55
FFCB	31331J3L5	3/9/2015	11/24/2025	N	4.000 %	25,000.00	27,997.25	27,866.73	0.00	\$0.00	0.00	27,866.73
FFCB	3133EFQT7	11/19/2015	11/25/2025	N	2.700 %	50,000.00	50,135.00	50,751.60	0.00	\$0.00	0.00	50,751.60
FFCB	3133EERX0	3/2/2015	3/2/2026	N	2.680 %	50,000.00	50,000.00	50,337.35	0.00	\$0.00	0.00	50,337.35
FFCB	3133EFH91	8/15/2016	3/2/2026	N	2.220 %	25,000.00	25,785.08	24,265.85	0.00	\$0.00	0.00	24,265.85

FFCB	3133EEHG8	3/13/2015	6/9/2026	N	2.875 %	100,000.00	102,543.75	101,858.30	0.00	\$0.00	0.00	101,858.30
FFCB	3133EEUA6	10/19/2016	3/18/2027	N	2.840 %	20,000.00	21,261.80	20,182.42	0.00	\$0.00	0.00	20,182.42
FFCB	3133EESU5	4/24/2017	8/9/2027	N	2.790 %	50,000.00	50,177.00	50,115.15	0.00	\$0.00	0.00	50,115.15
<b>Totals:</b>						<b>\$750,000.00</b>	<b>\$782,228.72</b>	<b>\$781,800.32</b>	<b>\$84,261.75</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$781,800.32</b>

**10285 Federal Home Loan Mortgage Corporation (Freddie Mac)**

FHLMC	3137EADG1	4/16/2012	5/30/2019	N	1.750 %	50,000.00	51,505.75	50,382.15	0.00	\$0.00	0.00	50,382.15
FHLMC	3128M1QZ5	6/2/2014	10/1/2021	N	6.000 %	50,000.00	4,817.90	1,596.93	0.00	\$0.00	0.00	1,596.93
FHLMC	3128MBHN0	6/2/2014	8/1/2022	N	5.500 %	25,000.00	2,401.88	905.95	0.00	\$0.00	0.00	905.95
FHLMC	3134GAMN1	9/26/2016	9/28/2026	N	2.000 %	10,000.00	9,980.92	9,314.41	0.00	\$0.00	0.00	9,314.41
FHLMC POOL 3089	3137EADF3	3/26/2012	5/12/2017	N	1.250 %	50,000.00	50,920.25	50,007.20	0.00	\$0.00	0.00	50,007.20
<b>Totals:</b>						<b>\$185,000.00</b>	<b>\$119,626.70</b>	<b>\$112,206.64</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$112,206.64</b>

**10286 Federal Home Loan Banks**

FHLB	313383ZU8	9/1/2016	9/10/2021	N	3.000 %	15,000.00	16,197.86	15,742.97	0.00	\$0.00	0.00	15,742.97
FHLB	313376AV7	6/18/2014	11/4/2021	N	2.780 %	25,000.00	25,529.75	26,020.40	0.00	\$0.00	0.00	26,020.40
FHLB	313381AV7	12/5/2012	12/10/2021	N	1.625 %	50,000.00	50,024.50	49,499.25	0.00	\$0.00	0.00	49,499.25
FHLB	313378XX4	6/27/2014	3/4/2022	N	2.600 %	50,000.00	50,583.50	51,581.50	0.00	\$0.00	0.00	51,581.50
FHLB	313379Q69	8/4/2014	6/10/2022	N	2.125 %	35,000.00	34,063.25	35,291.73	0.00	\$0.00	0.00	35,291.73
FHLB	3130A5P45	10/18/2016	6/10/2022	N	2.375 %	50,000.00	52,496.50	51,021.60	0.00	\$0.00	0.00	51,021.60
FHLB	313383WD9	9/15/2014	9/9/2022	N	3.125 %	35,000.00	36,285.20	37,021.60	0.00	\$0.00	0.00	37,021.60
FHLB	313383YJ4	9/18/2014	9/8/2023	N	3.375 %	15,000.00	15,580.35	16,021.97	0.00	\$0.00	0.00	16,021.97
FHLB	3130A0F70	6/17/2014	12/8/2023	N	3.375 %	160,000.00	166,539.00	171,198.72	0.00	\$0.00	0.00	171,198.72
FHLB	3130AAGK8	12/15/2016	12/29/2023	N	2.750 %	25,000.00	24,898.44	25,059.93	0.00	\$0.00	0.00	25,059.93
FHLB	3133XVDG3	6/5/2014	9/13/2024	N	4.375 %	95,000.00	106,498.75	108,086.16	0.00	\$0.00	0.00	108,086.16
FHLB	3130A3GE8	12/29/2014	12/13/2024	N	2.750 %	50,000.00	50,384.86	51,320.05	0.00	\$0.00	0.00	51,320.05
FHLB	3130A4CH3	7/14/2016	3/14/2025	N	2.375 %	50,000.00	52,565.50	49,754.30	0.00	\$0.00	0.00	49,754.30
FHLB	3130A7BA2	6/6/2016	3/13/2026	N	2.375 %	50,000.00	51,172.35	49,137.55	0.00	\$0.00	0.00	49,137.55
FHLB	313382GT4	4/4/2016	3/10/2028	N	3.000 %	25,000.00	26,172.36	25,432.35	0.00	\$0.00	0.00	25,432.35
FHLB	3130A2VE3	12/14/2016	9/11/2026	N	3.000 %	25,000.00	25,373.50	25,629.10	0.00	\$0.00	0.00	25,629.10
<b>Totals:</b>						<b>\$755,000.00</b>	<b>\$784,365.67</b>	<b>\$787,819.18</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$787,819.18</b>

**10290 Federal National Mortgage Association (FNMA)**

FNMA	3135G0TG8	1/7/2013	2/8/2018	N	0.875 %	50,000.00	49,949.45	49,923.80	0.00	\$0.00	0.00	49,923.80
FNMA	3136G3W84	8/1/2016	8/28/2019	N	1.000 %	20,000.00	20,000.00	19,778.94	0.00	\$0.00	0.00	19,778.94
FNMA	3135G0ZR7	12/12/2016	9/6/2024	N	2.625 %	25,000.00	25,209.00	25,598.95	0.00	\$0.00	0.00	25,598.95

FNMA	3135G0K36	9/8/2016	4/24/2026	N	2.125 %	20,000.00	20,533.62	19,299.90	0.00	\$0.00	0.00	19,299.90
<b>Totals:</b>						<b>\$115,000.00</b>	<b>\$115,692.07</b>	<b>\$114,601.59</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$114,601.59</b>
						<b>Par Value of Security</b>	<b>Cost Excluding Interest and Charges</b>	<b>Market Value End of Year</b>	<b>Interest Received and Accrued</b>	<b>Accrual of Discount</b>	<b>Amortization of Premium</b>	<b>Book Value (Amortized Cost)</b>
<b>Totals:</b>						<b>\$2,300,000.00</b>	<b>\$2,217,699.18</b>	<b>\$2,213,801.00</b>	<b>\$84,261.75</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,213,801.00</b>

# Schedule E

## Investments in Insurance Company Contracts - General Accounts

Insurance Company	Title of Annuity	Contract Number	Date Acquired	Maturity Date	Var. Rate	Rate	Cost of General Account	Market Value Beginning of Year	Earnings Credited to Account	Market Value End of Year	Surrender Charges Paid
							Cost of General Account	Market Value Beginning of Year	Earnings Credited to Account	Market Value End of Year	Surrender Charges Paid
Totals:							\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

# Schedule F

## Investments in Insurance Company Contracts - Separate Accounts

Insurance Company	Title of Annuity	Name of Sep Acct	Contract Number	Date Acquired	Maturity Date	Cost of Separate Account	Market Value Beginning of Year	Earnings Credited to Account	Additions or Withdrawals	Surrender Charges Paid	Market Value End of Year
						Cost of Separate Account	Market Value Beginning of Year	Earnings Credited to Account	Additions or Withdrawals	Surrender Charges Paid	Market Value End of Year
Totals:						\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

# Schedule G

## Investments in Pooled Investment Accounts

Insurance Company	Date of Investment	Account Number	Number of Units	Additions or Withdrawals	Market Value End of Year	Cost	Market Value Beginning of Year	Earnings Credited to Account
				Additions or Withdrawals	Market Value End of Year	Cost	Market Value Beginning of Year	Earnings Credited to Account
Totals:				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

# Schedule J - Part 1

## Investments in Common and Preferred Stock - Acquired

Security Description	CUSIP Number	Shares	Trade Date	Unit Cost at Time of Purchase	Cost	Settle Date	Commissions / Fees
					<hr/>		
					Cost	Commissions / Fees	
Totals:					\$0.00	\$0.00	

## Schedule J - Part 2

### Investments in Common and Preferred Stock - Sold

Security Description	CUSIP Number	Shares	Trade Date	Unit Cost at Time of Sale	Commissions / Fees	Date Sold	Profit or Loss on Sale	Total Proceeds	Market Value Beginning of Year	Dividends / Income										
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Commissions / Fees</th> <th style="text-align: left;">Profit or Loss on Sale</th> <th style="text-align: left;">Total Proceeds</th> <th style="text-align: left;">Market Value Beginning of Year</th> <th style="text-align: left;">Dividends / Income</th> </tr> </thead> <tbody> <tr> <td>Totals:</td> <td style="text-align: right;">\$0.00</td> <td style="text-align: right;">\$0.00</td> <td style="text-align: right;">\$0.00</td> <td style="text-align: right;">\$0.00</td> </tr> </tbody> </table>											Commissions / Fees	Profit or Loss on Sale	Total Proceeds	Market Value Beginning of Year	Dividends / Income	Totals:	\$0.00	\$0.00	\$0.00	\$0.00
Commissions / Fees	Profit or Loss on Sale	Total Proceeds	Market Value Beginning of Year	Dividends / Income																
Totals:	\$0.00	\$0.00	\$0.00	\$0.00																

# Schedule J - Part 3

## Investments in Common and Preferred Stock Held at End of Year

Security Description	CUSIP Number	Shares	Trade Date	Market Price End of Year	Cost	Unit Cost at Time of Purchase	Market Value End of Year	Dividends / Income	Unrealized Gains / Losses
					Cost			Dividends / Income	Unrealized Gains / Losses
Totals:					\$0.00		\$0.00	\$0.00	\$0.00

# Schedule K - Part 1

## Investments in Mutual Funds - Acquired

Security Description	CUSIP Number	Shares	Trade Date	Unit Cost at Time of Purchase	Cost	Settle Date	Commissions / Fees
<b>10550 Mutual Funds</b>							
Schwab - Mutual Funds	233203785	4683.380	6/30/2016	1.00	4,683.38	6/30/2016	0.00
Schwab - Mutual Funds	233203785	150384.160	7/31/2016	1.00	150,384.16	7/31/2016	0.00
Schwab - Mutual Funds	233203785	3637.010	9/30/2016	1.00	3,637.01	9/30/2016	0.00
Schwab - Mutual Funds	233203785	23690.750	11/30/2016	1.00	23,690.75	11/30/2016	0.00
Schwab - Mutual Funds	233203785	36981.420	12/31/2016	1.00	36,981.42	12/31/2016	0.00
Schwab - Mutual Funds	233203785	152100.000	1/31/2017	1.00	152,100.00	1/31/2017	0.00
Schwab - Mutual Funds	233203785	40766.410	3/31/2017	1.00	40,766.41	3/31/2017	0.00
Schwab - Mutual Funds	233203785	21464.500	4/30/2017	1.00	21,464.50	4/30/2017	0.00
<b>Totals:</b>					<b>\$433,707.63</b>		<b>\$0.00</b>
					<b>Cost</b>		<b>Commissions / Fees</b>
<b>Totals:</b>					<b>\$433,707.63</b>		<b>\$0.00</b>

## Schedule K - Part 2

### Investments in Mutual Funds - Sold

Security Description	CUSIP Number	Shares	Trade Date	Unit Cost at Time of Sale	Commissions / Fees	Date Sold	Profit or Loss on Sale	Total Proceeds	Market Value Beginning of Year	Dividends / Income	
<b>10550 Mutual Funds</b>											
Schwab - Mutual Funds	233203785	10000.000	5/31/2016	1.00	0.00	5/31/2016	0.00	10,000.00	10,000.00	0.00	
Schwab - Mutual Funds	233203785	150384.160	7/31/2016	1.00	0.00	7/31/2016	0.00	150,384.16	150,384.16	0.00	
Schwab - Mutual Funds	233203785	46614.000	8/31/2016	1.00	0.00	8/31/2016	0.00	46,614.00	46,614.00	0.00	
Schwab - Mutual Funds	233203785	72480.000	12/31/2016	1.00	0.00	12/31/2016	0.00	72,480.00	72,480.00	0.00	
Schwab - Mutual Funds	233203785	15000.000	2/28/2017	1.00	0.00	2/28/2017	0.00	15,000.00	15,000.00	0.00	
Schwab - Mutual Funds	233203785	40894.050	3/31/2017	1.00	0.00	3/31/2017	0.00	40,894.05	40,894.05	0.00	
Schwab - Mutual Funds	233203785	140150.000	4/30/2017	1.00	0.00	4/30/2017	0.00	140,150.00	140,150.00	0.00	
<b>Totals:</b>					<b>\$0.00</b>		<b>\$0.00</b>	<b>\$475,522.21</b>	<b>\$475,522.21</b>	<b>\$0.00</b>	
					<b>Commissions / Fees</b>			<b>Profit or Loss on Sale</b>	<b>Total Proceeds</b>	<b>Market Value Beginning of Year</b>	<b>Dividends / Income</b>
<b>Totals:</b>					<b>\$0.00</b>		<b>\$0.00</b>	<b>\$475,522.21</b>	<b>\$475,522.21</b>	<b>\$0.00</b>	

## Schedule K - Part 3

### Investments in Mutual Funds Held at End of Year

Security Description	CUSIP Number	Shares	Trade Date	Market Price End of Year	Cost	Unit Cost at Time of Purchase	Market Value End of Year	Dividends / Income	Unrealized Gains / Losses
<b>10550 Mutual Funds</b>									
BRIDGEWAY ULTRA SMALL	108747403	4600.817	6/5/2014	14.69	73,786.56	16.04	67,586.00	73,429.47	-6,200.56
COHEN & STEERS INST	19247U106	1330.695	6/5/2014	43.68	62,714.61	47.13	58,124.76	0.00	-4,589.85
FIDELITY ADV MATERIALS	316390277	460.202	6/5/2014	81.25	37,582.21	81.66	37,391.41	0.00	-190.80
FIRST EAGLE OVERSEAS	32008F200	1507.174	6/5/2014	24.55	36,746.08	24.38	37,001.12	0.00	255.04
GOLDMAN SACHS INTL EQTY	38142V845	3089.776	3/15/2017	11.94	35,794.00	11.58	36,891.93	0.00	1,097.93
HENNESSY FOCUS FD I	42588P700	874.085	6/5/2014	79.20	59,298.09	67.84	69,227.53	0.00	9,929.44
HOMESTEAD SMALL COMPANY	437769508	3777.780	6/5/2014	42.30	140,795.50	37.27	159,800.09	0.00	19,004.59
LSV VALUE EQUITY FD INST	00758M634	9409.910	6/5/2014	26.87	218,779.12	23.25	252,844.28	0.00	34,065.16
OPPENHEIMER DEVELOPING	683974505	1019.132	6/5/2014	36.50	37,031.89	36.34	37,198.32	0.00	166.43
OPPENHEIMER INTL GROWTH	68380L605	1908.503	6/5/2014	39.05	69,058.10	36.18	74,527.04	0.00	5,468.94
PIONEER EQUITY INCOME Y	72366V405	7409.024	6/5/2014	34.12	260,238.38	35.12	252,795.90	0.00	-7,442.48
T ROWE PRICE GWTH STOCK	741479109	8377.556	6/5/2014	61.46	445,986.93	53.24	514,884.59	0.00	68,897.66
T ROWE PRICE QM US SMALL	779917103	5207.855	10/26/2015	31.07	136,518.43	26.21	161,808.05	0.00	25,289.62
VANGUARD 500 INDEX FD	922908710	2069.366	6/5/2014	220.29	373,022.15	180.26	455,860.64	0.00	82,838.49
VANGUARD ENERGY FUND	921908802	141.636	12/28/2015	94.00	11,918.67	84.15	13,313.78	0.00	1,395.11
<b>Totals:</b>					<b>\$1,999,270.72</b>		<b>\$2,229,255.44</b>	<b>\$73,429.47</b>	<b>\$229,984.72</b>
					<b>Cost</b>		<b>Market Value End of Year</b>	<b>Dividends / Income</b>	<b>Unrealized Gains / Losses</b>
<b>Totals:</b>					<b>\$1,999,270.72</b>		<b>\$2,229,255.44</b>	<b>\$73,429.47</b>	<b>\$229,984.72</b>

Lauterbach & Amen, LLP  
27W457 Warrenville Road  
Warrenville, IL 60555-3902

Actuarial Valuation  
as of May 1, 2017



**MARENGO POLICE  
PENSION FUND**

GASB 67/68 Reporting

***LAUTERBACH & AMEN, LLP***



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STATEMENT OF TOTAL PENSION LIABILITY

	<u>2017</u>	<u>2016</u>
Active Employees	\$ 8,696,780	\$ 10,608,091
Inactive Employees		
Terminated Employees - Vested	-	137,129
Retired Employees	4,398,317	2,894,842
Disabled Employees	2,430,550	2,505,722
Other Beneficiaries	859,210	914,637
Total Inactive Employees	<u>7,688,077</u>	<u>6,452,330</u>
Total Pension Liability	<u>\$ 16,384,857</u>	<u>\$ 17,060,421</u>

The Total Pension Liability (TPL) shown is dependent on several factors such as plan provisions and actuarial assumptions used in the report. In addition, the calculation of the TPL may be dependent on the Fiduciary Net Position shown on the prior page. Changes in the Fiduciary Net Position due to any factor including adjustment on final audit could change the TPL. The dependence of the TPL on the Net Position is due to the role of the Net Position (and projected Net Position) on the determination of the discount rate used for the TPL.

The TPL has been determined for GASB 67/68 reporting purposes only. The resulting TPL is intended to be used in the financial statement reporting of the fund and/or the Employer. The resulting liability is not intended to be a representation of the fund liability for other purposes, including but not limited to determination of cash funding requirements and recommendations. The TPL is based on data as of the Data Date shown in this report. The TPL has been determined as of the Actuarial Valuation Date and based on the assumptions shown in this report, and adjusted to the Measurement Date as needed.



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STATEMENT OF CHANGES IN TOTAL PENSION LIABILITY

	<u>2017</u>
<b>Changes in Total Pension Liability</b>	
Service Cost	\$ 456,443
Interest	768,001
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(126,559)
Changes in Assumptions	(1,410,873)
Benefit Payments and Refunds	<u>(362,576)</u>
Net Change in Total Pension Liability	(675,564)
Total Pension Liability - Beginning	17,060,421
Total Pension Liability - Ending (a)	<u>\$ 16,384,857</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 5,194,957</u>
<b>Employer's Net Pension Liability - Ending (a) - (b)</b>	<u>\$ 11,189,900</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32%
Covered-Employee Payroll	\$ 1,227,138
Employer's Net Pension Liability as a Percentage of Employee Payroll	912%

The plan Fiduciary Net Position was detailed in the prior section of this report. The employer's Net Pension Liability is the excess of the Total Pension Liability over the plan Fiduciary Net Position.

Total Pension Liability may be dependent on the Net Position of the fund. Changes in the Net Position could change the determination of the Total Pension Liability. Any changes in Net Position including adjustments on final audit can have an impact on Net Pension Liability that extends beyond the dollar-for-dollar change in Net Position.

Covered employee payroll is based on total covered payroll for the fund members during the fiscal year.



## STATEMENT OF CHANGES IN NET PENSION LIABILITY

The table below illustrates the change in the Net Pension Liability (NPL) from the prior Measurement Date to the current Measurement Date. Under Statement 68, the difference between the NPL from the prior measurement date to the current measurement date should be recognized as an expense, unless permitted to be recognized as a deferred outflow or inflow of resources.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances Beginning at 05/01/16</b>	<u>\$ 17,060,421</u>	<u>\$ 4,856,359</u>	<u>\$ 12,204,062</u>
<b>Changes for the year:</b>			
Service Cost	456,443	-	456,443
Interest	768,001	-	768,001
Actuarial Experience	(126,559)	-	(126,559)
Assumptions Changes	(1,410,873)	-	(1,410,873)
Plan Changes	-	-	-
Contributions - Employer	-	262,346	(262,346)
Contributions - Employee	-	100,769	(100,769)
Contributions - Other	-	-	-
Net Investment Income	-	357,608	(357,608)
Benefit payments, including refunds	(362,576)	(362,576)	-
Administrative Expense	-	(19,550)	19,550
<b>Net Changes</b>	<u>(675,564)</u>	<u>338,598</u>	<u>(1,014,162)</u>
<b>Balances Beginning at 04/30/17</b>	<u>\$ 16,384,857</u>	<u>\$ 5,194,957</u>	<u>\$ 11,189,900</u>

The changes in total pension liability above are described on the prior page. The plan fiduciary net position was detailed in the prior section of this report. The employer's Net Pension Liability is the excess of the Total Pension Liability over the plan fiduciary net position.



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## DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The table below shows the cumulative amounts to be shown as deferred outflows and inflows of resources. Changes in total pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the pension fund. Differences in projected and actual earnings over the measurement period are recognized over a 5-year period. Amounts not yet recognized are summarized below:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 2,871,493
Changes of Assumptions	3,736,977	1,220,214
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	145,490	34,049
Contributions Subsequent to the Measurement Date*	-	-
Total	<u>\$ 3,882,467</u>	<u>\$ 4,125,756</u>

\* Contributions subsequent to the measurement date may be recognized as a reduction to the NPL. The amount is not known as of the date of this report. Subsequent to the measurement date, the following amounts will be recognized in pension expense in the upcoming years:

### Year ended April, 30:

2018	\$ 26,433
2019	26,433
2020	26,432
2021	(22,061)
2022	(13,551)
Thereafter	(286,975)



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## DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES - DETAILS

The table below shows the annual detail amounts that have been summarized on the prior page. Under Statement 68, the level of detail shown on the prior page is sufficient for financial statement reporting. The detail shown below is primarily for tracking purposes.

<b>Pension Expense Source</b>	<b>Date Established</b>	<b>Initial Period</b>	<b>Initial Balance</b>	<b>Remaining Period</b>	<b>4/30/2017 Expense Recognized</b>	<b>4/30/2017 Deferred Balance</b>
Asset (Gain)/Loss	4/30/2017	5.00	\$ (42,562)	5.00	\$ (8,513)	\$ (34,049)
Change in Assumptions (Gain)/Loss	4/30/2017	7.40	(1,410,873)	7.40	(190,659)	(1,220,214)
Actuarial (Gain)/Loss	4/30/2017	7.40	(126,559)	7.40	(17,103)	(109,456)
Asset (Gain)/Loss	4/30/2016	5.00	242,484	4.00	48,497	145,490
Change in Assumptions (Gain)/Loss	4/30/2016	7.02	5,225,813	6.02	744,418	3,736,977
Actuarial (Gain)/Loss	4/30/2016	7.02	(3,862,451)	6.02	(550,207)	(2,762,037)
<b>Total</b>			<b>\$ 25,852</b>		<b>\$ 26,433</b>	<b>\$ (243,289)</b>

Each detail item in the chart above was established as of the fiscal year end shown and the full amount deferred has been determined as of that time. Any events that occur in subsequent fiscal years do not have an impact on the prior fiscal year. The bases are established independently each year.



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**PENSION EXPENSE DEVELOPMENT**

The table below displays the pension expense development for the current year. The pension expense includes items that change the Net Pension Liability from one year to the next, netted out for amounts that are deferred under GASB pronouncement, plus any amounts that are being recognized that were deferred previously.

See below for development of the pension expense:

	<u>2017</u>
<b>Pension Expense/(Income) Under GASB 68</b>	
Service Cost	\$ 456,443
Interest	768,001
Plan Changes	-
Contributions - Employee	(100,769)
Contributions - Other	-
Expected Investment Income	(315,046)
Administrative Expense	19,550
Initial Pension Expense/(Income)	828,179
Recognition of Outflow/(Inflow) of Resources due to Liabilities	(13,551)
Recognition of Outflow/(Inflow) of Resources due to Assets	39,984
<b>Total Pension Expense/(Income)</b>	<u><u>\$ 854,612</u></u>



## ACTUARIAL ASSUMPTION INFORMATION

Statement of Significant Actuarial Assumptions

Assumption Changes

Notes on Actuarial Assumptions

Expected Return on Pension Plan Investments

Municipal Bond Rate

Discount Rate

Sensitivity of the Discount Rate

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## STATEMENT OF SIGNIFICANT ACTUARIAL ASSUMPTIONS

### Actuarial Assumptions (Economic)

Discount Rate used for the Total Pension Liability	4.55%
Long-Term Expected Rate of Return on Plan Assets	6.50%
High Quality 20 Year Tax-Exempt G.O. Bond Rate	3.82%
Projected Individual Salary Increases	3.50% - 7.55%
Projected Increase in Total Payroll	3.50%
Consumer Price Index (Urban)	2.50%
Inflation Rate Included	2.50%

### Actuarial Assumptions (Demographic)

Mortality Table	L&A 2016 Illinois Police Mortality Rates; See Details on Page 15
Retirement Rates	100% L&A 2016 Illinois Police Retirement Rates Capped at age 62
Disability Rates	125% L&A 2016 Illinois Police Disability Rates
Termination Rates	125% L&A 2016 Illinois Police Termination Rates
Percent Married	80.0%

All rates shown in the economic assumptions are assumed to be annual rates, compounded on an annual basis. For more information on the selection of the actuarial assumptions, please see the assumption document prepared for the Fund.

### ASSUMPTION CHANGES

The assumptions were changed from the prior year.

The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.32% to 3.82% for the current year. The underlying index used is The Bond Buyer 20-Bond GO Index as discussed in more detail later in this section. The choice of index is unchanged from the prior year. The rate has



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been updated to the current fiscal year end based on changes in market conditions as reflected in the Index. The change was made to reflect our understanding of the requirements of GASB under Statement 67 and Statement 68.

The discount rate used in the determination of the Total Pension Liability was changed from 4.18% to 4.55%. The discount rate is impacted by a couple of metrics. Any change in the underlying High Quality 20 Year Tax Exempt G.O. Bond Rate will impact the blended discount rate.

In addition, changes made that impact the projection of the Net Position of the fund. For example, changes in the formal or informal funding policy can impact the discount rate. Actual changes in the net position from one year to the next can impact the projections as well.

In the current valuation, we have updated the mortality assumption to include mortality improvements as stated in the most recently released MP-2016 table. In addition, the rates are being applied on a fully-generational basis. These changes were made to better reflect the future anticipated experience in the fund. See page 15 for more details on the specific mortality updates made.

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**NOTES ON ACTUARIAL ASSUMPTIONS**

**Individual Pay Increases**

Individual pay increases include provisions for annual cost of living increases, plus any additional increases in pensionable pay provided (step increases, longevity increases, promotions, educations, etc). Sample rates are as follows:

<u>Service</u>	<u>Rate</u>	<u>Service</u>	<u>Rate</u>
0	7.55%	8	4.00%
1	7.31%	9	4.00%
2	7.08%	10	4.00%
3	6.88%	15	4.00%
4	6.70%	20	3.50%
5	6.53%	25	3.50%
6	6.37%	30	3.50%
7	6.15%		

**Demographic Assumptions**

Active Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study, with Blue Collar Adjustment. These Rates are Improved Generationally using MP-2016 Improvement Rates.

Retiree Mortality follows the L&A Assumption Study for Police 2016. These Rates are Experience Weighted with the Raw Rates as Developed in the RP-2014 Study, with Blue Collar Adjustment and Improved Generationally using MP-2016 Improvement Rates.

Disabled Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study for Disabled Participants, with Blue Collar Adjustment. These Rates are Improved Generationally using MP-2016 Improvement Rates.

Spouse Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study. These Rates are Improved Generationally using MP-2016 Improvement Rates.

Other demographic assumption rates are based on a review of assumptions in the L&A 2016 study for Illinois Police Officers.



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## POSTEMPLOYMENT BENEFIT CHANGES

Eligibility for postemployment benefit increases is determined based on the Illinois Pension code. Tier 1 Police retirees are provided with an annual 3.0% increase in retirement benefits by statute when eligible. Tier 2 Police retirees are provided postemployment benefit increases based on one-half of the Consumer Price Index (Urban) for the prior September.

The CPI-U for September, 1985 was 108.3. The CPI-U for September, 2015 was 237.9. The average increase in the CPI-U for September, 1985 through September, 2015 was 2.66% (on a compounded basis).

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## EXPECTED RETURN ON PENSION PLAN INVESTMENTS

The long-term expected rate of return on assets is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy. The expected rates of return shown below have been provided by the investment professionals that work with the Pension Fund. Long-term Real Rates of Return are shown as the Expected Rate of Return, net of the assumed inflation rate.

There are multiple approaches seen to providing these rates. Typically, the information is either based on capital market projections, or historical rates seen for the asset classes. We do not provide an opinion on the reasonableness of the returns provided nor the reasonableness of the approach used in the determination of the rates provided. The information provided is shown below for convenience.

The rates provided in the table below are based on an arithmetic average. The Investment Policy Statement will provide more detail regarding the Fund's policies on asset allocation targets and acceptable ranges.

<u>Asset Class</u>	<u>Long-Term Expected Rate of Return</u>	<u>Long-Term Inflation Expectations</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
Large Cap Domestic Equity	9.60%	3.15%	6.45%	30.10%
Small Cap Domestic Equity	11.60%	3.15%	8.45%	8.60%
International Equity	9.90%	3.15%	6.75%	4.30%
Fixed Income	4.40%	3.15%	1.25%	57.00%

Long-term expected real returns under GASB are expected to reflect the period of time that begins when a plan member begins to provide service to the employer and ends at the point when all benefits to the plan member have been paid. The rates provided above are intended to estimate those figures.

The expected inflation rate is 3.15% and is included in the total long-term rate of return on investments. The inflation rate is from the same source as the long-term real rates of return, and is not necessarily reflective of the inflation measures used for other purposes in the report.

Geometric rates of return are equal to arithmetic rates of return when the annual returns exhibit no volatility over time. When arithmetic returns are volatile on a year-to-year basis, the actual realized geometric returns over time will be lower. The higher the volatility, the greater the difference.



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## **MUNICIPAL BOND RATE**

The municipal bond rate assumption is based on The Bond Buyer 20-Bond GO Index. The rate shown earlier in the Actuarial Assumption section is the April 27, 2017 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

The indexes represent theoretical yields rather than actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indexes would yield if the bond was sold at par value. The indexes are simple averages of the average estimated yields of the bonds.

## **DISCOUNT RATE**

The discount rate used in the determination of the Total Pension Liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate.

Cash flow projections were used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

Projected benefit payments are determined during the actuarial process based on the assumptions. More details on the assumptions are in the prior section. The expected contributions are based on the funding policy of the plan. The funding policy is discussed in more detail in a later section.



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### SENSITIVITY OF THE DISCOUNT RATE

The Net Pension Liability has been determined using the discount rate listed in the assumption section. Below is a table illustrating the sensitivity of the Net Pension Liability to the discount rate assumption.

	<b>1% Decrease (3.55%)</b>	<b>Current Discount Rate (4.55%)</b>	<b>1% Increase (5.55%)</b>
Employer Net Pension Liability	\$14,352,485	\$11,189,900	\$8,725,773

The sensitivity of the Net Pension Liability to the discount rate is based primarily on two factors:

1. The duration of the plan's expected benefit payments. Younger plans with benefit payments further in the future will be more sensitive to changes in the discount rate.
2. The funded percentage of the plan (ratio of the net position to the total pension liability). The higher the funded percentage, the higher the sensitivity to the discount rate.

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## PARTICIPANT DATA

Participant Demographic Data  
Expected Future Working Lifetime

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### PARTICIPANT DEMOGRAPHIC DATA

The chart below summarizes the employee count and payroll as of the Actuarial Valuation Date:

	<u>2017</u>	<u>2016</u>
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	9	8
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0	1
Active Plan Members	<u>14</u>	<u>14</u>
Total	<u>23</u>	<u>23</u>
Payroll of Active Plan Members	<u>\$1,063,937</u>	<u>\$ 1,063,953</u>

Participant count is shown as of the Actuarial Valuation Date. Pay is the active pensionable pay as of the Actuarial Valuation Date.

### EXPECTED FUTURE WORKING LIFETIME

The chart below summarizes the expected future working lifetime of fund members:

	<u>2017</u>	<u>2016</u>
Average Future Working Career (In Years)		
Active Plan Members	12.16	11.53
Inactive Plan Members	0.00	0.00
Total	7.40	7.02

The expected future working lifetime is measured as of the Actuarial Valuation Date and is based on the demographic assumptions used in the preparation of the Actuary's report.



## FUNDING POLICY

Components of the Actuarially Determined Contribution

Formal Funding Policy

Informal Funding Policy

Funding Policy – Other Considerations

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## COMPONENTS OF THE ACTUARIALY DETERMINED CONTRIBUTION

The Actuarially Determined Contribution (ADC) includes the determination of the Normal Cost contribution for active plan members, as well as provision for the payment of unfunded liability.

The actuarial funding method used in the determination of the normal cost and the actuarial liability is the Entry Age Normal Cost method (level percent of pay). The method allocates normal cost contributions by employee over the working career of the employee as a level percent of their pay.

Unfunded liability is the excess of the actuarial liability over the actuarial value of assets. The actuarially determined contribution includes a payment towards unfunded liability existing at the actuarial valuation date. The payment towards unfunded liability is set up as a level percent of payroll payment that is expected to increase during the payment period. The period of repayment as of the Actuarial Valuation Date is 16 years.

The Actuarial Value of Assets smooths gains and losses on the market value of assets over a 5-year period.

Under no circumstances will the Actuarially Determined Contribution be less than the amount determined as the Statutory Minimum Contribution under Illinois statutes.

### FORMAL FUNDING POLICY

There is no Formal Funding Policy that exists between the Pension Board and the City at this time.

### INFORMAL FUNDING POLICY

In determining the most appropriate informal funding policy, GASB provides the following guidance in the Statement:

*Application of professional judgment should consider the most recent five-year contribution history of the employers and nonemployer contributing entities as a key indicator of future contributions from those sources and should reflect all other known events and conditions.... the amount of projected cash flows for contributions from employers and nonemployer contributing entities should be limited to an average of contributions from those sources over the most recent five-year period and may be modified based on consideration of subsequent events. For this purpose, the basis for the average (for example, percentage of covered payroll contributed or percentage of actuarially determined contributions made) should be a matter of professional judgment.*



In our review of informal funding policy, the following factors are considered and described herein:

1. The five-year contribution history of the Employer (with a focus on the average contributions from those sources)
2. All other known events and conditions
3. Consideration of subsequent events

#### Five-Year Contribution History of the Employer

Employer contributions (under the informal policy) should be limited to the average over the most recent five years. In determining the basis for the average we reviewed three possibilities: (a) the average dollar contribution; (b) the average percent of pensionable pay; and (c) the average percent of the actuarial determined contribution. Please see the table below for a summary of these values:

<u>Fiscal Year End</u>	<u>Employer Contributions</u>	<u>Most Applicable ADC</u>	<u>% of ADC</u>	<u>Covered Payroll</u>	<u>% of Payroll</u>
4/30/2017	\$262,346	\$526,572	50%	\$1,063,937	24.66%
4/30/2016	\$259,382	\$470,799	55%	\$1,063,953	24.38%
4/30/2015	\$265,941	\$490,739	54%	\$1,036,449	25.66%
4/30/2014	\$240,154	\$427,101	56%	\$949,794	25.28%
4/30/2013	\$192,417	\$359,402	54%	\$1,038,544	18.53%

When compared to the other policies reviewed, history suggests that a contribution as a percent of the actuarially determined contribution is the least volatile, and as a result, the most stable contribution method under an informal funding policy.

#### Other Known Events and Conditions

GASB has a provision for consideration of any other known events or conditions in the most recent five-year history in applying judgement for the informal funding policy. There are no events or conditions that have been considered in the development of the informal funding policy.

#### Consideration of Subsequent Events

GASB has a provision for modification based on consideration of subsequent events in development of the informal funding policy. There are no subsequent events that have been considered in the development of the informal funding policy.



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Informal Funding Policy – Selected

The informal funding policy that has been determined for future contributions is 53.77% of the actuarially determined contribution. This represents the full future contributions expected to be made.

**FUNDING POLICY – OTHER CONSIDERATIONS**

Under GASB, the future contribution amount is not intended to include dollars contributed on behalf of future employees. Contributions are only intended to cover contributions towards the Normal Cost of existing employees as of the Actuarial Valuation Date as well as payment of unfunded liability on behalf of the current existing employees. Contributions under the funding policy have been adjusted as necessary to exclude dollars that would be anticipated to be contributed on behalf of future employees hired after the actuarial valuation date.

The contribution level may not pay off the unfunded liability during the active working lifetimes of current employees. In that case contributions will persist beyond the working lifetimes of current employees. To the extent a portion of the above total contribution is anticipated to pay contributions for future employee normal cost, the amount has been netted out. The remaining amount is anticipated to be paid towards the unfunded liability existing for current employees.

The actuarial determined contribution is determined annually based on the parameters previously discussed. The funding methods and procedures are assumed to continue into the future. The tax levy in the next December is assumed to be the actuarially determined contribution. Funding is assumed to go into the fund during the next full fiscal year.



## SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the Net Pension Liability  
Schedule of Total Pension Liability and Related Ratios  
Schedule of Contributions

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## SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Total Pension Liability</b>										
Service Cost	\$ 456,443	\$ 433,546	\$ 388,671							
Interest	768,001	618,613	651,415							
Changes of Benefit Terms	-	-	-							
Differences Between Expected and Actual Experience	(126,559)	(3,862,451)	-							
Changes in Assumptions	(1,410,873)	5,225,813	-							
Benefit Payments and Refunds	(362,576)	(308,893)	(372,353)							
<b>Net Change In Total Pension Liability</b>	<b>(675,564)</b>	<b>2,106,628</b>	<b>667,733</b>							
<b>Total Pension Liability - Beginning</b>	<b>17,060,421</b>	<b>14,953,793</b>	<b>14,286,060</b>							
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 16,384,857</b>	<b>\$ 17,060,421</b>	<b>\$ 14,953,793</b>							
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 262,346	\$ 259,382	\$ 265,941							
Contributions - Member	100,769	108,697	108,009							
Contributions - Other	-	-	-							
Net Investment Income	357,608	67,492	229,792							
Benefit Payments and Refunds	(362,576)	(308,893)	(372,353)							
Administrative Expense	(19,550)	(19,194)	(20,991)							
Other	-	-	1,709							
<b>Net Change in Plan Fiduciary Net Position</b>	<b>338,598</b>	<b>107,485</b>	<b>212,107</b>							
<b>Plan Fiduciary Net Position - Beginning</b>	<b>4,856,359</b>	<b>4,748,874</b>	<b>4,536,766</b>							
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 5,194,957</b>	<b>\$ 4,856,359</b>	<b>\$ 4,748,874</b>							
<b>Employer Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 11,189,900</b>	<b>\$ 12,204,062</b>	<b>\$ 10,204,919</b>							

The current year information was developed in the completion of this report.



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## SCHEDULE OF TOTAL PENSION LIABILITY AND RELATED RATIO

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Pension Liability - Ending (a)	\$ 16,384,857	\$ 17,060,421	\$ 14,953,793							
Plan Fiduciary Net Position - Ending (b)	\$ 5,194,957	\$ 4,856,359	\$ 4,748,874							
Employer Net Pension Liability - Ending (a) - (b)	\$ 11,189,900	\$ 12,204,062	\$ 10,204,919							
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	31.71%	28.47%	31.76%							
Covered-Employee Payroll	\$ 1,227,138	\$ 1,063,953	\$ 1,036,449							
Employer Net Pension Liability as a Percentage of Covered-Employee Payroll	911.87%	1147.05%	984.60%							

Covered employee payroll shown for the current year is the total covered payroll for the fiscal year for all fund members.



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## SCHEDULE OF CONTRIBUTIONS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially Determined Contribution	\$526,572	\$470,799	\$490,739							
Contributions in Relation to the Actuarially Determined Contribution	262,346	259,382	265,941							
Contribution Deficiency (excess)	<u>\$ 264,226</u>	<u>\$ 211,417</u>	<u>\$ 224,798</u>							
Covered-Employee Payroll	<u>\$ 1,227,138</u>	<u>\$ 1,063,953</u>	<u>\$ 1,036,449</u>							
Contributions as a Percentage of Covered-Employee Payroll	21.4%	24.4%	25.7%							

## NOTES TO SCHEDULE OF CONTRIBUTIONS

The actuarially determined contribution shown for the current year is from the April 30, 2015 actuary's report completed by Lauterbach & Amen, LLP for the tax levy recommendation for the December 2015 tax levy.

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# GASB METHODS AND PROCEDURES

GASB Methods and Procedures  
Methodology for Deferred Outflows and Inflows

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**GASB METHODS AND PROCEDURES**

	<u>Statement 67</u> <u>Pension Fund Financials</u>	<u>Statement 68</u> <u>Employer Financials</u>
Fiscal Year End for Reporting	April 30, 2017	April 30, 2017
Measurement Date	April 30, 2017	April 30, 2017
Actuarial Valuation Date	May 1, 2017	May 1, 2017
Actuarial Valuation - Data Date	April 30, 2017	April 30, 2017
Asset Valuation Method	Market Value	Market Value
Actuarial Cost Method	Entry Age Normal (Level%)	Entry Age Normal (Level%)

**Methodology Used in the Determination of Deferred Inflows and Outflows of Resources**

Amortization Method	Straight Line	Straight Line
Amortization Period		
Actuarial Experience (TPL)	7.40 Years	7.40 Years
Changes in Assumptions	7.40 Years	7.40 Years
Asset Experience	5.00 Years	5.00 Years



## SUPPLEMENTARY TABLES

GASB Projections – Summary and Procedure

GASB Projections - Limitations

Projection of Contributions

Projection of the Pension Fund's Fiduciary Net Position

Actuarial Present Value of Projected Benefit Payments

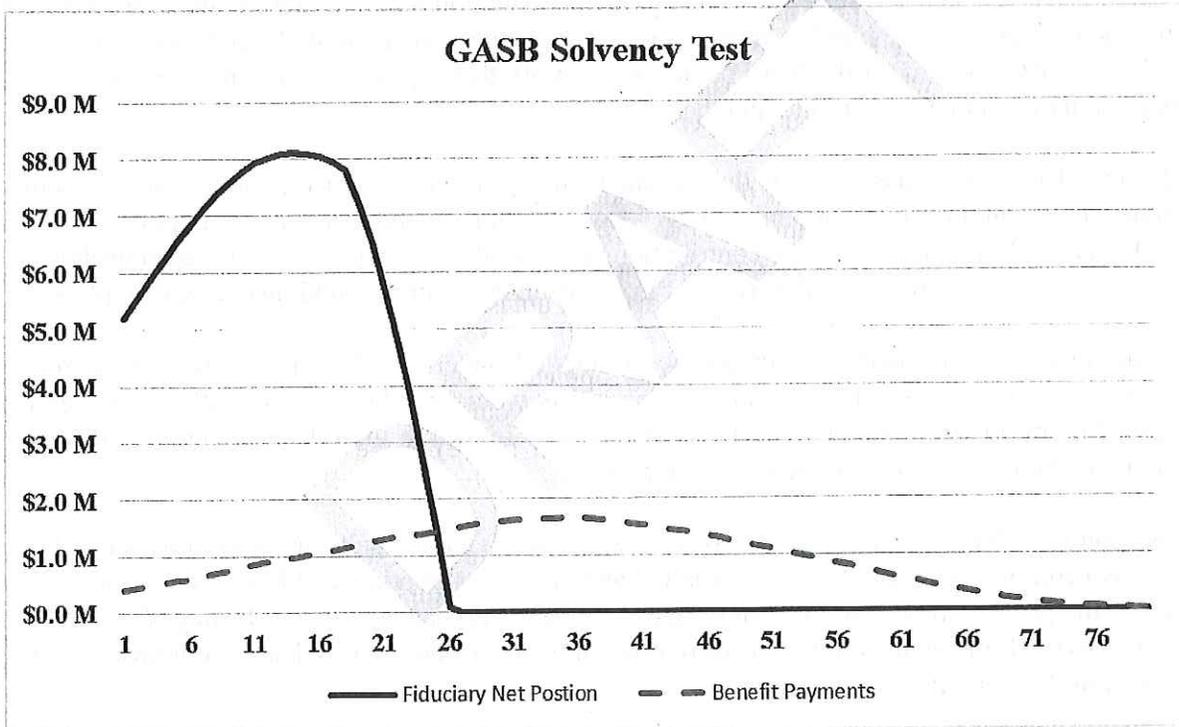
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## GASB PROJECTIONS – SUMMARY AND PROCEDURE

GASB requires a solvency test to use in the determination of the discount rate each year. The Fiduciary Net Position of the fund is projected forward. To the extent the Net Position of the Fund is anticipated to be greater than \$0, benefit payments during that time period are discounted based on the expected rate of return on plan assets.

If the Fiduciary Net Position of the fund is anticipated to go to \$0 prior to the payment of future benefit payments for employees who are in the fund as of the Actuarial Valuation Date, then remaining expected future benefit payments are discounted using a high quality Municipal Bond rate as described in the assumption section of the report. Below is a chart with a high level summary of the projections:



The plan's projected net position is expected to cover future benefit payments in full for the current employees through 2041.



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## **GASB PROJECTIONS – LIMITATIONS**

Projections of any type require assumptions about future events. The projections required for GASB reporting are deterministic in nature. That means that values are projected forward under one set of assumptions which can be thought of as the average result. Actual results could vary, and projections of one deterministic assumption set do not necessarily provide a framework for making risk management or funding policy decisions. Projections that deal with risk management are outside the scope of this report.

In addition, GASB requirements create results that are specific only to financial statement reporting, and should not be used or interpreted for other purposes. For example, GASB cash flow projections do not entail the total expected cash flows of the pension fund, but rather a subset of cash flows specific to members who are in the pension fund as of the Actuarial Valuation date. While the likely expectation may be that new employees are hired to replace the old, cash flows attributable to their benefits are not considered. Under GASB, when the Net Position goes to \$0, that represents only the Net Position for the assets attributable to the current fund members.

GASB also mandates certain assumptions that are made in the projection process. Most notably, future contributions under an informal funding policy. In proposing an informal funding policy, GASB suggests a focus be placed on the average contribution rate over the past 5 years. Assumed contributions noted in this section may be based on the five year average, unless a formal funding policy is in place.

Contributions reflecting informal funding policy are applied under GASB, whether or not the future results dictate a need for more or less contributions. This would not be the case with other uses for projections. Any events that are taken into account (past or future) in the informal funding policy are discussed in the “Funding Policy” section of this report.

The further you look forward with projections, the more sensitive the results are to assumptions. With projections that run out close to 80 years, a small change in an assumption will have a dramatic impact in the look of the projections on the following pages. If there is no change to the solvency of the fund as determined by GASB, big swings in the projection results may not necessarily lead to big swings in the determination of the Total Pension Liability.

We recommend the projections are not used for any other purposes, other than providing backup information for purposes of the financial statement report.

The following pages provide the detail behind the charts shown on the chart in this section.



**PROJECTION OF CONTRIBUTIONS – YEARS 1 TO 30**

Year	Projected Covered-Employee Payroll			Projected Contributions			
	Current Employees (a)	Future Employees (b)	Total Employee Payroll (c) = (a) + (b)	Current Employees (d) - Notes	Employer Contributions for Current Employees (e) - Notes	Contributions Related to Pay of Future Employees (f) - Notes	Total Contributions (d) + (e) + (f)
1	\$ 1,063,933	\$ -	\$ 1,063,933	\$ 105,436	\$ 334,024	\$ -	\$ 439,460
2	1,027,007	74,164	1,101,171	101,776	379,461	-	481,238
3	992,049	147,663	1,139,712	98,312	380,777	-	479,089
4	959,319	220,283	1,179,602	95,069	382,755	-	477,823
5	929,433	291,455	1,220,888	92,107	385,447	-	477,554
6	902,211	361,408	1,263,619	89,409	388,953	-	478,362
7	879,312	428,533	1,307,845	87,140	393,444	-	480,584
8	857,055	496,565	1,353,620	84,934	398,988	-	483,922
9	825,884	575,113	1,400,997	81,845	405,199	-	487,044
10	800,233	649,798	1,450,031	79,303	409,205	-	488,508
11	735,129	765,654	1,500,783	72,851	414,542	-	487,393
12	679,651	873,659	1,553,310	67,353	412,662	-	480,016
13	657,922	949,754	1,607,676	65,200	411,681	-	476,881
14	638,972	1,024,972	1,663,944	63,322	417,398	-	480,720
15	621,644	1,100,539	1,722,183	61,605	423,982	-	485,587
16	608,613	1,173,846	1,782,459	60,314	431,159	-	491,472
17	580,255	1,264,590	1,844,845	57,503	439,589	-	497,092
18	530,057	1,379,358	1,909,415	52,529	70,136	-	122,665
19	488,403	1,487,841	1,976,244	48,401	60,050	-	108,451
20	449,283	1,596,130	2,045,413	44,524	53,345	-	97,869
21	400,526	1,716,476	2,117,002	39,692	47,308	-	87,000
22	359,103	1,831,994	2,191,097	35,587	38,850	-	74,437
23	333,023	1,934,763	2,267,786	33,003	32,246	-	65,249
24	309,411	2,037,747	2,347,158	30,663	28,790	-	59,453
25	285,940	2,143,369	2,429,309	28,337	25,642	-	53,979
26	254,037	2,260,297	2,514,334	25,175	22,481	-	47,656
27	226,271	2,376,065	2,602,336	22,423	18,499	-	40,922
28	184,082	2,509,336	2,693,418	18,243	15,070	-	33,313
29	158,284	2,629,403	2,787,687	15,686	9,436	-	25,122
30	128,929	2,756,327	2,885,256	12,777	6,385	-	19,162

Column d – Contributions from employees to the pension fund (employees as of the valuation date)

Column e – Employer contributions to the fund excluding contributions for employees hired after the actuarial valuation date

Column f – Contributions from future employees to the extent they are anticipated to be greater than required to pay their total normal cost



**PROJECTION OF CONTRIBUTIONS – YEARS 31 TO 60**

Year	Projected Covered-Employee Payroll			Projected Contributions			
	Current Employees (a)	Future Employees (b)	Total Employee Payroll (c) = (a) + (b)	Current Employees (d) - Notes	Employer Contributions for Current Employees (e) - Notes	Contributions Related to Pay of Future Employees (f) - Notes	Total Contributions (d) + (e) + (f)
31	\$ 105,394	\$ 2,880,846	\$ 2,986,240	\$ 10,445	\$ 4,033	\$ -	\$ 14,478
32	72,260	3,018,499	3,090,759	7,161	3,180	-	10,341
33	57,114	3,141,821	3,198,935	5,660	1,077	-	6,737
34	43,566	3,267,332	3,310,898	4,317	856	-	5,173
35	33,213	3,393,567	3,426,780	3,291	653	-	3,944
36	14,116	3,532,601	3,546,717	1,399	498	-	1,897
37	-	3,670,852	3,670,852	-	242	-	242
38	-	3,799,332	3,799,332	-	-	-	-
39	-	3,932,308	3,932,308	-	-	-	-
40	-	4,069,939	4,069,939	-	-	-	-
41	-	4,212,387	4,212,387	-	-	-	-
42	-	4,359,821	4,359,821	-	-	-	-
43	-	4,512,414	4,512,414	-	-	-	-
44	-	4,670,349	4,670,349	-	-	-	-
45	-	4,833,811	4,833,811	-	-	-	-
46	-	5,002,994	5,002,994	-	-	-	-
47	-	5,178,099	5,178,099	-	-	-	-
48	-	5,359,333	5,359,333	-	-	-	-
49	-	5,546,909	5,546,909	-	-	-	-
50	-	5,741,051	5,741,051	-	-	-	-
51	-	5,941,988	5,941,988	-	-	-	-
52	-	6,149,958	6,149,958	-	-	-	-
53	-	6,365,206	6,365,206	-	-	-	-
54	-	6,587,988	6,587,988	-	-	-	-
55	-	6,818,568	6,818,568	-	-	-	-
56	-	7,057,218	7,057,218	-	-	-	-
57	-	7,304,220	7,304,220	-	-	-	-
58	-	7,559,868	7,559,868	-	-	-	-
59	-	7,824,463	7,824,463	-	-	-	-
60	-	8,098,320	8,098,320	-	-	-	-

Column d – Contributions from employees to the pension fund (employees as of the valuation date)

Column e – Employer contributions to the fund excluding contributions for employees hired after the actuarial valuation date

Column f – Contributions from future employees to the extent they are anticipated to be greater than required to pay their total normal cost



**PROJECTION OF CONTRIBUTIONS – YEARS 61 TO 80**

Year	Projected Covered-Employee Payroll			Projected Contributions			
	Current Employees (a)	Future Employees (b)	Total Employee Payroll (c) = (a) + (b)	Current Employees (d) - Notes	Employer Contributions for Current Employees (e) - Notes	Contributions Related to Pay of Future Employees (f) - Notes	Total Contributions (d) + (e) + (f)
61	\$ -	\$ 8,381,761	\$ 8,381,761	\$ -	\$ -	\$ -	\$ -
62	-	8,675,123	8,675,123	-	-	-	-
63	-	8,978,752	8,978,752	-	-	-	-
64	-	9,293,008	9,293,008	-	-	-	-
65	-	9,618,263	9,618,263	-	-	-	-
66	-	9,954,903	9,954,903	-	-	-	-
67	-	10,303,324	10,303,324	-	-	-	-
68	-	10,663,941	10,663,941	-	-	-	-
69	-	11,037,178	11,037,178	-	-	-	-
70	-	11,423,480	11,423,480	-	-	-	-
71	-	11,823,302	11,823,302	-	-	-	-
72	-	12,237,117	12,237,117	-	-	-	-
73	-	12,665,416	12,665,416	-	-	-	-
74	-	13,108,706	13,108,706	-	-	-	-
75	-	13,567,510	13,567,510	-	-	-	-
76	-	14,042,373	14,042,373	-	-	-	-
77	-	14,533,856	14,533,856	-	-	-	-
78	-	15,042,541	15,042,541	-	-	-	-
79	-	15,569,030	15,569,030	-	-	-	-
80	-	16,113,946	16,113,946	-	-	-	-

**NOTES TO PROJECTION OF CONTRIBUTIONS**

Total payroll is assumed to increase annually at the assumed payroll increase rate shown in the assumption section of this report. Payroll for current employees (employees active as of the actuarial valuation date) has been projected on an employee by employee basis, using expected pay increases and probability of remaining in active employment for future periods.

Employer contributions are related to current employees in the fund as of the Actuarial Valuation Date. To the extent future contributions under the Employer funding policy are made to cover the Normal Cost of providing benefits for future employees, those contributions have been excluded out for purposes of these projections and this report.

Contributions are based on the Funding Policy described in an earlier section of this report. The contributions do not factor in changes in funding policy based on an assumed Employer decision if the projections were to play out in this fashion. The only future events that have been considered were outlined in the funding policy section of the report. Contributions from future employees have not been included. It is assumed that contributions made by future employees will not exceed the Normal Cost of their participation in the Fund. In addition, contributions by the employer on behalf of service for future employees have not been included per the GASB parameters.



**PROJECTION OF THE PENSION PLAN'S FIDUCIARY NET POSITION – YEARS 1 TO 30**

Year	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (a)+(b)-(c)-(d)+(e)
1	\$ 5,194,957	\$ 439,460	\$ 417,847	\$ 21,479	\$ 337,677	\$ 5,532,767
2	5,532,767	481,238	457,824	22,016	359,675	5,893,840
3	5,893,840	479,089	497,237	22,566	381,776	6,234,902
4	6,234,902	477,823	537,579	23,130	402,575	6,554,590
5	6,554,590	477,554	578,602	23,709	421,994	6,851,827
6	6,851,827	478,362	615,050	24,301	440,137	7,130,975
7	7,130,975	480,584	670,223	24,909	456,541	7,372,967
8	7,372,967	483,922	711,093	25,532	471,030	7,591,295
9	7,591,295	487,044	748,567	26,170	484,084	7,787,686
10	7,787,686	488,508	811,168	26,824	494,841	7,933,043
11	7,933,043	487,393	867,096	27,495	502,414	8,028,259
12	8,028,259	480,016	898,407	28,182	507,323	8,089,009
13	8,089,009	476,881	946,239	28,887	509,593	8,100,357
14	8,100,357	480,720	977,641	29,609	509,411	8,083,238
15	8,083,238	485,587	1,007,976	30,349	507,446	8,037,946
16	8,037,946	491,472	1,050,120	31,108	503,299	7,951,490
17	7,951,490	497,092	1,103,616	31,886	496,099	7,809,179
18	7,809,179	122,665	1,149,734	32,683	473,155	7,222,582
19	7,222,582	108,451	1,197,379	33,500	432,989	6,533,143
20	6,533,143	97,869	1,250,850	34,337	386,066	5,731,891
21	5,731,891	87,000	1,297,077	35,196	332,102	4,818,720
22	4,818,720	74,437	1,329,670	36,076	271,249	3,798,660
23	3,798,660	65,249	1,359,814	36,977	203,638	2,670,755
24	2,670,755	59,453	1,386,391	37,902	129,242	1,435,157
25	1,435,157	53,979	1,415,560	38,849	47,771	82,497
26	82,497	47,656	1,467,348	39,821	-	-
27	-	-	1,516,558	-	-	-
28	-	-	1,554,511	-	-	-
29	-	-	1,576,833	-	-	-
30	-	-	1,600,298	-	-	-

Column b – Contributions on behalf of current employees only as of the Actuarial Valuation Date.

Column d – Based on average administrative expenses in recent years and projected to increase going forward.

Column e – Based on the current expected return on assets. Does not factor in allocation changes.



**PROJECTION OF THE PENSION PLAN'S FIDUCIARY NET POSITION – YEARS 31 TO 60**

Year	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (a)+(b)-(c)-(d)+(e)
31	\$ -	\$ -	\$ 1,621,278	\$ -	\$ -	\$ -
32	-	-	1,627,018	-	-	-
33	-	-	1,628,802	-	-	-
34	-	-	1,642,302	-	-	-
35	-	-	1,657,397	-	-	-
36	-	-	1,652,359	-	-	-
37	-	-	1,633,803	-	-	-
38	-	-	1,611,772	-	-	-
39	-	-	1,586,427	-	-	-
40	-	-	1,557,786	-	-	-
41	-	-	1,525,985	-	-	-
42	-	-	1,491,265	-	-	-
43	-	-	1,453,890	-	-	-
44	-	-	1,414,203	-	-	-
45	-	-	1,372,555	-	-	-
46	-	-	1,329,052	-	-	-
47	-	-	1,283,866	-	-	-
48	-	-	1,237,353	-	-	-
49	-	-	1,189,796	-	-	-
50	-	-	1,141,356	-	-	-
51	-	-	1,092,280	-	-	-
52	-	-	1,042,737	-	-	-
53	-	-	992,828	-	-	-
54	-	-	942,637	-	-	-
55	-	-	892,238	-	-	-
56	-	-	841,414	-	-	-
57	-	-	790,185	-	-	-
58	-	-	738,601	-	-	-
59	-	-	686,912	-	-	-
60	-	-	635,276	-	-	-

Column b – Contributions on behalf of current employees only as of the Actuarial Valuation Date.  
 Column d – Based on average administrative expenses in recent years and projected to increase going forward.  
 Column e – Based on the current expected return on assets. Does not factor in allocation changes.



**PROJECTION OF THE PENSION PLAN'S FIDUCIARY NET POSITION – YEARS 61 TO 80**

Year	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (a)+(b)-(c)-(d)+(e)
61	\$ -	\$ -	\$ 584,144	\$ -	\$ -	\$ -
62	-	-	533,730	-	-	-
63	-	-	484,254	-	-	-
64	-	-	435,951	-	-	-
65	-	-	389,219	-	-	-
66	-	-	344,359	-	-	-
67	-	-	301,735	-	-	-
68	-	-	261,659	-	-	-
69	-	-	224,496	-	-	-
70	-	-	190,466	-	-	-
71	-	-	159,760	-	-	-
72	-	-	132,446	-	-	-
73	-	-	108,536	-	-	-
74	-	-	87,913	-	-	-
75	-	-	70,366	-	-	-
76	-	-	55,626	-	-	-
77	-	-	43,415	-	-	-
78	-	-	33,435	-	-	-
79	-	-	25,393	-	-	-
80	-	-	19,005	-	-	-

**NOTES TO PROJECTION OF FIDUCIARY NET POSITION**

Total contributions are Employee and Employer contributions anticipated to be made under the funding policy on behalf of employees in the fund as of the Actuarial Valuation Date. The amounts shown were detailed earlier in this section.

Projected benefit payments shown represent only employees active as of the Actuarial Valuation Date. The fund will also be paying benefit payments in the future on behalf of employees hired after the Actuarial Valuation Date, but those have not been estimated for this purpose.

Projected investment earnings are based on the current expected rate of return on plan assets. Administrative expenses are not typically charged on a per employee basis. Administrative expenses shown have not been adjusted to distinguish between current employees and future employees.

The projected Net Position represents assets held or projected to be held on behalf of current employees as of the Actuarial Valuation Date. The fund will also hold assets in the future on behalf of new employees that are not shown here.



**ACTUARIAL PRESENT VALUES OF PROJECTED BENEFIT PAYMENTS – YEARS 1 TO 30**

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Benefit Payments		Present Value (PV) of Projected Benefit Payments		
			"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments	PV of "Funded" Portion of Benefit Payments (6.50%)	PV of "Unfunded" Portion of Benefit Payments (3.82%)	PV of Total Projected Payments Using the Single Discount Rate (4.55%)
1	\$ 5,194,957	\$ 417,847	\$ 417,847	\$ -	\$ 404,895	\$ -	\$ 408,654
2	5,532,767	457,824	457,824	-	416,557	-	428,265
3	5,893,840	497,237	497,237	-	424,805	-	444,891
4	6,234,902	537,579	537,579	-	431,240	-	460,053
5	6,554,590	578,602	578,602	-	435,820	-	473,611
6	6,851,827	615,050	615,050	-	434,998	-	481,535
7	7,130,975	670,223	670,223	-	445,089	-	501,895
8	7,372,967	711,093	711,093	-	443,409	-	509,326
9	7,591,295	748,567	748,567	-	438,287	-	512,833
10	7,787,686	811,168	811,168	-	445,953	-	531,536
11	7,933,043	867,096	867,096	-	447,606	-	543,457
12	8,028,259	898,407	898,407	-	435,464	-	538,576
13	8,089,009	946,239	946,239	-	430,656	-	542,563
14	8,100,357	977,641	977,641	-	417,792	-	536,173
15	8,083,238	1,007,976	1,007,976	-	404,465	-	528,752
16	8,037,946	1,050,120	1,050,120	-	395,658	-	526,886
17	7,951,490	1,103,616	1,103,616	-	390,436	-	529,629
18	7,809,179	1,149,734	1,149,734	-	381,926	-	527,748
19	7,222,582	1,197,379	1,197,379	-	373,477	-	525,699
20	6,533,143	1,250,850	1,250,850	-	366,343	-	525,275
21	5,731,891	1,297,077	1,297,077	-	356,696	-	520,982
22	4,818,720	1,329,670	1,329,670	-	343,342	-	510,831
23	3,798,660	1,359,814	1,359,814	-	329,696	-	499,676
24	2,670,755	1,386,391	1,386,391	-	315,624	-	487,271
25	1,435,157	1,415,560	1,415,560	-	302,596	-	475,871
26	82,497	1,467,348	82,497	1,384,851	16,559	532,399	471,813
27	-	1,516,558	-	1,516,558	-	561,580	466,414
28	-	1,554,511	-	1,554,511	-	554,454	457,281
29	-	1,576,833	-	1,576,833	-	541,722	443,660
30	-	1,600,298	-	1,600,298	-	529,554	430,667

The projected Fiduciary Net Position and the Projected Benefit Payments are based only on the current employee group as of the Actuarial Valuation Date. The development of the Projected Fiduciary Net Position was shown in more detail earlier in this section.



**ACTUARIAL PRESENT VALUES OF PROJECTED BENEFIT PAYMENTS – YEARS 31 TO 60**

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Benefit Payments		Present Value (PV) of Projected Benefit Payments		
			"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments	PV of "Funded" Portion of Benefit Payments (6.50%)	PV of "Unfunded" Portion of Benefit Payments (3.82%)	PV of Total Projected Payments Using the Single Discount Rate (4.55%)
31	\$ -	\$ 1,621,278	\$ -	\$ 1,621,278	\$ -	\$ 516,757	\$ 417,325
32	-	1,627,018	-	1,627,018	-	499,505	400,576
33	-	1,628,802	-	1,628,802	-	481,654	383,563
34	-	1,642,302	-	1,642,302	-	467,777	369,911
35	-	1,657,397	-	1,657,397	-	454,707	357,065
36	-	1,652,359	-	1,652,359	-	436,645	340,487
37	-	1,633,803	-	1,633,803	-	415,855	322,012
38	-	1,611,772	-	1,611,772	-	395,153	303,845
39	-	1,586,427	-	1,586,427	-	374,628	286,052
40	-	1,557,786	-	1,557,786	-	354,330	268,663
41	-	1,525,985	-	1,525,985	-	334,325	251,725
42	-	1,491,265	-	1,491,265	-	314,697	235,292
43	-	1,453,890	-	1,453,890	-	295,521	219,412
44	-	1,414,203	-	1,414,203	-	276,877	204,134
45	-	1,372,555	-	1,372,555	-	258,836	189,500
46	-	1,329,052	-	1,329,052	-	241,410	175,509
47	-	1,283,866	-	1,283,866	-	224,622	162,163
48	-	1,237,353	-	1,237,353	-	208,519	149,486
49	-	1,189,796	-	1,189,796	-	193,127	137,485
50	-	1,141,356	-	1,141,356	-	178,447	126,148
51	-	1,092,280	-	1,092,280	-	164,491	115,470
52	-	1,042,737	-	1,042,737	-	151,252	105,436
53	-	992,828	-	992,828	-	138,714	96,020
54	-	942,637	-	942,637	-	126,856	87,198
55	-	892,238	-	892,238	-	115,655	78,944
56	-	841,414	-	841,414	-	105,054	71,207
57	-	790,185	-	790,185	-	95,028	63,962
58	-	738,601	-	738,601	-	85,556	57,184
59	-	686,912	-	686,912	-	76,641	50,868
60	-	635,276	-	635,276	-	68,272	44,997

The projected Fiduciary Net Position and the Projected Benefit Payments are based only on the current employee group as of the Actuarial Valuation Date. The development of the Projected Fiduciary Net Position was shown in more detail earlier in this section.



**ACTUARIAL PRESENT VALUES OF PROJECTED BENEFIT PAYMENTS – YEARS 61 TO 80**

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Benefit Payments		Present Value (PV) of Projected Benefit Payments		
			"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments	PV of "Funded" Portion of Benefit Payments (6.50%)	PV of "Unfunded" Portion of Benefit Payments (3.82%)	PV of Total Projected Payments Using the Single Discount Rate (4.55%)
61	\$ -	\$ 584,144	\$ -	\$ 584,144	\$ -	\$ 60,467	\$ 39,575
62	-	533,730	-	533,730	-	53,216	34,585
63	-	484,254	-	484,254	-	46,506	30,014
64	-	435,951	-	435,951	-	40,327	25,844
65	-	389,219	-	389,219	-	34,679	22,070
66	-	344,359	-	344,359	-	29,553	18,676
67	-	301,735	-	301,735	-	24,942	15,652
68	-	261,659	-	261,659	-	20,834	12,983
69	-	224,496	-	224,496	-	17,217	10,654
70	-	190,466	-	190,466	-	14,070	8,646
71	-	159,760	-	159,760	-	11,367	6,936
72	-	132,446	-	132,446	-	9,077	5,500
73	-	108,536	-	108,536	-	7,165	4,311
74	-	87,913	-	87,913	-	5,590	3,340
75	-	70,366	-	70,366	-	4,309	2,557
76	-	55,626	-	55,626	-	3,281	1,933
77	-	43,415	-	43,415	-	2,467	1,443
78	-	33,435	-	33,435	-	1,830	1,063
79	-	25,393	-	25,393	-	1,339	772
80	-	19,005	-	19,005	-	965	553

**NOTES TO THE ACTUARIAL PRESENT VALUE OF PROJECTED BENEFIT PAYMENTS**

The projected Fiduciary Net Position and the Projected Benefit Payments are based only on the current employee group as of the Actuarial Valuation Date. The development of the Net Position was shown in more detail earlier in this section.

The Funded and Unfunded portion of the Benefit Payments is split based on the time that the Fiduciary Net Position is projected to go to \$0 (based on assets for current fund members).

The Present Value of the Funded portion and Unfunded portion of the benefit payments has been determined separately. The PV of the funded portion of the benefit payments uses the assumption for the expected rate of return on plan assets. The PV of the unfunded portion of the benefit payments has been determined using the high quality Municipal Bond Rate as of the Measurement Date as described in the Actuarial Assumption section of the report.

The discount rate used for GASB purposes is the rate that is when applied to the total Projected Benefit payments results in a present value that equals the sum of the present value of the funded and unfunded payments. The discount rate has been rounded to four decimal places. Therefore, the resulting present value comparisons might show a slight difference due to rounding.

Lauterbach & Amen, LLP  
27W457 Warrenville Road  
Warrenville, IL 60555-3902

Actuarial Valuation  
as of May 1, 2017



MARENGO POLICE  
PENSION FUND

Utilizing Data as of April 30, 2017  
For the Contribution Year May 1, 2017 to April 30, 2018

***LAUTERBACH & AMEN, LLP***

# Actuarial Valuation – Funding Recommendation

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## Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

### MARENGO POLICE PENSION FUND

**Contribution Year Ending: April 30, 2018**

Actuarial Valuation Date: May 1, 2017

Utilizing Data as of April 30, 2017

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**Submitted by:**

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**Contact:**

Todd A. Schroeder  
June 29, 2017

***LAUTERBACH & AMEN, LLP***



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## ACTUARIAL CERTIFICATION

This report documents the results of the actuarial valuation of the Marengo Police Pension Fund. The purpose is to report the actuarial contribution requirement for the contribution year May 1, 2017 to April 30, 2018. Determinations for purposes other than meeting the employer's actuarial contribution requirements may be significantly different from the results herein.

The results in this report are based on information and data submitted by the Marengo Police Pension Fund including studies performed by prior actuaries. We did not prepare the actuarial valuations for the years prior to May 1, 2011. Those valuations were prepared by other actuaries whose reports have been furnished to us, and our disclosures are based upon those reports. An audit of the information was not performed, but high-level reviews were performed for general reasonableness, as appropriate, based on the purpose of the valuation. The accuracy of the results is dependent upon the accuracy and completeness of the underlying information. The results of the actuarial valuation and these supplemental disclosures rely on the information provided.

The valuation results summarized in this report involve actuarial calculations that require assumptions about future events. The Marengo Police Pension Fund selected certain assumptions, while others were the result of guidance and/or judgment. We believe that the assumptions used in this valuation are reasonable and appropriate for the purposes for which they have been used.

To the best of our knowledge, all calculations are in accordance with the applicable funding requirements, and the procedures followed and presentation of results conform to generally accepted actuarial principles and practices. The undersigned of Lauterbach & Amen, LLP, with actuarial credentials, meets the Qualification Standards of the American Academy of Actuaries to render this Actuarial Opinion. There is no relationship between the Marengo Police Pension Fund and Lauterbach & Amen, LLP that impairs our objectivity.

The information contained in this report was prepared for the use of the Marengo Police Pension Fund and the City of Marengo, Illinois in connection with our actuarial valuation. It is not intended or necessarily suitable for other purposes. It is intended to be used in its entirety to avoid misrepresentations.

Respectfully Submitted,  
LAUTERBACH & AMEN, LLP

Todd A. Schroeder, EA





## MANAGEMENT SUMMARY

Contribution Recommendation  
Funded Status  
Management Summary

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## MANAGEMENT SUMMARY

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### CONTRIBUTION RECOMMENDATION

	Prior Valuation	Current Valuation
Contribution Requirement	\$621,152	\$698,679
Expected Payroll	\$1,082,572	\$1,082,556
Contribution Requirement as a Percent of Expected Payroll	57.38%	64.54%

*Recommended  
Contribution  
has Increased  
\$77,527 from  
Prior Year.*

---

### FUNDED STATUS

	Prior Valuation	Current Valuation
Normal Cost	\$211,666	\$253,296
Market Value of Assets	\$4,856,359	\$5,194,957
Actuarial Value of Assets	\$5,224,073	\$5,417,342
Actuarial Accrued Liability	\$11,675,370	\$12,060,846
Unfunded Actuarial Accrued Liability	\$6,451,297	\$6,643,504
Percent Funded		
Actuarial Value of Assets	44.74%	44.92%
Market Value of Assets	41.59%	43.07%

*Funded  
Percentage has  
Increased 0.18  
on an  
Actuarial  
Value of Assets  
Basis.*



## *MANAGEMENT SUMMARY*

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### **MANAGEMENT SUMMARY – COMMENTS AND ANALYSIS**

#### Contribution Results

The contribution recommendation is based on the funding policies and procedures that are outlined in the “Actuarial Funding Policies” section of this report.

The State of Illinois statutes for pension funds contain parameters that should be used to determine the minimum amount of contribution to a public pension fund. Those parameters and the resulting minimum contribution can be found in the “Illinois Statutory Minimum Contribution” section of this report.

#### Defined Benefit Plan Risks

##### *Asset Growth*

Pension funding involves preparing plan assets to pay benefits for the members when they retire. During their working careers, assets need to build with contributions and investment earnings, and then the pension fund distributes assets during retirement. Based on the fund’s current mix of employees and funded status, the fund should be experiencing positive asset growth on average if requested contributions are made and expected investment earnings come in. In the current year, the fund asset growth was positive by approximately \$340,000.

Asset growth is important long-term. Long-term cash flow out of the pension fund is primarily benefit payments. Expenses make up a smaller portion. The fund should monitor the impact of expected benefit payments and the impact on asset growth in the future. In the next 5 years, benefits payments are anticipated to increase 65-70%, or approximately \$250,000. In the next 10 years, the expected increase in benefit payments is 135-140%, or approximately \$500,000.

##### *Unfunded Liability:*

Unfunded liability represents dollars we expect to be in the pension fund already for the fund members based on funding policy. To the extent dollars are not in the pension fund the fund is losing investment returns on those dollars going forward. Payments to unfunded liability pay for the lost investment earnings, as well as the outstanding unfunded amount. If payment is not made, the unfunded liability will grow.

In the early 1990s, many pension funds in Illinois adopted an increasing payment to handle unfunded liability due to a change in legislation. The initial payments decreased, and payments were anticipated to increase annually after that. In many situations, payments early on may be less than the interest on unfunded liability, which means unfunded liability is expected to *increase* even if contributions are at the recommended level.



## MANAGEMENT SUMMARY

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The current contribution recommendation includes a payment to unfunded liability that is approximately \$110,000 more than interest on the unfunded liability. All else being equal and contributions being made, unfunded liability would still be expected to decrease. The employer and the fund should anticipate currently that improvement in the funded percent will be mitigated in the short-term. The employer and the fund should understand this impact as we progress forward to manage expectations.

### *Actuarial Value of Assets:*

The pension fund smooths asset returns that vary from expectations over a five-year period. The intention over time is that asset returns for purposes of funding recommendations are a combination of several years. The impact is intended to smooth out the volatility of contribution recommendations over time, but not necessarily increase or decrease the level of contributions over the long-term.

When asset returns are smoothed, there are always gains or losses on the Market Value of Assets that are going to be deferred for current funding purposes, and recognized in future years. Currently, the pension fund is deferring approximately \$220,000 in losses on the Market Value of Assets. These are asset losses that will be recognized in upcoming periods, independent of the future performance of the Market Value of Assets.

### Plan Assets

The results in this report are based on the assets held in the pension fund. Assets consist of funds held for investment and for benefit payments as of the valuation date. In addition, assets may be adjusted for other events representing dollars that are reasonably expected to be paid out from the pension fund or deposited into the pension fund after the actuarial valuation date as well.

The current fund assets are unaudited. As of the date of this report, the audit of the fund assets is not complete, not available, or has not been provided.

The current fund assets are based on the year-end financials as prepared by the pension fund accountant. The year-end financials represent a full accrual version of the fiduciary fund as of the end of the fiscal year, prepared in preparation for the audit. The changes to the fund cash balance as of the fiscal year-end are non-cash items that can include accrued interest, due/unpaid expenses, prepaids and other adjustments.

*The Plan  
Assets Used in  
this Report  
are  
Unaudited.*

The actuarial value of assets under the funding policy is equal to the fair market value of assets, with unexpected gains and losses smoothed over 5 years. More detail on the Actuarial Value of Assets can be found in the funding policy section of the report.



## MANAGEMENT SUMMARY

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### Demographic Data

Demographic factors can change from year to year within a pension fund. Changes in this category include hiring new employees, employees retiring or becoming disabled, retirees passing away, and other changes. Demographic changes can cause an actuarial gain (contribution that is less than expected compared to the prior year) or an actuarial loss (contribution that is greater than expected compared to the prior year).

Demographic gains and losses occur when the assumptions over the one-year period for employee changes do not meet our long-term expectation. For example, if no employees become disabled during the year, we would expect a liability gain. If more employees become disabled than anticipated last year, we would expect a liability loss. Generally, we expect short-term fluctuations in demographic experience to create 1%-3% gains or losses in any given year, but to balance out in the long-term.

In the current report, the key demographic changes were as follows:

*New hires:* The fund added 1 new active member in the current year through hiring. When a new member is admitted to the pension fund, the employer contribution will increase to reflect the new member. The increase in the recommended contribution in the current year for the new fund member is approximately \$8,600.

*Retirement:* There was 1 member of the fund who retired during the year. When a fund member retires, the normal cost will decrease. Any change in the actuarial liability will be considered when determining the amount to pay towards unfunded liability each year. The decrease in the recommended contribution in the current year due to the retirement experience is approximately \$7,500.

*Deferred Annuitants:* There was 1 previously deferred annuitant of the fund who terminated employment during the year. The member took a refund and the fund is no longer obligated to pay a benefit to the member in the future. The decrease in the recommended contribution in the current year due to the deferred annuitant experience is approximately \$5,700.

*Salary Increases:* Salary increases were greater than anticipated in the current year, mainly due to the promotion of one member. This caused an increase in the recommended contribution in the current year of approximately \$8,000.



## *MANAGEMENT SUMMARY*

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### Assumption Changes

In the current valuation, we have updated the mortality assumption to include mortality improvements as stated in the most recently released MP-2016 table. In addition, the rates are being applied on a fully-generational basis. These changes were made to better reflect the future anticipated experience in the fund. See page 29 for more details on the specific mortality updates made and the table on the following page for the impact of these changes on the current valuation.

### Funding Policy Changes

The funding policy was not changed from the prior year.

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## *MANAGEMENT SUMMARY*

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### ACTUARIAL CONTRIBUTION RECOMMENDATION - RECONCILIATION

Actuarial liability is expected to increase each year for both interest for the year and as active employees earn additional service years towards retirement. Similarly, actuarial liability is expected to decrease when the fund pays benefits to inactive employees.

Contributions are expected to increase as expected pay increases under the funding policy for the Fund.

	Actuarial <u>Liability</u>	Contribution <u>Recommendation</u>
Prior Valuation	\$ 11,675,370	\$ 621,152
Expected Changes	<u>619,315</u>	<u>21,740</u>
Initial Expected Current Valuation	<u>\$ 12,294,685</u>	<u>\$ 642,893</u>

Other increases or decreases in actuarial liability (key changes noted below) will increase or decrease the amount of unfunded liability in the plan. To the extent unfunded liability increases or decreases unexpectedly, the contribution towards unfunded liability will also change unexpectedly.

	Actuarial <u>Liability</u>	Contribution <u>Recommendation</u>
Salary Increase Greater than Expected	95,738	8,072
Demographic Changes	(6,870)	(1,869)
Assumption Changes	(322,706)	7,708
Asset Return Less than Expected *	-	12,007
Contributions Less than Expected ^	-	<u>29,869</u>
Total Actuarial Experience	<u>\$ (233,839)</u>	<u>\$ 55,786</u>
Current Valuation	<u>\$ 12,060,846</u>	<u>\$ 698,679</u>

\*The impact on contribution due to asset performance is based on the Actuarial Value of Assets.

^ The increase in the current year recommended contribution due to contribution shortfall is significant. The impact on the contribution requirement will only increase if employer contribution levels do not rise.

Key demographic changes were discussed in the prior section.





## VALUATION OF FUND ASSETS

Market Value of Assets  
Actuarial Value of Assets

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## VALUATION OF FUND ASSETS

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### MARKET VALUE OF ASSETS

#### Statement of Assets

	Prior Valuation	Current Valuation
Cash and Cash Equivalents	\$ 36,054	\$ 41,887
Money Market	41,300	164,204
Fixed Income	2,774,945	2,736,368
Mutual Funds	1,978,065	2,229,255
Receivables (Net of Payables)	25,995	23,242
Net Assets Available for Pensions	\$ 4,856,359	\$ 5,194,957

*The Total  
Value of Assets  
has Increased  
\$338,598 from  
Prior  
Valuation.*

---

#### Statement of Changes in Assets

Total Market Value - Prior Valuation	\$ 4,856,359
Plus - Employer Contributions	262,346
Plus - Employee Contributions	100,769
Plus - Return on Investments	357,608
Less - Benefit and Related Payments	(362,576)
Less - Other Expenses	(19,550)
Total Market Value - Current Valuation	\$ 5,194,957

*The Return on  
Investment on  
the Market  
Value of Assets  
for the Fund was  
Approximately  
7.0% Net of  
Administrative  
Expenses.*

The return on investments shown has been determined as the Return on Assets from the statement of changes in assets, as a percent of the average of the beginning and ending Market Value of Assets. Return on Investment is net of the Other Expenses as shown. The Return on Investments has been excluded from the Total Market Value of Assets at the end of the year for this calculation.



## VALUATION OF FUND ASSETS

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### MARKET VALUE OF ASSETS (GAIN)/LOSS

#### Current Year (Gain)/Loss on Market Value of Assets

Total Market Value - Prior Valuation	\$ 4,856,359
Contributions	363,116
Benefit Payments	(362,576)
Expected Return on Investments	<u>315,681</u>
Expected Total Market Value - Current Valuation	5,172,580
Actual Total Market Value - Current Valuation	<u>5,194,957</u>
Current Market Value (Gain)/Loss	<u>\$ (22,377)</u>
Expected Return on Investments	\$ 315,681
Actual Return on Investments (Net of Expenses)	<u>338,058</u>
Current Market Value (Gain)/Loss	<u>\$ (22,377)</u>

*The Return on  
the Market  
Value of Assets  
was Higher than  
Expected Over  
the Most Recent  
Year.*

The (Gain)/Loss on the Market Value of Assets has been determined based on expected returns at the actuarial rate.



## VALUATION OF FUND ASSETS

### DEVELOPMENT OF THE ACTUARIAL VALUE OF ASSETS

Total Market Value - Current Valuation		\$ 5,194,957
Adjustment for Prior (Gains)/Losses		
	<u>Full Amount</u>	
First Preceding Year	\$ (22,377)	(17,901)
Second Preceding Year	262,302	157,381
Third Preceding Year	145,539	58,216
Fourth Preceding Year	123,443	24,689
Total Deferred (Gain)/Loss		<u>222,385</u>
Initial Actuarial Value of Assets - Current Valuation	\$ 5,417,342	
Less Contributions for the Current Year and Interest		-
Less Adjustment for the Corridor		-
Actuarial Value of Assets - Current Valuation		<u>\$ 5,417,342</u>

*The Actuarial Value of Assets is Equal to the Fair Market Value of Assets with Unanticipated Gains/Losses Recognized over 5 Years. The Actuarial Value of Assets is Currently 104% of the Market Value.*

### (GAIN)/LOSS ON THE ACTUARIAL VALUE OF ASSETS

Total Actuarial Value - Prior Valuation		\$ 5,224,073
Plus - Employer Contributions		262,346
Plus - Employee Contributions		100,769
Plus - Return on Investments		212,279
Less - Benefit and Related Payments		(362,576)
Less - Other Expenses		<u>(19,550)</u>
Total Actuarial Value - Current Valuation		<u>\$ 5,417,342</u>

*The Return on Investment on the Actuarial Value of Assets for the Fund was Approximately 3.7% Net of Administrative Expenses.*

The Actuarial Value of Assets incorporates portions of gains and losses over multiple years.



## VALUATION OF FUND ASSETS

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### HISTORICAL ASSET PERFORMANCE

The chart below shows the historical rates of return on plan assets for both Market Value of Assets and Actuarial Value of Assets.

	Market Value	Actuarial Value
First Preceding Year	7.0%	3.7%
Second Preceding Year	1.0%	2.9%
Third Preceding Year	6.3%	5.8%

The returns on assets shown above were calculated based on the annual return on investment for the year, as a percentage of the average value of the assets for the year.

For purposes of determining the average value of assets during the year, the ending market value of assets has been adjusted to net out to the portion related to the investment returns themselves. All other cash flows are included.

For purposes of determining the annual return on investment we have adjusted the figures shown on the preceding pages. The figures shown on the preceding pages are net of investment expenses. We have made an additional adjustment to net out administrative expenses. Netting out administrative expenses allows us to capture returns for the year that can be used to make benefit payments as part of the ongoing actuarial process.

The adjustment we make is for actuarial reporting purposes only. By netting out administrative expenses and capturing return dollars that are available to pay benefits, it provides us a comparison to the estimated rate of return on assets, but does not provide a figure that would be consistent with the return rates that are determined by other parties. Therefore, this calculated rate of return should not be used to analyze investment performance of the Fund or the performance of the investment professionals.





## RECOMMENDED CONTRIBUTION DETAIL

Actuarial Accrued Liability  
Funded Status  
Development of the Normal Cost  
Recommended Contribution  
Actuarial Methods – Recommended Contribution

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## RECOMMENDED CONTRIBUTION DETAIL

### ACTUARIAL ACCRUED LIABILITY

	Prior Valuation	Current Valuation
Active Employees	\$ 6,819,722	\$ 6,001,818
Inactive Employees		
Terminated Employees - Vested	65,951	-
Retired Employees	2,241,742	3,482,955
Disabled Employees	1,827,637	1,869,669
Other Beneficiaries	720,318	706,404
Total Inactive Employees	4,855,648	6,059,028
Total Actuarial Accrued Liability	\$ 11,675,370	\$ 12,060,846

*The Total Actuarial Liability has Increased \$385,476 from Prior Valuation.*

### FUNDED STATUS

	Prior Valuation	Current Valuation
Total Actuarial Accrued Liability	\$ 11,675,370	\$ 12,060,846
Total Actuarial Value of Assets	5,224,073	5,417,342
Unfunded Actuarial Accrued Liability	\$ 6,451,297	\$ 6,643,504
Total Market Value of Assets	\$ 4,856,359	\$ 5,194,957
Percent Funded		
Actuarial Value of Assets	<u>44.74%</u>	<u>44.92%</u>
Market Value of Assets	<u>41.59%</u>	<u>43.07%</u>

*Funded Percentage as of the Valuation Date is Subject to Volatility on Assets and Liability in the Short-Term.*



## **RECOMMENDED CONTRIBUTION DETAIL**

### DEVELOPMENT OF THE EMPLOYER NORMAL COST

	Prior Valuation	Current Valuation
Total Normal Cost	\$ 211,666	\$ 253,296
Estimated Employee Contributions	(107,283)	(107,281)
Employer Normal Cost	<u>\$ 104,383</u>	<u>\$ 146,015</u>

*At a 100%  
Funding Level,  
the Normal Cost  
Contribution is  
Still Required.*

### NORMAL COST AS A PERCENTAGE OF EXPECTED PAYROLL

	Prior Valuation	Current Valuation
Expected Payroll	\$ 1,082,572	\$ 1,082,556
Employee Normal Cost Rate	<u>9.910%</u>	<u>9.910%</u>
Employer Normal Cost Rate	<u>9.64%</u>	<u>13.49%</u>
Total Normal Cost Rate	<u>19.55%</u>	<u>23.40%</u>

*Ideally, the  
Employer  
Normal Cost  
Rate will Remain  
Stable.*

### CONTRIBUTION RECOMMENDATION

	Prior Valuation	Current Valuation
Employer Normal Cost*	\$ 118,141	\$ 155,506
Amortization of Unfunded Accrued Liability/(Surplus)	503,011	543,173
Funding Requirement	<u>\$ 621,152</u>	<u>\$ 698,679</u>

*The  
Recommended  
Contribution has  
Increased 12.5%  
from Prior  
Valuation.*

\*Employer Normal Cost Contribution includes interest through the end of the year.



## ***RECOMMENDED CONTRIBUTION DETAIL***

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### **ACTUARIAL METHODS – RECOMMENDED CONTRIBUTION**

Actuarial Valuation Date	May 1, 2017
Data Collection Date	April 30, 2017
Actuarial Cost Method	Entry Age Normal (Level % Pay)
Amortization Method	Level % Pay (Closed)
Amortization Target	100% Funded over 16 years
Asset Valuation Method	5-Year Smoothed Market Value

The contribution and benefit values of the Pension Fund are calculated by applying actuarial assumptions to the benefit provisions and census information furnished, using the actuarial cost methods described. The actuarial cost and amortization method allocates the projected obligations of the plan over the working lifetimes of the plan participants.

The recommended contribution amount shown in this report is based on the methods summarized above. The Actuarial Funding Policies section of the report will include a more detailed description of the funding methods being used.

The Actuarial Funding Methods are meant to provide a systematic process for determining contributions on an annual basis. The methods do not impact the expectation of future benefit payments. The methods only impact the way dollars are contributed towards future benefit payments.

Different Actuarial Funding Methods may achieve funding goals with differing levels of success. Certain methods are more efficient and more stable on an annual basis.





# ILLINOIS STATUTORY MINIMUM CONTRIBUTION

Minimum Contribution  
Methods and Assumptions

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## **ILLINOIS STATUTORY MINIMUM CONTRIBUTION**

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### **STATUTORY MINIMUM CONTRIBUTION**

	<u>Minimum Contribution</u>
Contribution Requirement	\$502,034
Expected Payroll	\$1,082,556
Contribution Requirement as a Percent of Expected Payroll	46.37%

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### **FUNDED STATUS – STATUTORY MINIMUM**

	<u>Minimum Contribution</u>
Normal Cost	\$299,780
Market Value of Assets	\$5,194,957
Actuarial Value of Assets	\$5,417,342
Actuarial Accrued Liability	\$11,318,288
Unfunded Actuarial Accrued Liability	\$5,900,946
Percent Funded	
Actuarial Value of Assets	47.86%
Market Value of Assets	45.90%

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## ***ILLINOIS STATUTORY MINIMUM CONTRIBUTION***

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The Statutory Minimum Contribution is based on funding methods and funding parameters in the Illinois statutes for pension funding. The resulting contribution is lower than the recommended contribution for the current plan year. The lower contribution amount is not recommended because it represents only a deferral of contributions when compared to the recommended contribution method.

Actuarial Funding methods for pensions are best applied to provide a balance between the long-term goals of a variety of stakeholders:

1. Beneficiaries – the fund participants are interested in benefit security and having the dollars there to pay benefits when retired
2. Employers – cost control and cost stability over the long-term
3. Taxpayers – paying for the services they are receiving from active employees

The Statutory Minimum Contribution methods are not intended to provide a better system in any of the above categories long-term. The parameters are not recommended for a long-term funding strategy.

The Statutory Minimum methods put into place in 2011 were intended to provide short-term budget relief for Employer contributions. An employer using the Statutory Minimum parameters for current funding should view the contributions as short-term relief. Our recommendation in this situation is for a pension fund and an employer to work towards a long-term funding strategy that better achieves the long-term funding goals, over a period that does not exceed 3-5 years.

The Securities and Exchange Commission in 2013 used the phrase “Statutory Underfunding” to describe situations where contributions appear to be more manageable in the short-term, but set up future contribution requirements that are less likely to be manageable.



## ***ILLINOIS STATUTORY MINIMUM CONTRIBUTION***

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### **ACTUARIAL METHODS – ILLINOIS STATUTORY MINIMUM CONTRIBUTION**

Actuarial Valuation Date	May 1, 2017
Data Collection Date	April 30, 2017
Actuarial Cost Method	Projected Unit Credit (Level % of Pay)
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	90% Funded over 23 years
Asset Valuation Method	5-Year Smoothed Market Value

The contribution and benefit values of the Pension Fund are calculated by applying actuarial assumptions to the benefit provisions and census information furnished, using the actuarial cost methods described. The actuarial cost and amortization method allocates the projected obligations of the plan over the working lifetimes of the plan participants.

The Actuarial Funding Methods are meant to provide a systematic process for determining contributions on an annual basis. The methods do not impact the expectation of future benefit payments. The methods only impact the way dollars are contributed towards future benefit payments.

Different Actuarial Funding Methods may achieve funding goals with differing levels of success. Certain methods are more efficient and more stable on an annual basis.





# ACTUARIAL VALUATION DATA

Active Employees  
Retirees and Beneficiaries

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## ACTUARIAL VALUATION DATA

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### ACTIVE EMPLOYEES

	Prior Valuation	Current Valuation
Vested	12	11
Nonvested	2	3
Total Active Employees	14	14
Total Payroll	\$ 1,063,953	\$ 1,063,937

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### INACTIVE EMPLOYEES

	Prior Valuation	Current Valuation
Terminated Employees - Vested	1	0
Retired Employees	3	4
Disabled Employees	3	3
Other Beneficiaries	2	2
Total Inactive Employees	9	9

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### SUMMARY OF BENEFIT PAYMENTS

	Prior Valuation	Current Valuation
Terminated Employees - Vested	\$ 1,157	\$ -
Retired Employees	12,157	17,926
Disabled Employees	8,880	8,944
Other Beneficiaries	5,017	5,017
Total Inactive Employees	\$ 27,211	\$ 31,887

Benefits shown for terminated employees under deferred retirement are not currently in pay status.

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## ACTUARIAL FUNDING POLICIES

Actuarial Cost Method  
Financing Unfunded Accrued Liability  
Actuarial Value of Assets

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## ***ACTUARIAL FUNDING POLICIES***

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### **ACTUARIAL COST METHOD**

The actuarial cost method allocates the projected obligations of the plan over the working lifetimes of the plan participants.

In accordance with the Pension Fund's Funding Policy the actuarial cost method for the recommended contribution basis is Entry Age Normal (Level Percent of Pay). The Entry Age Normal Cost Method is a method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age. The portion of this actuarial present value allocated to a valuation year is called normal cost. The portion of the actuarial present value not provided at a valuation date by the actuarial present value of future normal costs is called the actuarial liability.

### **FINANCING UNFUNDED ACTUARIAL ACCRUED LIABILITY**

The Unfunded Actuarial Accrued Liability may be amortized over a period either in level dollar amounts or as a level percentage of projected payroll.

In accordance with the Pension Fund's Funding Policy for the recommended contribution the unfunded actuarial accrued liabilities are amortized by level percent of payroll contributions to a 100% funding target over the remaining 16 future years.

### **ACTUARIAL VALUE OF ASSETS**

The pension fund is an ongoing plan. The employer wishes to smooth the effect of volatility in the market value of assets on the annual contribution. The Actuarial Value of Assets is equal to the Market Value of Assets with unanticipated gains/losses recognized over five years.

The asset valuation method is intended to create an Actuarial Value of Assets that remains reasonable in relation to the Market Value of Assets over time. The method produces results that can fall above and below the Market Value of Assets. The period of recognition is short.

It is intended that the period of recognition is short enough to keep the Actuarial Value of Assets within a decent range of the Market Value. The employer has not placed a specific corridor around the Market Value of Assets.





# ACTUARIAL ASSUMPTIONS

Nature of Actuarial Calculations  
Actuarial Assumptions in the Valuation Process  
Actuarial Assumptions Utilized

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## ***ACTUARIAL ASSUMPTIONS***

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### **NATURE OF ACTUARIAL CALCULATIONS**

The results documented in this report are estimates based on data that may be imperfect and on assumptions about future events. Certain plan provisions may be approximated or deemed immaterial, and, therefore, are not valued. Assumptions may be made about participant data or other factors. Reasonable efforts were made in this valuation to ensure that significant items in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately.

Actual future experience will differ from the assumptions used in the calculations. As these differences arise, the expense for accounting purposes will be adjusted in future valuations to reflect such actual experience.

A range of results different from those presented in this report could be considered reasonable. The numbers are not rounded, but this is for convenience only and should not imply precision which is not inherent in actuarial calculations.

### **ACTUARIAL ASSUMPTIONS IN THE VALUATION PROCESS**

The contribution and benefit values of the Pension Fund are calculated by applying actuarial assumptions to the benefit provisions and census information furnished, using the actuarial cost methods described in the previous section.

The principal areas of financial risk which require assumptions about future experience are:

- Long-term Rates of Investment Return
- Patterns of Pay Increases for Members
- Rates of Mortality Among Members and Beneficiaries
- Rates of Withdrawal of Active Members
- Rates of Disability Among Members
- Age Patterns of Actual Retirement

Actual experience of the Pension Fund will not coincide exactly with assumed experience. Each valuation provides a complete recalculation of assumed future experience and takes into account all past differences between assumed and actual experience. The result is a continual series of adjustments to the computed contribution requirement.

From time to time it becomes appropriate to modify one or more of the assumptions, to reflect experience trends (but not random year-to-year fluctuations).

Details behind the selection of the actuarial assumptions can be found in the assumption document provided to the client. The client has reviewed and approved the assumptions as a reasonable expectation of the future anticipated experience under the plan.



## *ACTUARIAL ASSUMPTIONS*

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### ACTUARIAL ASSUMPTIONS UTILIZED

<b>Expected Return on Investments</b>	6.50% net of administrative expenses.
<b>CPI-U</b>	2.50%
<b>Total Payroll Increases</b>	3.50%
<b>Individual Pay Increases</b>	3.50% - 7.55%

Individual salary increases include a long-term average increase for inflation, average annual increases for promotions, and any additional increases for a step program. Sample Rates as Follows:

Service	Rate	Service	Rate
0	7.55%	8	4.00%
1	7.31%	9	4.00%
2	7.08%	10	4.00%
3	6.88%	15	4.00%
4	6.70%	20	3.50%
5	6.53%	25	3.50%
6	6.37%	30	3.50%
7	6.15%	35	3.50%

### Retirement Rates

100% of the L&A Assumption Study Cap Age 62 for Police 2016.  
Sample Rates as Follows:

Age	Rate	Age	Rate
50	0.117	53	0.139
51	0.124	54	0.147
52	0.131	55	0.156



## *ACTUARIAL ASSUMPTIONS*

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**Withdrawal Rates**

125% of the L&A Assumption Study for Police 2016. Sample Rates as Follows:

Age	Rate	Age	Rate
25	0.051	40	0.034
30	0.049	45	0.017
35	0.045	50	0.004

**Disability Rates**

125% of the L&A Assumption Study for Police 2016. Sample Rates as Follows:

Age	Rate	Age	Rate
25	0.0007	40	0.0036
30	0.0013	45	0.0054
35	0.0022	50	0.0080

**Mortality Rates**

Active Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study, with Blue Collar Adjustment. These Rates are Improved Generationally using MP-2016 Improvement Rates.

Retiree Mortality follows the L&A Assumption Study for Police 2016. These Rates are Experience Weighted with the Raw Rates as Developed in the RP-2014 Study, with Blue Collar Adjustment and Improved Generationally using MP-2016 Improvement Rates.

Disabled Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study for Disabled Participants, with Blue Collar Adjustment. These Rates are Improved Generationally using MP-2016 Improvement Rates.

Spouse Mortality follows the Sex Distinct Raw Rates as Developed in the RP-2014 Study. These Rates are Improved Generationally using MP-2016 Improvement Rates.

**Married Participants**

80% of Active Participants are Assumed to be Married. Female Spouses are Assumed to be 4 Years Younger than Male Spouses.



## ***SUMMARY OF PRINCIPAL PLAN PROVISIONS***

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### **ESTABLISHMENT OF THE FUND**

The Police Pension Fund is established and administered as prescribed by "Article 3. Police Pension Fund – Municipalities 500,000 and Under" of the Illinois Pension Code.

### **ADMINISTRATION**

The Police Pension Fund is administered by a Board of Trustees located in each municipality maintaining a pension fund for its police officers. Its duties are to control and manage the pension fund, to hear and determine applications for pensions, to authorize payment of pensions, to establish rules, to pay expenses, to invest funds, and to keep records.

### **EMPLOYEE CONTRIBUTIONS**

Employees contribute 9.910% of salary.

### **NORMAL RETIREMENT PENSION BENEFIT**

#### Hired Prior to January 1, 2011

*Eligibility:* Age 50 with at least 20 years of creditable service and no longer a police officer.

*Benefit:* 50% of final salary is payable commencing at retirement for 20 years of service. An additional 2.5% of final salary is added for each additional year of service in excess of 20 years of service (not to exceed 75% of final salary). "Final salary" is the salary attached to rank held on the last day of services or for 1 year prior to the last day, whichever is greater.

*Annual Increase in Benefit:* An officer will receive an initial increase of 1/12 of 3% for each month that has elapsed since retirement. The initial increase date will be the later of the first day of the month following the attainment of age 55, or the first anniversary of the date of retirement. Subsequent increases of 3% of the current pension amount (including prior increases) will be provided in each January thereafter.



## ***SUMMARY OF PRINCIPAL PLAN PROVISIONS***

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### **NORMAL RETIREMENT PENSION BENEFIT - CONTINUED**

#### Hired on or After January 1, 2011

*Eligibility:* Age 55 with at least 10 years of creditable service and no longer a police officer.

*Benefit:* 2.5% of final average salary for each year of service is payable at retirement (not to exceed 75% of final average salary). "Final average salary" is determined by dividing the highest total salary over 96 consecutive months of service in the last 120 months of service by the total number of months of service in the period. Annual salary for this purpose will not exceed \$106,800, indexed by the lesser of 3% or  $\frac{1}{2}$  of the CPI-U for the 12 months ending with the September preceding each November 1. The salary cap will not decrease.

*Annual Increase in Benefit:* The initial increase date will be the January 1<sup>st</sup> following the later of the attainment of age 60, or the first anniversary of the date of retirement. Subsequent increases will occur on each subsequent January 1<sup>st</sup>. The first increase and subsequent increases will be the lesser of 3% of the original benefit or  $\frac{1}{2}$  of the CPI-U for the 12 months ending with the September preceding each November 1, applied to the original benefit.

### **EARLY RETIREMENT PENSION BENEFIT**

#### Hired Prior to January 1, 2011

None

#### Hired on or After January 1, 2011

*Eligibility:* Age 50 with at least 10 years of creditable service and no longer a police officer.

*Benefit:* The normal retirement pension benefit reduced by  $\frac{1}{2}$  of 1% for each month that the police officer's age is under age 55.

*Annual Increase in Benefit:* The initial increase date will be the January 1<sup>st</sup> following the later of the attainment of age 60, or the first anniversary of the date of retirement. Subsequent increases will occur on each subsequent January 1<sup>st</sup>. The first increase and subsequent increases will be the lesser of 3% of the original benefit or  $\frac{1}{2}$  of the CPI-U for the 12 months ending with the September preceding each November 1, applied to the original benefit.



## ***SUMMARY OF PRINCIPAL PLAN PROVISIONS***

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### **PENSION TO SURVIVORS**

#### Hired Prior to January 1, 2011

##### Death - Line of Duty

Surviving spouse is entitled to 100% of the salary attached to the rank of the police officer on the last day of service, payable immediately.

##### Death - Non-Duty

*Current Pensioners (Including Disabled Pensioners):* Surviving spouse to receive continuation of the pension.

*Active Employee with 20+ Years of Service:* Surviving spouse is entitled to the full pension earned by the police officer at the time of death.

*Active Employee with 10-20 Years of service:* Surviving spouse is entitled to 50% of the salary attached to the rank of the police officer on the last day of service, payable immediately

*Annual Increase in Benefit:* None.

#### Hired on or After January 1, 2011

##### Death - Line of Duty

Surviving spouse is entitled to 100% of the salary attached to the rank of the police officer on the last day of service, payable immediately.

##### Death - Non-Duty

*Current Pensioners (Including Disabled Pensioners), Active Employee with 20+ Years of Service, and Active Employee with 10-20 Years of service:* Surviving spouse to receive 66 2/3% of the police officer's earned pension at the date of death.

*Annual Increase in Benefit:* The initial increase date will be the January 1<sup>st</sup> after the attainment of age 60 by the recipient of the survivor's pension. Subsequent increases will occur on each subsequent January 1<sup>st</sup>. The first increase and subsequent increases will be the lesser of 3% of the original benefit or 1/2 of the CPI-U for the 12 months ending with the September preceding each November 1, applied to the original survivor's benefit amount.



## ***SUMMARY OF PRINCIPAL PLAN PROVISIONS***

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### **TERMINATION BENEFIT**

#### Hired Prior to January 1, 2011

*Eligibility:* At least 8 years but less than 20 years of creditable service.

*Benefit:* 2.5% of final salary for each year of service is payable beginning at age 60. "Final salary" is based on the greater of salary during the last year of service prior to termination of employment or the pay rate for the police officer at termination of employment.

*Annual Increase in Benefit:* An officer will receive an initial increase of 3% on the first anniversary of the date of start of payments. Subsequent increases of 3% of the current pension amount will be provided in each January thereafter.

#### Hired on or After January 1, 2011

*Eligibility:* At least 10 years but less than 20 years of creditable service.

*Benefit:* 2.5% of final salary for each year of service is payable beginning at age 60. "Final salary" is based on the greater of salary during the last year of service prior to termination of employment or the pay rate for the police officer at termination of employment. Annual salary for this purpose will not exceed \$106,800, indexed by the lesser of 3% or ½ of the CPI-U for the 12 months ending with the September preceding each November 1. The salary cap will not decrease.

*Annual Increase in Benefit:* The initial increase date will be the January 1<sup>st</sup> following the first payment. Subsequent increases will occur on each subsequent January 1<sup>st</sup>. The first increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U for the 12 mos. ending with the September preceding each November 1, applied to the original benefit amount.



## ***SUMMARY OF PRINCIPAL PLAN PROVISIONS***

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### **DISABILITY BENEFIT**

#### Hired Prior to January 1, 2011

*Eligibility:* Disability (duty or non-duty).

*Benefit:* A police officer who becomes disabled on duty is entitled to receive a pension equal to the greater of 65% of final salary or the pension they would have been entitled to upon retirement at the time of disability. For a non-duty disability, the police officer is entitled to 50% of final salary. "Final salary" is based on the pay rate for the police officer on the last day of service.

*Annual Increase in Benefit:* The initial increase date will be the January 1<sup>st</sup> following the attainment of age 60. Subsequent increases will occur on each subsequent January 1<sup>st</sup>. The first increase is 3% of the original benefit for each full year that has passed since the pension began. Subsequent increases will be the 3% of the original pension benefit amount.

#### Hired on or after January 1, 2011

*Eligibility:* Disability (duty or non-duty).

*Benefit:* A police officer who becomes disabled on duty is entitled to receive a pension equal to the greater of 65% of final salary or the pension they would have been entitled to upon retirement at the time of disability. For a non-duty disability, the police officer is entitled to 50% of final salary. "Final salary" is based on the pay rate for the police officer on the last day of service.

*Annual Increase in Benefit:* The initial increase date will be the January 1<sup>st</sup> following the attainment of age 60. Subsequent increases will occur on each subsequent January 1<sup>st</sup>. The first increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U for the 12 months ending with the September preceding each November 1, applied to the original benefit amount.





GLOSSARY OF TERMS

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## GLOSSARY OF TERMS

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### GLOSSARY OF TERMS

**Actuarial Accrued Liability** – The actuarial present value of future benefits based on employees’ service rendered to the measurement date using the selected actuarial cost method. It is that portion of the Actuarial Present Value of plan benefits and expenses allocated to prior years of employment. It is not provided for by future Normal Costs.

**Actuarial Cost Method** – The method used to allocate the projected obligations of the plan over the working lifetimes of the plan participants.

**Actuarial Value of Assets** – The value of the assets used in the determination of the Unfunded Actuarial Accrued Liability. The Actuarial Value of Assets is related to Market Value of Assets, with adjustments made to spread unanticipated gains and losses for a given year over a period of several years. Actuarial Value of Assets is generally equally likely to fall above or below the Market Value of Assets, and generally does not experience as much volatility over time as the Market Value of Assets.

**Asset Valuation Method** – A valuation method designed to smooth random fluctuations in asset values. The objective underlying the use of an asset valuation method is to provide for the long-term stability of employer contributions.

**Funding Policy** – A set of procedures for a Pension Fund that outlines the “best practices” for funding the pension benefits based on the goals of the plan sponsor. A Funding Policy discusses items such as assumptions, Actuarial Cost Method, assets, and other parameters that will best help the sponsor meet their goal of working in the best interest of the plan participant.

**Market Value of Assets** – The value of the cash, bonds, securities and other assets held in the pension trust as of the measurement date.

**Normal Cost** – The present value of future benefits earned by employees during the current fiscal year. It is that portion of the Actuarial Present Value of benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.

**Unfunded Actuarial Accrued Liability** – The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. The Unfunded Actuarial Accrued Liability is amortized over a period either in level dollar amounts or as a level percentage of projected payroll.



CITY OF MARENGO, ILLINOIS  
POLICE PENSION FUND

HOUSE BILL 5088 - MUNICIPAL COMPLIANCE REPORT

FOR THE FISCAL YEAR ENDED

APRIL 30, 2017

**CITY OF MARENGO, ILLINOIS  
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2017**

The Pension Board certifies to the Board of Trustees of the City of Marengo, Illinois on the condition of the Pension Fund at the end of its most recently completed fiscal year the following information:

- 1) The total cash and investments of the fund and their current market value of those assets:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Total Cash and Investments	<u>\$ 5,195,313</u>	<u>\$ 4,856,833</u>
Total Net Position	<u>\$ 5,194,957</u>	<u>\$ 4,856,359</u>

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

Estimated Receipts - Employee Contributions	<u>\$ 105,200</u>
Estimated Receipts - All Other Sources	
Investment Earnings	<u>\$ 337,700</u>
Municipal Contributions	<u>\$ 698,679</u>

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

(a) Pay all Pensions and Other Obligations	<u>\$ 477,700</u>
(b) Annual Requirement of the Fund as Determined by:	
Illinois Department of Insurance	<u>\$ N/A</u>
Private Actuary- Lauterbach & Amen, LLP	
Recommended Municipal Contribution	<u>\$ 698,679</u>
Statutory Municipal Contribution	<u>\$ 502,034</u>

**CITY OF MARENGO, ILLINOIS  
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2017**

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

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Net Income Received from Investment of Assets	<u>\$ 357,608</u>	<u>\$ 67,493</u>
Assumed Investment Return		
Illinois Department of Insurance	<u>N/A</u>	<u>6.00%</u>
Private Actuary- Lauterbach & Amen, LLP	<u>6.50%</u>	<u>6.50%</u>
Actual Investment Return	<u>7.38%</u>	<u>1.42%</u>

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

Number of Active Members	<u>14</u>
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- 6) The total amount that was disbursed in benefits during the fiscal year, including the number of and total amount disbursed to (i) annuitants in receipt of a regular retirement pension, (ii) recipients being paid a disability pension, and (iii) survivors and children in receipt of benefits:

	<u>Number of</u>	<u>Total Amount Disbursed</u>
(i) Regular Retirement Pension	<u>4</u>	<u>\$ 195,619</u>
(ii) Disability Pension	<u>3</u>	<u>\$ 106,749</u>
(iii) Survivors and Child Benefits	<u>2</u>	<u>\$ 60,207</u>
Totals	<u>9</u>	<u>\$ 362,576</u>

**CITY OF MARENGO, ILLINOIS  
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2017**

7) The funded ratio of the fund:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Illinois Department of Insurance	<u>N/A</u>	<u>44.01%</u>
Private Actuary- Lauterbach & Amen, LLP	<u>44.92%</u>	<u>44.74%</u>

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

Unfunded Liability:

Illinois Department of Insurance	<u>\$ N/A</u>
Private Actuary- Lauterbach & Amen, LLP	<u>\$ 6,643,504</u>

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

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

Investment Policy - See Attached.

Please see Notes Page attached.

CERTIFICATION OF MUNICIPAL POLICE  
PENSION FUND COMPLIANCE REPORT

The Board of Trustees of the Pension Fund, based upon information and belief, and to the best of our knowledge, hereby certify pursuant to §3-143 of the Illinois Pension Code 40 ILCS 5/3-143, that the preceding report is true and accurate.

Adopted this 17th day of October, 2017

President	<u>Dawn Wagner</u>	Date	<u>10/17/17</u>
Secretary	<u>[Signature]</u>	Date	<u>10/17/17</u>

**CITY OF MARENGO, ILLINOIS  
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2017**

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INDEX OF ASSUMPTIONS

- 1) Total Cash and Investments - as Reported in the Audited Financial Statements for the Years Ended April 30, 2017 and 2016.

Total Net Position - as Reported at Market Value in the Audited Financial Statements for the Years Ended April 30, 2017 and 2016.

- 2) Estimated Receipts - Employee Contributions as Reported in the Audited Financial Statements for the Year Ended April 30, 2017 plus 4.35% Increase (Actuarial Salary Increase Assumption) Rounded to the Nearest \$100.

Estimated Receipts - All Other Sources

Investment Earnings - Cash and Investments as Reported in the Audited Financial Statements for the Year Ended April 30, 2017, times 6.5% (Actuarial Investment Return Assumption) Rounded to the Nearest \$100.

Municipal Contributions - Recommended Tax Levy Requirement as Reported by Lauterbach & Amen, LLP, Actuarial Valuation for the Year Ended April 30, 2017.

- 3) (a) Pay all Pensions and Other Obligations - Total Deductions as Reported in the Audited Financial Statements for the Year Ended April 30, 2017, plus a 25% Increase, Rounded to the Nearest \$100.

- (b) Annual Requirement of the Fund as Determined by:

Illinois Department of Insurance - No April 30, 2017 Actuarial Valuation available at the time of this report.

Private Actuary

Recommended Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the April 30, 2017 Actuarial Valuation.

Statutorily Required Amount of Tax Levy as Reported by Lauterbach & Amen, LLP in the April 30, 2017 Actuarial Valuation.

**CITY OF MARENGO, ILLINOIS  
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2017**

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INDEX OF ASSUMPTIONS - Continued

- 4) Net Income Received from Investment of Assets - Investment Income (Loss) net of Investment Expense, as Reported in the Audited Financial Statements for the Years Ended April 30, 2017 and 2016.

Assumed Investment Return

Illinois Department of Insurance - Preceding Fiscal Year Interest Rate Assumption as Reported in the April 30, 2016 Actuarial Valuation. No April 30, 2017 Actuarial Valuation available at the time of this report.

Private Actuary - Current and Preceding Fiscal Year Interest Rate Assumption as Reported in the Lauterbach & Amen, LLP, April 30, 2017 and 2016 Actuarial Valuations.

Actual Investment Return -Net Income Received from Investments as Reported Above as a Percentage of the Average of the Beginning and Ending Balances of the Fiscal Year Cash Investments, Excluding Net Investment Income, Gains, and Losses for the Fiscal Year Return Being calculated, as Reported in the Audited Financial Statements for the Fiscal Years Ended April 30, 2017, 2016 and 2015.

- 5) Number of Active Members - Illinois Department of Insurance Annual Statement for April 30, 2017 - Schedule P.
- 6) (i) Regular Retirement Pension - Illinois Department of Insurance Annual Statement for April 30, 2017 - Schedule P for Number of Participants and Expense page 1 for Total Amount Disbursed.  
(ii) Disability Pension - Same as above.  
(iii) Survivors and Child Benefits - Same as above.

**CITY OF MARENGO, ILLINOIS  
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report  
For the Fiscal Year Ending April 30, 2017**

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INDEX OF ASSUMPTIONS - Continued

7) The funded ratio of the fund:

Illinois Department of Insurance - Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the April 30, 2016 Actuarial Valuation. No April 30, 2017 Actuarial Valuation available at the time of this report.

Private Actuary - Current and Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the Lauterbach & Amen, LLP, April 30, 2017 and April 30, 2016 Actuarial Valuations.

8) Unfunded Liability:

Illinois Department of Insurance - Deferred Asset (Unfunded Accrued Liability) - No April 30, 2017 Actuarial Valuation available at the time of this report.

Private Actuary - Deferred Asset (Unfunded Accrued Liability) as Reported by Lauterbach & Amen, LLP in the April 30, 2017 Actuarial Valuation.

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## AGENDA SUPPLEMENT

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**TO: Mayor and City Council**

**FROM: Jennifer Snelten, Finance/H.R. Director**

**FOR: November 13, 2017 Regular City Council Meeting**

**RE: Property Tax Levy Request Rate**

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Each year, the corporate authorities for the City of Marengo are required to estimate the revenues required to operate the various functions of the City. Included in the revenues are those amounts funded through the property taxes. Consequently, the City must evaluate the amounts required for the property tax level so that the funds generated through this revenue instrument will become available during the 2018-2019 fiscal year. The estimated levy must be approved by the City Council and submitted to the County Clerk by the last Tuesday in December.

Property tax revenue is the primary, and in some cases the only, revenue source for the operation of the General, Audit, Police Pension, and Cemetery Funds. As has been discussed recently, the Cemetery Fund has been operating at a deficit with the elimination/reduction of property tax proceeds over the past few years. The 2016 extension included a \$10,000 allotment for the Cemetery Fund, and there has been some discussion about increasing it to \$15,000 for 2017. Given the current transitional status of the cemetery's administrative and operational functions, and the potential for cost savings, it may be prudent to maintain the \$10,000 allotment for the 2017 levy request until council has a firmer understanding of the operational costs moving forward. A transfer can always be made from the General Fund if supplementary funds are needed.

Another frequent topic of discussion over the past several years has been the challenge, faced not only by Marengo but most entities statewide, of meeting the minimum contribution requirement of the Police Pension Fund. Over the past ten years, it has been the practice of the city to increase the police pension allotment by a minimum of 10% each year. For FY 2017-18, a transfer of an additional \$150,000 was made from the General Fund to the Police Pension Fund. According to the most recent Actuarial Report for the fiscal year ending April 30, 2017, the statutory municipal contribution has been determined to be \$502,034. If the city were to increase the police pension line item by the entire projected increase of \$35,091, and transfer another \$150,000 from the General Fund, the total contribution would be \$450,647; \$51,387 short of the statutory requirement.

The McHenry County Deputy Assessor has projected the 2017 property tax levy extension to be an approximate increase of 2.32%, or \$1,544,994 after the County Clerk has applied the property tax extension limitation. The increase equates to \$35,091 more than the 2016 extension amount of \$1,509,903. Consequently, staff recommends a 2017 levy request of \$1,585,398 which represents an increase of 5% over the prior year's extension of \$1,509,903. In March 2018, the

County Clerk will provide the limiting tax extension and if the City's request has exceeded the tax extension the levy amount will be reduced accordingly. If, on the other hand, our request for the levy extension is underestimated and we do not meet the limitation figure, the City will not have the ability to levy more to make up the difference. This would result in the city's loss of between \$35,091 and \$75,495 in property tax revenue for 2018, and each subsequent year as well. Therefore, it is critical that the request be higher than the anticipated extension in order to capture all new growth and assessment in the community and all of the property tax revenues to which the City is entitled under the tax cap legislation. For illustrative purposes, the levy request for tax years 2007 through 2016 ranged from a 5.00%-32.05% increase. The actual extensions provided increases of 4.90%, 5.30%, 1.05%, 1.75%, -2.68%, -1.13%, 4.82%, 2.01%, 0.82%, and 0.79% respectively.

The city's share of the local property tax rate was 11.75% in 2016, consisting of an 8.28% share for operating and a 3.47% share for the pension fund. Subsequently, a property owner with property assessed a "fair cash value" of \$150,000 can expect a projected increase of \$14 for the city's portion of the 2017 tax bill based upon the projected 2.32% maximum increase. Attached for your review is a pie chart showing the allocation of property tax by taxing body for a typical property owner in Marengo Township, along with a detailed breakdown of the projected impact of a 5% tax levy request.

A discussion of staff's recommendation regarding the 2017 tax levy request, and direction in preparing a resolution for approval on 11/27/17 is hereby requested. The final step in the process will be the approval of the Tax Levy Ordinance on December 11, 2017.

## 2017 Proposed Tax Levy Worksheet

Fund Name	2016 Extension	2017	2017 Proposed	Percent of Total Request	2017 Projected
		Projected Max Rate*	Request (+5.00%)		Extension (+2.32%)*
Corporate	\$ 444,087.56	\$ 528,362.95	\$ 455,500.61	0.287310	\$ 443,892.07
IMRF	\$ 73,639.42		\$ 75,531.95	0.047642	\$ 73,607.00
Police Protection	\$ 398,522.62	\$ 724,612.05	\$ 408,764.65	0.257831	\$ 398,347.19
Police Pension	\$ 265,203.20		\$ 308,509.56	0.194594	\$ 300,647.12
Cemetery	\$ 10,004.37	\$ 30,192.17	\$ 10,261.48	0.006472	\$ 9,999.97
Garbage	\$ -		\$ 100.00	0.000063	\$ 97.45
Audit	\$ 19,186.60		\$ 19,679.70	0.012413	\$ 19,178.15
Liability Insurance	\$ 62,158.82		\$ 63,756.30	0.040215	\$ 62,131.46
Street & Bridge	\$ -	\$ 120,768.68	\$ 100.00	0.000063	\$ 97.45
Street Lighting	\$ 50,754.89	\$ 60,384.34	\$ 52,059.29	0.032837	\$ 50,732.55
ESDA	\$ 2,274.69	\$ 60,384.34	\$ 2,333.15	0.001472	\$ 2,273.69
Social Security	\$ 107,025.67		\$ 109,776.23	0.069242	\$ 106,978.56
Unemployment	\$ 5,615.12		\$ 5,759.43	0.003633	\$ 5,612.65
Workmans Comp	\$ 71,430.14		\$ 73,265.89	0.046213	\$ 71,398.70
<b>Totals</b>	<b>\$ 1,509,903.10</b>		<b>\$ 1,585,398.24</b>	<b>1.000000</b>	<b>\$ 1,544,994.00</b>

\*McHenry County Deputy Assessor 2017 Projected Extension = \$1,544,994 (2.32% increase)

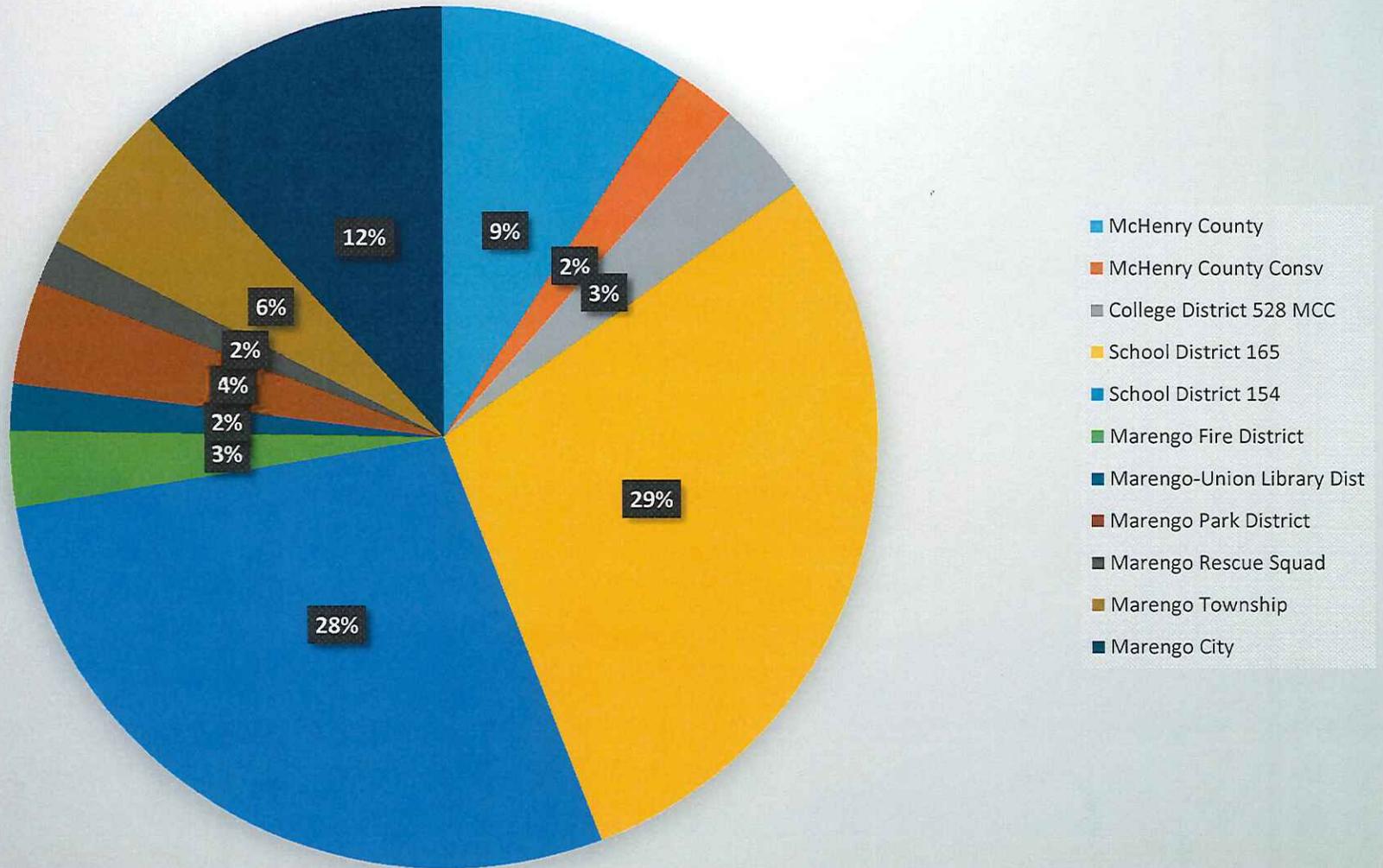
### Request Notes:

Corporate is increased by 2.57%  
 IMRF is increased by 2.57%  
 Police Protection is increased by 2.57%  
 Police Pension is increased by 16.33%  
 Cemetery is increased by 2.57%  
 Garbage is reduced to the suggested minimum  
 Audit is increased by 2.57%  
 Liability Insurance is increased by 2.57%  
 Street & Bridge is reduced to the suggested minimum  
 Street Lighting is increased by 2.57%  
 ESDA is increased by 2.57%  
 Social Security is increased by 2.57%  
 Unemployment is increased by 2.57%  
 Workmans Comp is increased by 2.57%

Each line item has been increased by 2.57% except for Police Pension which is increased by 16.33%; the aggregate requested increase is 5%. The projected outcome is a flat distribution to all other line items, with the entire increase attributed to Police Pension.

This would allow for a total contribution to the Police Pension fund of \$450,647 (with an additional \$150,000 transfer from the General Fund); the total would be \$51,387 short of the "Statutory Municipal Contribution".

## Property Tax Portion by Taxing Body



Projected Impact of 2017 Tax Levy Request 2016 Property Tax - No Exemptions										
Fair Cash Value	Supervisor of Assessments Equalized Value (.3254)	Board of Review Equalized Value (1.0243)	State Equalized Value (1.0000)	Taxable Amount	2016 Local Tax (11.388036%)	2016 City Tax (8.28%)	2016 City Tax - Police Pension (3.47%)	2016 Total City Tax (11.75%)	2017 Total City Tax Increase with 5% Levy Request	2017 Total City Tax Increase with Projected 2.32% Extension
\$ 75,000	\$ 24,405	\$ 24,998	\$ 24,998	\$ 24,998	\$ 2,847	\$ 236	\$ 99	\$ 334	\$ 17	\$ 8
\$ 150,000	\$ 48,810	\$ 49,996	\$ 49,996	\$ 49,996	\$ 5,694	\$ 471	\$ 198	\$ 669	\$ 33	\$ 16
\$ 225,000	\$ 73,215	\$ 74,994	\$ 74,994	\$ 74,994	\$ 8,540	\$ 707	\$ 296	\$ 1,003	\$ 50	\$ 23

Projected Impact of 2017 Tax Levy Request 2016 Property Tax - With Annual Homestead Exemption										
Fair Cash Value	Supervisor of Assessments Equalized Value (.3254)	Board of Review Equalized Value (1.0243)	State Equalized Value (1.0000)	Taxable Amount After Annual Homestead Exemption (6,000)	2016 Local Tax (11.388036%)	2016 City Tax (8.28%)	2016 City Tax - Police Pension (3.47%)	2016 Total City Tax (11.75%)	2017 Total City Tax Increase with 5% Levy Request	2017 Total City Tax Increase with Projected 2.32% Extension
\$ 75,000	\$ 24,405	\$ 24,998	\$ 24,998	\$ 18,998	\$ 2,164	\$ 179	\$ 75	\$ 254	\$ 13	\$ 6
\$ 150,000	\$ 48,810	\$ 49,996	\$ 49,996	\$ 43,996	\$ 5,010	\$ 415	\$ 174	\$ 589	\$ 29	\$ 14
\$ 225,000	\$ 73,215	\$ 74,994	\$ 74,994	\$ 68,994	\$ 7,857	\$ 651	\$ 273	\$ 923	\$ 46	\$ 21

Projected Impact of 2017 Tax Levy Request 2016 Property Tax - With Annual Homestead & Elderly Exemptions										
Fair Cash Value	Supervisor of Assessments Equalized Value (.3254)	Board of Review Equalized Value (1.0243)	State Equalized Value (1.0000)	Taxable Amount After Annual Homestead & Elderly Exemptions (6,000 + 4,000)	2016 Local Tax (11.388036%)	2016 City Tax (8.28%)	2016 City Tax - Police Pension (3.47%)	2016 Total City Tax (11.75%)	2017 Total City Tax Increase with 5% Levy Request	2017 Total City Tax Increase with Projected 2.32% Extension
\$ 75,000	\$ 24,405	\$ 24,998	\$ 24,998	\$ 14,998	\$ 1,708	\$ 141	\$ 59	\$ 201	\$ 10	\$ 5
\$ 150,000	\$ 48,810	\$ 49,996	\$ 49,996	\$ 39,996	\$ 4,555	\$ 377	\$ 158	\$ 535	\$ 27	\$ 12
\$ 225,000	\$ 73,215	\$ 74,994	\$ 74,994	\$ 64,994	\$ 7,402	\$ 613	\$ 257	\$ 870	\$ 43	\$ 20

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## AGENDA SUPPLEMENT

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**TO:** Mayor and City Council

**FROM:** Joshua Blakemore, Assistant City Administrator

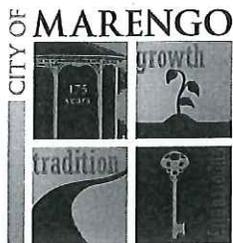
**FOR:** November 13, 2017 Regular City Council Meeting

**RE:** Discussion and Direction on Wastewater Engineering Statements of Qualifications

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As discussed during the previous special City Council meeting, this item is being placed on the November 13<sup>th</sup> Council agenda as a discussion and request for direction item. Staff will provide comments as requested during the meeting, but ultimately the decision is that of the Mayor and City Council. If we can arrive at some consensus as to the top 4-5 firms we can set some parameters for moving forward with the project, such as a special meeting to conduct presentations/interviews. Discussion on the statements of qualifications submitted to the City is requested.

#9e



**AGENDA COVER MEMORANDUM**

**MEETING DATE:** November 13, 2017

**ITEM TITLE:** Service Agreement with IPR for Class 1 Wastewater Operator

**ACTION REQUESTED:** Authorization

**DEPARTMENT HEAD:** Howard Moser, Director of Public Works

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**BACKGROUND:**

The City of Marengo currently operates a Class 1 wastewater treatment facility which requires a certified Class 1 operator. Since we do not have a Class 1 operator on staff we have been contracting with MCO for the services of Jason Vohs to serve in that capacity. As of October 31, 2017 MCO terminated the agreement with the City. Integrated Public Resources has hired Mr. Vohs and provided a proposal for his services as a Class 1 operator at the same hourly rate (\$60.00) that the City was paying MCO.

Jason has been a positive addition to the staff at the wastewater treatment plant and accepting the proposal from IPR would allow for a seamless transition while meeting the IEPA requirement.

**RECOMMENDATION:**

Staff recommends authorization to execute the agreement with IPR for the services of Class 1 wastewater operator Jason Vohs.

**Attachments:**

IPR Service Agreement



AGREEMENT

Mr. Howard Moser, Director of Public Works
City of Marengo
132 East Prairie Street
Marengo, IL 60152

Date: October 18, 2017

Job No.

PROJECT DESCRIPTION: As needed wastewater services.

SCOPE OF SERVICES:

Integrated Public Resources, LLC agrees to provide the following Scope Of Services for this project:

- Assistance with the wastewater collection system, pumping stations and wastewater treatment facilities as directed by the Mayor, City Administrator, or Director of Public Works.

Items Not Included In The Scope Of Services:

The following is not intended to be a comprehensive list. It is intended to highlight general areas not included in the Scope of Services.

- Applications for IEPA permitting or fees associated with those applications.

SPECIAL TERMS: (Refer Also To General Terms & Conditions - Attached)

The Scope Of Services and fee is based upon the understanding that the Owner will provide the following:

- Access to the site and any pertinent operations and maintenance data or information.

The City of Marengo, Illinois agrees that the Project Description, Scope Of Services and Compensation sections contained in this Agreement, pertaining to this project or any addendum thereto, are considered confidential and proprietary, and shall not be released or otherwise made available to any third party, prior to the execution of this Agreement, without the expressed written consent of the Integrated Public Resources, LLC.

COMPENSATION: (Does Not Include Permit Or Approval Fees)

Integrated Public Resources, LLC agrees to provide the Scope Of Services described above for the following compensation:

- Rates Per Attached Fee Schedule
Lump Sum: \$
Other: Time and expenses. Jason Vohs rate - \$60.00 per hour.

COMPLETION SCHEDULE:

Integrated Public Resources, LLC agrees to complete this project as follows: Commencing services November 1, 2017.

ACCEPTANCE:

The General Terms & Conditions And The Scope Of Services (Defined In The Above Agreement) Are Accepted, and Integrated Public Resources, LLC Is Hereby Authorized To Proceed With The Services.

- This Agreement Confirms Our Written Proposal, Dated: \_\_\_\_\_
- This Agreement Confirms Our Verbal Estimate Given On: \_\_\_\_\_

*The Agreement Fee Is Firm For Acceptance Within Sixty (60) Days From Date Of This Agreement.*

**OWNER: City of Marengo, IL**

By: \_\_\_\_\_

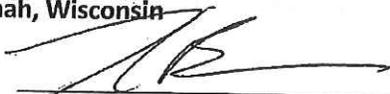
*(Authorized Signature)*

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**IPR, LLC**

**Neenah, Wisconsin**

By: 

Timothy C. Bronn, P.E., BCEE

Title: \_\_\_\_\_

Senior Vice President

Date: \_\_\_\_\_

10/18/17

Project

Manager: \_\_\_\_\_

Jason Vohs

*Please Return One Copy to Our Offices*

Street Address: 1445 McMAHON DRIVE - NEENAH, WI 54956

Mailing Address: P.O. Box 1025 - NEENAH, WI 54957-1025

PH 920-751-4200 ▪ FX 920-751-4284 ▪ WWW.IPR-P3.COM



**INTEGRATED PUBLIC RESOURCES, LLC  
GENERAL TERMS & CONDITIONS**

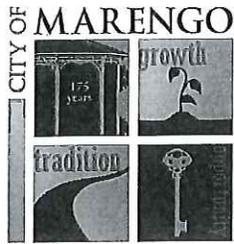
1. Integrated Public Resources, LLC (IPR) will bill the Owner monthly with net payment due in fifteen (15) days. Past due balances shall be subject to a service charge at a rate of 1.0% per month. In addition, IPR may, after giving forty-eight (48) hours notice, suspend service under any Agreement until the Owner has paid in full all amounts due for services rendered and expenses incurred. These expenses include service charges on past due invoices, collection agency fees and attorney fees incurred by IPR to collect monies due IPR
2. The stated costs and scope of work constitute our best estimate of the costs and tasks required to perform the work as defined. This Agreement, upon execution by both parties hereto, can be amended only by written instrument signed by both parties. For those projects involving conceptual or project development services, activities often cannot be fully defined during initial planning. As the project progresses, facts uncovered may reveal a change in direction, which may alter the project scope. IPR will promptly inform the Owner in writing of such situations so that changes in this Agreement can be negotiated as required.
3. The stipulated cost is firm for acceptance by the Owner thirty (30) days from date of the agreement publication.
4. Costs and schedule commitments shall be subject to re-negotiation for delays caused by the Owner's failure to provide specified facilities or information, or for delays caused by unpredictable occurrences, including without limitation, fires, floods, riots, strikes, unavailability of labor or materials, delays or defaults by suppliers of materials or services, process shutdowns, acts of God or the public enemy, or acts or regulations of any governmental agency. Temporary delay of services caused by any of the above, which results in additional costs beyond those outlined, may require re-negotiation of this Agreement.
5. Reimbursable expenses incurred by IPR in the interest of the project including, but not limited to, equipment rental and testing will be billed to the Owner at invoice cost plus 10%.
6. McMahon, Inc., as a subcontractor to IPR will maintain insurance coverage in the following amounts:

General Liability		
Bodily Injury	- Property Damage Per Incident	\$1,000,000
	- Annual Aggregate	\$2,000,000
Automobile Liability		
Bodily Injury		\$1,000,000
Property Damage		\$1,000,000
Excess Liability Coverage		\$5,000,000

If the Owner requires coverages or limits in addition to the above stated amounts, premiums for additional insurance shall be paid by the Owner. IPR's liability to Owner for any indemnity commitments, reimbursement of legal fees, or for any damages arising in any way out of performance of our contract is limited to such insurance coverages and amounts.

7. Any Opinion Of Probable Cost requires full underground investigations. If, at the Owners option, underground characterization is not completed, the Owner shall bear the cost of unforeseen conditions not covered by contingencies attached to the Opinion Of Probable Cost.
8. When IPR, subsequent to execution of an Agreement, finds that specialized equipment must be purchased to provide special services, the cost of such equipment will be added to the agreed cost only after the Owner has been notified and agrees to these costs.
9. The Owner agrees to provide such legal, accounting, and insurance counseling services as may be required for the project for the Owner's behalf. All unresolved claims, disputes and other matters in question between the Owner and IPR shall be submitted to mediation.
10. Termination of this Agreement by the Owner or IPR shall be effective upon seven (7) days written notice to the other party. The written notice shall include the reasons and details for termination; payment is due as stated in paragraph 1. If the Owner defaults in any of the Agreements entered into between IPR and the Owner, or if the Owner fails to carry out any of the duties contained in these terms and conditions, IPR may, upon seven (7) days written notice suspend its services without further obligation or liability to the Owner unless, within such seven (7) day period the Owner remedies such violation to the reasonable satisfaction of IPR
11. Re-use of any documents or Auto-CAD representations pertaining to this project by the Owner or extensions of this project or on any other project shall be at the Owner's risk and the Owner agrees to defend, indemnify, and hold harmless IPR from all claims, damages, and expenses including attorney's fees arising out of such re-use of the documents or Auto-CAD representations by the Owner or by others acting through the Owner.
12. Purchase Orders - In the event Owner issues a purchase order or other instrument related to the project, it is understood and agreed that such document is for Owner's internal accounting purposes only and shall in no way modify, add to, or delete any of the terms and conditions of this Agreement. If the Owner does issue a purchase order or other similar instrument, it is understood and agreed that IPR shall indicate the purchase order number on the invoices sent to the Owner.
13. IPR will provide all work in accordance with generally accepted industry practices. IPR will not provide or offer to provide work inconsistent with or contrary to such practices. Similarly, IPR will not accept those terms and conditions offered by the Owner in its purchase order, requisition or notice of authorization to proceed, except as set forth herein or expressly accepted in writing. Written acknowledgment of receipt, or the actual performance of work subsequent to receipt, of any such purchase order, requisition, or notice of authorization to proceed is specifically deemed not to constitute acceptance of any terms or conditions contrary to those set forth herein.
14. IPR intends to serve as the Owner's representative for work as defined in this Agreement and to provide advice and consultation to the Owner.
15. The Owner shall be responsible for maintenance of the structure, or portions of the structure, which have been completed and have been accepted for its intended use by the Owner. All structures are subject to wear and tear, and environmental and man-made exposures. As a result, all structures require regular and frequent monitoring and maintenance to prevent damage and deterioration. Such monitoring and maintenance is the sole responsibility of the Owner. IPR shall have no responsibility for such issues or resulting damages.

#9f



AGENDA COVER MEMORANDUM

**MEETING DATE:** November 13, 2017

**ITEM TITLE:** Resolution adopting the McHenry County natural Hazard Mitigation Plan

**ACTION REQUESTED:** Authorization

**DEPARTMENT HEAD:** Howard Moser, Director of Public Works

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BACKGROUND:

The City of Marengo passed a resolution adopting the McHenry County natural hazard mitigation plan on January 10, 2011.

This plan identifies activities that can be undertaken by both public and private entities to reduce safety hazards, health hazards, and property damage caused by natural hazards.

Adoption of this plan allows communities to be eligible for Federal Emergency Management Agency (FEMA) hazard mitigation grant program funds. This plan fulfills the federal mitigation planning requirements for FEMA's Pre-Disaster Mitigation Program, Hazard Mitigation Grant Program and Flood Mitigation Assistance Program. It also qualifies for credit under the FEMA National Flood Insurance programs Community Rating System. Hazard Mitigation Grant funds are made available by FEMA through the Illinois Emergency Management Agency (IEMA).

RECOMMENDATION:

Staff recommends adopting the attached resolution

## RESOLUTION 17-11-A

### ADOPTION OF THE MCHENRY COUNTY NATURAL HAZARD MITIGATION PLAN

**WHEREAS**, McHenry County is subject to flooding, severe summer and winter storms, tornadoes, drought, and other natural hazards that can damage property, close businesses, disrupt traffic, and present a public health and safety hazard; and

**WHEREAS**, the McHenry County Hazard Mitigation Planning Committee has prepared a recommended the *McHenry County Natural Hazard Mitigation Plan* that reviews the County's options to protect people and reduce damage from hazards; and

**WHEREAS**, the *McHenry County Natural Hazard Mitigation Plan* was developed as a multi-jurisdictional plan has been submitted and approved by Illinois Emergency Management Agency (IEMA) and the Federal Emergency Management Agency (FEMA); and

**WHEREAS**, the recommended *McHenry County Natural Hazard Mitigation Plan* has been widely circulated for review by residents and federal, state, and regional agencies and has been supported by those reviewers; and

**WHEREAS**, the preparation and adoption of a community mitigation plan is a requirement of FEMA in order for McHenry County to be eligible for federal mitigation funds under Section 104 of the Disaster Mitigation Act of 2000 (42 USC 5165), and under 44 CFR (Code of Federal Regulations) Part 201.

**NOW, THEREFORE BE IT RESOLVED**, that the *McHenry County Natural Hazards Mitigation Plan, August 2017*, is hereby adopted as an official plan of the City of Marengo, and;

**BE IF FURTHER RESOLVED**, that the Director of Public Works is hereby appointed as the City's representative on the McHenry County Hazard Mitigation Planning Committee and he will keep the City apprised of the mitigation action items undertaken by or reported to the McHenry County Hazard Mitigation Planning Committee, and;

**BE IT FURTHER RESOLVED**, that the *McHenry County Natural Hazards Mitigation Plan* identifies a series of action items. The following action items are hereby assigned to the City departments as shown below, or to the McHenry County Hazard Mitigation Planning Committee or department of the McHenry County government. The designated City department shall be responsible for the implementation of the action item within the City, as staff resources and funding permit:

Action Item 1: Plan Adoption – City Council.

Action Item 2: Continuation of Mitigation Committee - McHenry County Board.

Action Item 3: Plan Monitoring and Maintenance - McHenry County Hazard Mitigation Planning Committee.

Action Item 4: Watershed Studies - McHenry County Planning and Development Department.

Action Item 5: Expand Stream Gaging Network - McHenry County Planning and Development Department.

Action Item 6: Stream Maintenance Programs – Public Works/Building Department.

Action Item 7: Prohibited Waterway Dumping Ordinances – Public Works/Building Department.

Action Item 8: Mitigation of Public Infrastructure – Public Works/Building Department.

Action Item 9: Continued NFIP Compliance – Public Works/Building Department.

Action Item 10: Repetitive Loss Areas Study - McHenry County Planning and Development Department with cooperation of the Public Works/Building Department.

Action Item 11: Identification of Floodplain Structures - McHenry County Planning and Development and GIS Division.

Action Item 12: Investigation of Critical Facilities - McHenry County Emergency Management Agency and GIS Division

Action Item 13: Critical Facilities Design with Natural Hazards Protection – Public Works/Building Department.

Action Item 14: Mitigation of Floodplain Properties - Property Protection Projects - Public Works/Building Department.

Action Item 15: Safe Rooms – No Participation.

Action Item 16: Community Rating System Participation – Public Works/Building Department.

Action Item 17: Urban Forestry - No Participation.

Action Item 18: Participation in StormReady – No Participation.

Action Item 19: Strengthen Building Codes and Code Enforcement Training - Public Works/Building Department.

Action Item 20: Seek Mitigation Grant Funding for Additional Mitigation Planning and Cost Beneficial Projects – Public Works/Building Department.

Action Item 21: Implementation of the Water Resources Protection Action Plan – McHenry County Water Resources Department.

Action Item 22: Development of a Public Information Strategy - McHenry County Hazard Mitigation Planning Committee.

Action Item 23: Property Protection References – Public Works/Building Department.

**BE IT FURTHER RESOLVED**, that the City Clerk is hereby requested to distribute a certified copy of this Resolution to the McHenry County Emergency Management Agency Director and IEMA.

**ADOPTED** this the \_\_\_\_\_ day of November, 2017

\_\_\_\_\_ City Clerk

**APPROVED** this the \_\_\_\_\_ day of November, 2017

\_\_\_\_\_ Mayor

#99

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## AGENDA SUPPLEMENT

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**TO: Mayor and City Council**

**FROM: Joshua Blakemore, Assistant City Administrator**

**FOR: November 13, 2017 City Council Meeting**

**RE: Renewal of Intergovernmental Agreement with McHenry County for McRide Program**

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Attached for your review and approval is an Intergovernmental Agreement with McHenry County for continued participation in the MCRide Program. The agreement will run from January 1, 2018 – December 31, 2018.

The contribution for 2018 is \$7,648 or \$1 per capita. As has been mentioned during previous staff reports, Marengo and Riley Townships will enter into agreements themselves with the County if they wish to continue in the program. The projected costs for 2017 were just over \$22,000, with \$10,000 coming from Marengo Township and another \$1,500 from Riley Township. That put the City's total cost at \$10,500. So with the changes in the IGA from the County, and the Townships removing themselves from an IGA with the City, our local portion contribution has been reduced by nearly \$3,000.

McHenry County DOT, who oversees the program, is still making efforts to recruit new municipalities and townships to join as well. Other than changes to cost participation there were no other significant changes to the IGA. Please note only pages 1-6 of 24 were provided as 6-24 are signature pages for participating entities.

If the Council agrees with continuing participation in the MCRide program, then a motion to approve the attached intergovernmental agreement would be in order.

**INTERGOVERNMENTAL AGREEMENT BETWEEN THE COUNTY OF McHENRY,  
THE CITY OF CRYSTAL LAKE, THE CITY OF HARVARD, THE CITY OF  
MARENGO, THE CITY OF McHENRY, THE CITY OF WOODSTOCK, THE  
VILLAGE OF HUNTLEY, THE VILLAGE OF JOHNSBURG, THE VILLAGE OF  
RINGWOOD, THE VILLAGE OF RICHMOND, THE TOWNSHIP OF NUNDA, THE  
TOWNSHIP OF DORR, THE TOWNSHIP OF GREENWOOD, THE TOWNSHIP OF  
GRAFTON, THE TOWNSHIP OF McHENRY, THE TOWNSHIP OF RILEY, THE  
TOWNSHIP OF MARENGO, THE TOWNSHIP OF CHEMUNG AND THE TOWNSHIP  
OF RICHMOND FOR THE PROVISION OF MCRIDE DIAL-A-RIDE TRANSIT  
SERVICE IN 2018**

This Intergovernmental Agreement is entered into by and between the County of McHenry (hereinafter referred to as "COUNTY"), and the City of Crystal Lake, the City of McHenry, the City of Harvard, the City of Marengo, the City of Woodstock, the Village of Huntley, the Village of Johnsburg, the Village of Ringwood and the Village of Richmond (hereinafter referred to collectively as "MUNICIPALITIES"), the Township of Nunda, the Township of Dorr, the Township of Greenwood, the Township of Grafton, the Township of McHenry, the Township of Riley, the Township of Marengo, the Township of Chemung and the Township of Richmond (hereinafter referred to collectively as "TOWNSHIPS") for the purpose of improving dial-a-ride transit services in McHenry County. The COUNTY, MUNICIPALITIES, and TOWNSHIPS shall hereinafter referred to collectively as the "Partner Agencies."

1. Service. The Partner Agencies agree to coordinate one dial-a-ride transit service called "MCRide", contracted with Pace Suburban Bus, to improve service delivery, reduce administrative costs, and better utilize grant monies. MCRide shall be provided to the general public, seniors, and people with disabilities as set forth herein within the Service Area, defined in Section 5 below. The Partner Agencies agree to define seniors as individuals sixty (60) years of age and older.

A. The Partner Agencies agree that the COUNTY will contract with Pace Suburban Bus to offer MCRide within the Service Area;

B. The Partner Agencies agree the MUNICIPALITIES, Marengo Township, and Riley Township shall provide MCRide to the general public within the Service Area; and,

C. The Partner Agencies agree the TOWNSHIPS shall provide MCRide to seniors and people with disabilities within the Service Area.

2. Term. This Agreement will be in effect starting on January 1, 2018 and shall end on December 31, 2018. The Partner Agencies agree that the intergovernmental agreement for MCRide service for 2019 shall be subject to approval before December 31, 2018.

3. Payments. The Partner Agencies agree that each shall contribute the amounts set forth below to pay for the cost of MCRide:

A. Each of the MUNICIPALITIES shall pay the amount shown in Table 1 in 2018 (January 1, 2018 to December 31, 2018). The COUNTY shall invoice the MUNICIPALITIES no more frequently than monthly. Each of the MUNICIPALITIES agrees that all funding from Pace will continue to be dedicated to MCRide.

**Table 1**

<b>Municipality</b>	<b>Financial Need Category</b>	<b>Per Capita (Based on Need)</b>	<b>2018 Annual Contribution</b>
Crystal Lake	Low	\$1.40	\$57,040
Johnsburg	Moderate	\$1.20	\$7,604
McHenry	Moderate	\$1.20	\$32,390
Huntley	Moderate	\$1.20	\$29,149
Woodstock	Moderate	\$1.20	\$29,724
Ringwood	Moderate	\$1.20	\$1,003
Richmond	High	\$1.00	\$1,874
Marengo	High	\$1.00	\$7,648
Harvard	High	\$1.00	\$9,447

B. Each of the TOWNSHIPS shall pay the amount shown in Table 2 in 2018 (January 1, 2018 to December 31, 2018). The COUNTY shall invoice the TOWNSHIPS no more frequently than monthly.

**Table 2**

<b>Township</b>	<b>Population Category (2010 Census)</b>	<b>2018 Annual Contribution</b>
Grafton	30,000 to 60,000	\$7,200
McHenry	30,000 to 60,000	\$7,200
Nunda	30,000 to 60,000	\$7,200
Dorr	10,000 to 30,000	\$4,800
Greenwood	10,000 to 30,000	\$4,800
Chemung	under 10,000	\$2,400
Marengo	under 10,000	\$2,400
Richmond	under 10,000	\$2,400
Riley	under 10,000	\$2,400

C. The COUNTY shall pay the remainder of the costs of MCRide.

4. Fare Structure. The Partner Agencies agree to the fare structure as shown in Table 3. The COUNTY may modify the fare at its discretion upon written notification to the MUNICIPALITIES and TOWNSHIPS.

<b>Table 3: Fare Type</b>	<b>Base Fare</b>
General Public Base Fare (First 5 Miles)	\$2.50
Senior Citizen Base Fare (First 5 Miles)	\$1.25

Person with Disability Base Fare (First 5 Miles)	\$1.25
<b>Fare per Mile After First 5 Miles</b>	<b>\$0.25</b>

5. Service Area. The Partner Agencies agree that MCRide shall operate within all areas of the MUNICIPALITIES and the TOWNSHIPS as depicted in Exhibit A, attached hereto and incorporated herein (the "Service Area").

6. Service Hours. The Partner Agencies agree to the service hours for 2018, as detailed in Table 4.

<b>Table 4</b>	Monday-Friday Start	Monday-Friday End	Saturday Start	Saturday End
Service Hours	6:00 a.m.	7:00 p.m.	9:00 a.m.	5:00 p.m.
Reservation Hours	5:30 a.m.	6:00 p.m.	8:30 a.m.	4:00 p.m.

7. Service Reservations. The Partner Agencies agree to allow trip reservations for general public riders no more than twenty-four (24) hours before the requested trip, and no less than two (2) hours before the requested trip. The Partner Agencies agree to allow trip reservations for seniors and individuals with disabilities no more than seven (7) days before the requested trip, and no less than two (2) hours before the requested trip.

8. Modifications to Services. The Partner Agencies agree to monitor service cost effectiveness and make changes to service hours, fares, and trip reservation policies only after all Partner Agencies have affirmed changes in writing, except as set forth in Section 4 herein, and the public has been provided at minimum four (4) weeks' notice of these changes.

9. Headings. The headings of several paragraphs of this Agreement are inserted only as a matter of convenience and for reference, and are in no way intended to define, limit, or describe the scope or intent of any provision of this Agreement; nor shall they be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

10. Indemnification. Each of the MUNICIPALITIES and TOWNSHIPS, in response to all claims, suits, settlements, actions, losses, expenses, damages, injuries, judgments, or demands arising from this Agreement and caused by the actions of its elected officials, duly appointed officials, agents, employees and representatives, hereby agree to indemnify, defend, and hold harmless the COUNTY and each of the remaining MUNICIPALITIES and TOWNSHIPS, their elected officials, duly appointed officials, agents, employees and representatives from and against all claims, suits, settlements, actions, losses, expenses, damages, injuries, judgments, or demands.

11. Severability. The terms of this Agreement shall be severable. In the event any of the terms or provision of this Agreement are deemed to be void or otherwise unenforceable for any reason, the remainder of this Agreement shall remain in full force and effect.

12. Choice of Law. This Agreement shall be subject to and governed by the laws of the State of Illinois. Venue for the resolution of any disputes or the enforcement of any right pursuant to this Agreement shall be in the Circuit Court of McHenry County, Illinois.

13. No Personal Liability. No official, director, officer, agent, or employee of the County shall be charged personally or held contractually liable under any term or provision of the Agreement or because of their execution, approval or attempted execution of this Agreement.

14. Modification or Amendment. This Agreement, the documents it incorporates, and its attachments constitute the entire Agreement of the Partner Agencies on the subject matter hereof and may not be changed, modified, discharged, or extended except by written amendment duly executed by the Partner Agencies, except as set forth in Sections 4 and 16 herein. The Partner Agencies agree that no representations or warranties shall be binding upon the Partner Agencies unless expressed in writing herein or in a duly executed amendment hereof.

15. Notices Required Under this Agreement. Any notice required by the provisions of this Agreement shall be mailed to:

Attn: Director of Transportation/County Engineer  
McHenry County Division of Transportation  
16111 Nelson Road  
Woodstock, IL 60098

Attn: City Manager  
City of Woodstock  
121 W. Calhoun Street  
Woodstock, IL 60098

Attn: City Manager  
City of Crystal Lake  
100 W. Woodstock Street  
Crystal Lake, IL 60014

Attn: Village Manager  
Village of Huntley  
10987 Main Street  
Huntley, IL 60142

Attn: City Administrator  
City of McHenry  
333 S. Green Street  
McHenry, IL 60050

Attn: Village Administrator  
Village of Johnsburg  
1515 Channel Beach Avenue  
Johnsburg, IL 60051

Attn: City Administrator  
City of Harvard  
201 W. Diggins Street  
Harvard, IL 60033

Attn: Village President  
Village of Ringwood  
6000 Barnard Mill Road  
Ringwood, IL 60072

Attn: City Administrator  
City of Marengo  
132 E. Prairie Street  
Marengo, IL 60152

Attn: Village President  
Village of Richmond  
5600 Hunter Drive  
Richmond, IL 60071

Attn: Highway Commissioner  
Nunda Township Highway Department  
3518 Bay Road  
Crystal Lake, IL 60012

Attn: Supervisor  
McHenry Township  
3703 N. Richmond Road  
Johnsburg, IL 60051

Attn: Supervisor  
Dorr Township  
1039 Lake Avenue  
Woodstock, IL 60098

Attn: Supervisor  
Richmond Township  
7812 S. Route 31  
Richmond, IL 60071

Attn: Supervisor  
Greenwood Township  
5211 Miller Road  
Wonder Lake, IL 60097

Attn: Supervisor  
Marengo Township  
4010 North Route 23  
Marengo, IL 60152

Attn: Supervisor  
Grafton Township  
10109 Vine Street  
Huntley, IL 60142

Attn: Supervisor  
Riley Township  
9312 Riley Road  
Marengo, IL 60152

Attn: Supervisor  
Chemung Township  
807 8<sup>th</sup> Street  
Harvard, IL 60033

16. Termination. Any party may withdraw from this Agreement for any or no reason upon providing at minimum sixty (60) days' written notice to all the other parties and the Agreement shall terminate as to that party. The Partner Agencies agree that termination of this Agreement by one of the MUNICIPALITIES or TOWNSHIPS may result in modification to the Service Area as determined by the COUNTY.

17. Counterpart Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one agreement. Any counterpart may be delivered by any party by transmission of signature pages to the other parties at the addresses set forth above, and delivery shall be effective and complete upon completion of such transmission.

DRAFT

McHenry County

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: Chairman, McHenry County Board

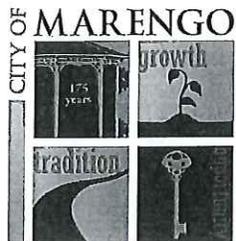
Date: \_\_\_\_\_

Attested: \_\_\_\_\_

Date: \_\_\_\_\_

DRAFT

#9h



AGENDA COVER MEMORANDUM

**MEETING DATE:** November 13, 2017

**ITEM TITLE:** Surplus Equipment – Truck # 12

**ACTION REQUESTED:** Authorization

**DEPARTMENT HEAD:** Howard Moser, Director of Public Works

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**BACKGROUND:**

The City of Marengo just accepted delivery of a new 2017 International 7400 to replace the 1997 International Harvester 4900(Truck # 12).

Staff would like to surplus the 1997 IH 4900 and place it on Obenauf Auction Service Inc. The funds received from the sale of the truck would be deposited in the equipment replacement fund.

**RECOMMENDATION:**

Staff requests authorization to surplus truck # 12

## ORDINANCE 17-11-X

### AN ORDINANCE AUTHORIZING THE SALE OR DISPOSAL OF SURPLUS PROPERTY OWNED BY THE CITY OF MARENGO

WHEREAS, in the opinion of a majority of the corporate authorities holding office in the City of Marengo, McHenry County, Illinois, that it is no longer necessary or useful and is in the best interests of the City of Marengo not to retain the property identified on the attached Schedule A.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Marengo, McHenry County, Illinois, as follows:

SECTION 1: Pursuant to 65 ILCS 5/11-76-4 of the Illinois Municipal Code, the Mayor and Aldermen find that the described property now owned by the City of Marengo and identified on Schedule A, is no longer necessary or useful to the City of Marengo and the best interest of the City of Marengo will be served by their sale or disposal.

SECTION 2: Pursuant to said Section 5/11-76-4, City Police Chief, Richard Solarz is hereby authorized and directed to sell or dispose of the described property on **Schedule A**, in a manner deemed appropriate. This authorization includes, but is not limited to, participation in an auction in which a percentage of the sale proceeds are retained as an auctioneer fee.

SECTION 3: If any section, paragraph, subdivision, clause, sentence or provision of this Ordinance shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, invalidate or nullify the remainder thereof, which remainder shall remain and continue in full force and effect.

SECTION 4: All ordinances or parts of ordinance, in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 5: This Ordinance shall be in full force and effect upon its passage, approval and publication in pamphlet form (which publication is hereby authorized) as provided by law.

Voting Aye:  
Voting Nay:  
Absent:  
Abstained:

APPROVED:

---

John Koziol, Mayor

ATTEST:

(SEAL)

BY: \_\_\_\_\_  
Constance J. Boxleitner, Clerk

Passed:  
Approved:  
Published:

(ATTACHMENT REQUIRED)

## CERTIFICATION

I, CONSTANCE J. BOXLEITNER, do hereby certify that I am the elected and qualified Clerk of the City of Marengo, McHenry County, Illinois, and that as such Clerk, I am the keeper of the records and minutes and proceedings of the Mayor and City Council of said City of Marengo.

I do hereby further certify that at a regular meeting of the Mayor and City Council of the City of Marengo held on the \_\_\_\_\_ day of November, 2017, the foregoing Ordinance entitled *An Ordinance Authorizing the Sale or Disposal of Surplus Property Owned by the City of Marengo*, was duly passed by the Mayor and City Council of the City of Marengo.

The pamphlet form of **Ordinance No. 17-11-X** including the Ordinance and a cover sheet thereof, was prepared, and a copy of such Ordinance was posted in the City Hall, commencing on the \_\_\_\_\_ day of November, 2017, and continuing for at least 10 days thereafter. Copies of such Ordinance were also available for public inspection upon request in the office of the City Clerk.

I do further certify that the original, of which the attached is a true and correct copy, is entrusted to me as the Clerk of said City for safekeeping, and that I am the lawful custodian and keeper of the same.

Given under my hand and corporate seal of the City of Marengo on this \_\_\_\_\_ day of November, 2017.

\_\_\_\_\_  
Constance J. Boxleitner, Clerk  
City of Marengo,  
McHenry County, Illinois

(SEAL)

**CITY OF MARENGO SURPLUS  
SCHEDULE A**

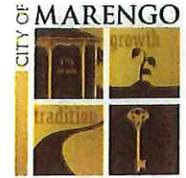
**Public Works**

1997 International 4900 Dump Truck

VIN 1HTSDAAN3VH443283



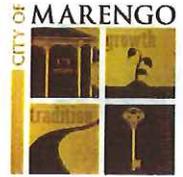
City of Marengo – Task Update Report



November 6, 2017		
Name of Project/ HR Green Project #	Tasks Accomplished	Tasks to be Completed
20009 Grant Highway/170570 ESCROW ACCOUNT  Contract: \$3,820.50 Remaining: \$0	Traffic Impact Study Technical Memorandum completed on July 7, 2017.	Traffic Counts and TIS completed. Holding on submittal to IDOT for review until updated site plan is received from developer then set up meeting with IDOT to review concept plan and Route 20 improvements. Developer to submit site plan for review and submittal to IDOT. <b>No Status Change</b>
General Consultations-Billable/170200	Gen Con 2017/18 Agreement submitted to Mayor and Staff for approval. <i>HR Green waiting for signed document.</i>  <u>Marengo Union Diversion Ditch:</u> HR Green met with City Staff on 09/27/17 to review ditch research to date. <b>City staff has met with EMA.</b>  <u>Marengo PASER Road Rating</u>  Received PASER ratings from City on 10/23/2017.  <b>HR Green has finished inputting PASER ratings as provided by City Staff into GIS. (See attached). Further refinement is expected with addition of some segments of roads along with budget costs for rating 1-3, 4-6, 7-10.</b>	T & M as requested.  <b>Meeting with IDNR/OWR regarding Marengo Union Diversion Ditch to be scheduled in early December.</b>  <b>HR Green is finalizing the exhibits and preparing budgets.</b>
Marengo Disposal Expansion/160249 ESCROW ACCOUNT Contract: \$14,692.00 Remaining: \$21	Fourth Review and Conditional Recommendation of Approval to City on 09/25/2017.  <b>Addendum #3 for \$640 to City on 11/02/2017 for stormwater basin liner review.</b>	HR Green waiting updated OPC to set bond, easement docs and photometrics. City to review and approve electric plans, fence permit, Groundwater Protection permit and drain tile study waiver requests. <b>Received liner specifications on 10/31/2017 for review.</b>



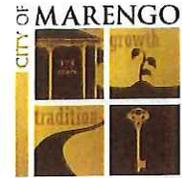
## City of Marengo – Task Update Report



<b>November 6, 2017</b>		
<b>Name of Project/ HR Green Project #</b>	<b>Tasks Accomplished</b>	<b>Tasks to be Completed</b>
IL Rte. 23@Jane Adams Tollway – Interchange Phases 1 and II/ 88160345  Contract: \$2,657,409 Remaining: <b>\$1,613,934</b>	Work Performed October 2017 <ul style="list-style-type: none"> <li>▪ Continued to work on the proposed drainage plans.</li> <li>▪ Continued to work on the Environmental tasks.</li> <li>▪ Continued the development of the critical cross sections.</li> <li>▪ Continued to work on the proposed drainage plans.</li> <li>▪ Initiated the Location Drainage Study (LDS)</li> <li>▪ Received Tollway comments related to Concept Report and 30% plans.</li> <li>▪ Initiated the development of the removal plans.</li> </ul>	<b>November 2017 Tasks</b> <ul style="list-style-type: none"> <li>▪ Continue the development of the cross sections.</li> <li>▪ Continue to work on the proposed drainage plan and profiles.</li> <li>▪ Continue to work on the Location Drainage Study (LDS).</li> <li>▪ Meet with the Tollway to discuss ROW – November 30, 2017.</li> <li>▪ Finalize the removal plans.</li> <li>▪ Initiate preparation of the Subsurface Exploration and Roadway Geotechnical Report.</li> </ul>
Railroad St/Ritz Rd Water Main/ 86160244.01 ESCROW ACCOUNT Contract: <b>\$36,500</b> Remaining: <b>\$30,587</b>	<b>Pre-Construction Meeting on October 18, 2017.</b> <b>Notice of Commencement of work received on October 5, 2017 indicating work starting on October 23, 2017.</b> <b>Daily Reports filed from 10/24 to 11/03/2017.</b>	<b>Continue to file daily reports and coordinate with contractor.</b>  <b>HR Green and Design Engineer to review and approve shop drawing for auto flushing hydrant.</b>
Battery Storage of Marengo/86160189 ESCROW ACCOUNT  Contract: \$9,895 Remaining: <b>\$525</b>	Received recorded copy of Plat of Easement and Maintenance Plan on 04/17/17 and 04/04/17 respectively. IDOT permit approved, awaiting forms to proceed. City/HRG approved. City issued Mass Grading/Site Development Permit on 06/01/2017.	City to ensure bond is received and form and amount of bond is correct. City to ensure all fees are paid.  City/HRG to participate in Pre-construction meeting to be scheduled upon receipt of IDOT approval.
UniCarriers 240 Warehouse Addition/86160061.01 ESCROW ACCOUNT  Contract \$7,500 Remaining: <b>\$1,160.00</b>	Conference Call with UniCarriers and their consultants, HR Green and City staff on 08/17/2017.  Preliminary plans received for review on 09/08/2017.	HRG to review plans upon resubmittal.



# City of Marengo – Task Update Report



November 6, 2017		
Name of Project/ HR Green Project #	Tasks Accomplished	Tasks to be Completed
	<p>Final Engineering plans and documents received on 09/18/2017.</p> <p>First Final Engineering Plan review to City on 10/02/2017.</p>	
<p>2017 Water Main Project/86140346.02</p> <p>Contract: \$112,515 Remaining: <b>\$22,812</b></p>	<p>Easement spreadsheet prepared by HR Green.</p> <p>90% plans, specs and bid documents provided for City review on 09/22/2017. <b>Comments back from City on 10/10/2017.</b></p> <p>IDOT submittal on 09/27/2017.</p> <p><b>IEPA received submittal on 10/11/2017. (Log # 2018-0348-0)</b></p>	<p>HR Green to provide letters and exhibits for temporary and permanent easements. HR Green and City to begin contacting property owners regarding easements.</p> <p>Targeted bid date Jan/Dec 2017. Spring 2018 start with completion late summer/fall 2018.</p>
<p>FPA Amendment and Sanitary Sewer Master Planning/86140148 (37-00-736.00)</p> <p>Contract: \$43,000 Remaining: \$0</p>	<p>HR Green finished the FPA Application and Sanitary Sewer Master Plan Report and submitted to the City for review and comment.</p> <p>Awaiting presentation to move forward.</p>	<p>Submit to CMAP/EPA after City council review in winter 2017/spring 2018.</p>
<p>Prospect Construction Observation/86130105 (40-00-36.00)</p> <p>Contract: \$277,089 Remaining: \$0</p>	<p>IDOT approvals and documentation for project acceptance and close out were sent to City staff on 05/02/17.</p>	<p>City to approve the paperwork as requested.</p> <p>HRG to provide final cost breakdowns for the local share once information is received by IDOT.</p>

Items in bold are new

Client Manager: Timothy J. Hartnett – 815.759-8328 – [thartnett@hrgreen.com](mailto:thartnett@hrgreen.com)

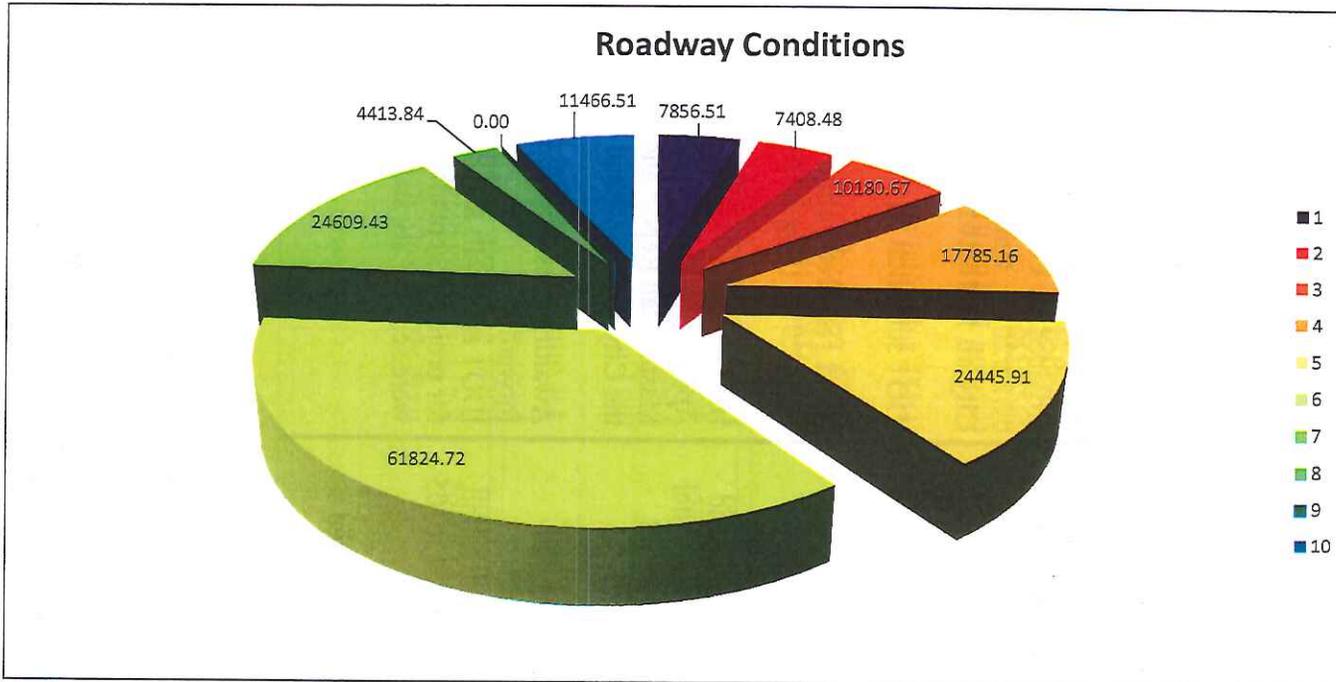
- cc: Josh Blakemore, Interim City Administrator, City of Marengo
- Howard Moser, Director of Public Works, City of Marengo
- Anna Leyrer, Deputy City Clerk, City of Marengo
- Megan Lopez, Administrative Assistant, City of Marengo
- Chris Caldarella, Project Engineer, HR Green, Inc.



## Marengo Roadway Inventory Summary Data



Condition	Paser Rating	Length (FT)	Length (MILES)	Percentage
WORST	1	7856.51	1.5	5%
	2	7408.48	1.4	4%
	3	10180.67	1.9	6%
	4	17785.16	3.4	11%
	5	24445.91	4.6	14%
	6	61824.72	11.7	36%
	7	24609.43	4.7	15%
	8	4413.84	0.8	2%
	9	0.00	0	0%
BEST	10	11466.51	2.2	7%
Totals		169991.23	32.2	100%



**MCRide Ridership Report  
Calendar Year 2017**

**2017**

<b>Passenger Trips by Origin</b>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017 Total
Crystal Lake	2,333	2,340	2,462	2,164	2,197	2,085	1,899	2,111	2,082	2,202			
Harvard	219	217	321	264	218	202	139	169	165	180			
Huntley	324	316	353	311	317	342	305	332	354	328			
Johnsburg	344	326	339	250	288	300	257	303	296	303			
Marengo	137	140	187	128	119	144	139	159	168	226			
McHenry	2,793	2,624	3,229	2,694	3,045	3,021	2,810	3,221	2,977	3,025			
Ringwood	21	14	28	19	39	36	39	22	16	18			
Woodstock	2,142	2,008	2,269	1,967	2,214	2,290	1,968	2,329	2,301	2,552			
Other	316	297	317	287	336	368	323	380	365	368			
<b>TOTAL</b>	<b>8,629</b>	<b>8,282</b>	<b>9,505</b>	<b>8,084</b>	<b>8,773</b>	<b>8,788</b>	<b>7,879</b>	<b>9,026</b>	<b>8,724</b>	<b>9,202</b>	-	-	<b>86,892</b>

*Origin City is the municipality-mailing address where a trip begins. Pace trip data does not specify if the origin falls within an incorporated or unincorporated area.*

*Does not include trips correlated to the McHenry Township Senior Express.*

**2017**

<b>Passenger Trips by Destination</b>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017 Total
Crystal Lake	2,481	2,484	2,682	2,340	2,427	2,288	2,071	2,387	2,413	2,433			
Harvard	226	222	321	272	229	209	145	178	165	180			
Huntley	329	322	364	304	322	362	320	331	348	320			
Johnsburg	358	320	351	270	295	314	281	329	313	307			
Marengo	146	143	188	130	116	138	122	157	164	231			
McHenry	2,601	2,420	2,911	2,431	2,797	2,771	2,560	2,922	2,646	2,815			
Ringwood	34	27	42	46	54	38	31	23	21	24			
Woodstock	2,193	2,098	2,365	2,043	2,254	2,396	2,078	2,401	2,361	2,580			
Other	261	246	281	248	279	272	271	298	293	312			
<b>TOTAL</b>	<b>8,629</b>	<b>8,282</b>	<b>9,505</b>	<b>8,084</b>	<b>8,773</b>	<b>8,788</b>	<b>7,879</b>	<b>9,026</b>	<b>8,724</b>	<b>9,202</b>	-	-	<b>86,892</b>

*Destination City is the municipality-mailing address where a trip ends. Pace trip data does not specify if the destination falls within an incorporated or unincorporated area.*

*Does not include trips correlated to the McHenry Township Senior Express.*

**MCRide Ridership Report  
Calendar Year 2017**

**2017**

Distinct Riders	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2017 Total
Crystal Lake	210	210	216	180	192	208	190	199	197	213			
Harvard	40	46	52	44	47	44	45	41	42	49			
Huntley	53	51	54	56	47	52	44	54	60	54			
Johnsburg	20	19	15	18	15	14	14	14	16	17			
Marengo	23	25	26	28	20	21	23	27	28	22			
McHenry	266	245	248	240	240	223	235	255	245	258			
Ringwood	2	1	1	2	2	1	1	1	1	1			
Woodstock	274	277	294	256	265	254	237	295	287	280			
Other	91	86	96	99	84	86	81	102	106	94			
<b>TOTAL</b>	<b>979</b>	<b>960</b>	<b>1002</b>	<b>923</b>	<b>912</b>	<b>903</b>	<b>870</b>	<b>988</b>	<b>982</b>	<b>988</b>	<b>0</b>	<b>0</b>	

*Distinct Rider data is based on the home address of the rider and does not consider the trip origins or destinations.*

*Does not include riders registered on the McHenry Township Senior Express.*