OPERATIONS COMMITTEE MEETING AGENDA

VILLAGE OF NORTH AURORA
Crossroads on the Fox

MEETING DATE: Monday, August 6, 2018

MEETING TIME: 6:00 p.m.

MEETING LOCATION: North Aurora Village Hall, 25 E. State St., North Aurora

CALL TO ORDER

ROLL CALL

AUDIENCE COMMENTS

APPROVAL OF MINUTES

1. Approval of the Operations Committee Minutes dated May 7, 2018

NEW BUSINESS

1. Police Actuarial Valuation
2. 110 John St. T.I.F. Grant Application
3. Abandoned Vehicles Text Amendment

OLD BUSINESS

OTHER INFORMATION

TRUSTEE COMMENTS

ADJOURN

SB

VILLAGE OF NORTH AURORA
OPERATIONS COMMITTEE MEETING MINUTES
MAY 7, 2018

CALL TO ORDER
Trustee Guethle called the meeting to order.

ROLL CALL
In attendance: Trustee Mark Guethle, Trustee Mark Carroll, Trustee Laura Curtis, Community & Economic Development Director Mike Toth, Village Administrator Steve Bosco.

AUDIENCE COMMENTS – None

APPROVAL OF MINUTES

1. **Approval of the Operations Committee Minutes dated March 5, 2018**

Motion for approval made by Trustee Curtis and seconded by Trustee Carroll. All in favor. **Motion approved**.

NEW BUSINESS

1. **201 Smoketree Lane T.I.F. Façade Grant**

Roadway Inn in North Aurora is requesting $14,324.77 in matching TIF funding for parking lot sealcoating, striping and exterior painting.

The State of Illinois requires for 250 parking spaces, that 7 of those be ADA spaces. Rodeway Inn currently has four ADA parking spaces. If the request moves forward, they would be required to add an additional 3 ADA parking spaces to their facility.

Staff has recommended approval of the request based on three conditions:

1. Creation of 3 additional ADA parking spaces
2. Painting to be in accordance with the color palette that was provided
3. Fix potholes on the property.

Motion made by Trustee Carroll and seconded by Trustee Curtis to recommend the granting of the TIF Façade request with the conditions set forth by Staff. All in favor. **Motion approved**.

OLD BUSINESS - None

OTHER INFORMATION
There was discussion regarding the use of TIF Façade grants for properties along Route 31. The Village currently has seven years left on the current TIF. Staff is also looking at the possibility of extending the TIF. Steve Bosco and Mike Toth to put ideas together and bring those back to the committee for further discussion.

There was discussion about reaching out to Asbury Gardens regarding making the former parking area on their property green space.

TRUSTEE COMMENTS - None

ADJOURNMENT
Motion to adjourn made by Trustee Carroll and seconded by Trustee Curtis. All in favor. **Motion approved**.

Respectfully Submitted,

Lori J. Murray
Village Clerk

Village of North Aurora
Memorandum

To: Operations Committee

From: Bill Hannah, Finance Director

CC: Steve Bosco, Village Administrator

Date: July 30, 2017

RE: Police Pension Actuarial Valuation

Background

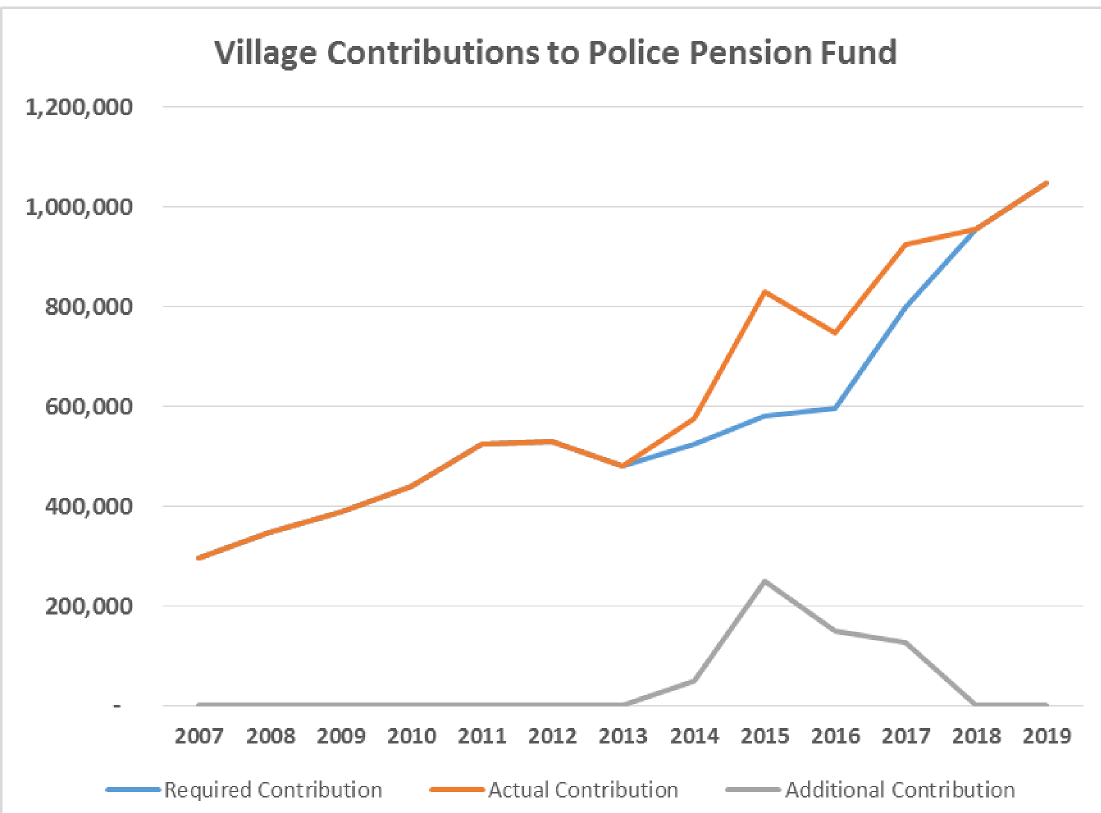
Per State law, the Village provides pension benefits for its sworn police officers once they retire and become eligible. The Village has set up a Police Pension Trust Fund to administer those benefits, to receive monies from employee contributions and Village contributions/tax levy, and also to invest those monies over time. The Trust Fund is managed by the Police Pension Board which consists per State law of two active police pension members, one retired member, and two members appointed by the Village. There currently are 29 active members and 15 retirees or other vested/beneficiaries. Other non-police employees are covered under IMRF which is a separate defined benefit system with different benefits and requirements.

While actively working, sworn officers contribute 9.91% of their applicable salary to the Police Pension Fund. In order to determine how much the Village needs to contribute through its annual tax levy in order to fund future pension benefits, the Village has an actuarial valuation done in order calculate the Village's Actuarially Determined Contribution (ADC). This valuation is based on many assumptions regarding future salary increases, projected investment rates of return, mortality rates, etc. The most recent valuation of the fund has been attached as of May 31, 2017.

As of May 31, 2017 the trust fund had a **total actuarial accrued liability of $25,616,524**. The fund also had **actuarial value of assets of $16,216,475**. This means that the fund had an **unfunded actuarial accrued liability (UAAL) of $9,400,049** which translates to a funded ratio on an actuarial basis of 63.30%. The last valuation resulted in a total required Village of contribution of $1,046,968. As such, the Village included $1,047,000 as its police pension tax levy in December, 2017. Over the previous four years prior to last fiscal year, the Village had made additional contributions to the Police Pension Fund over and above the required amount. The chart and graph below illustrate the required and actual contributions made by the Village over the last 13 years:

FYE	Required Contribution	Actual Contribution	Additional Contribution
2007	295,217	296,000	783
2008	347,382	348,000	618
2009	388,247	389,000	753
2010	439,842	440,000	158
2011	523,264	524,000	736
2012	529,375	530,000	625
2013	479,202	480,000	798
2014	523,413	574,000	50,587
2015	579,311	830,000	250,689
2016	596,578	747,000	150,422
2017	799,095	925,000	125,905
2018	955,822	956,000	178
2019	1,046,968	1,047,000	32

Last year was the first year in five that the Village did not make additional pension contributions for several reasons; one, a significant increase in the required contribution for that year; two, a lack of one time revenues received; and three, overall revenues and expenditures for the year aligning more closely than in previous years.



Per State statute the Village is required to be 90% funded by 2041. This state law was passed in 2011 providing for a 30-year period. However, the Village adopted a Resolution in 2011 with a

100% funding goal by 2041. Essentially, this means that the Village has 24 years remaining to fund the UAAL of $9,400,049 (which will change in total year-to-year). This is actually done as a level percentage of payroll meaning that amortization payments increase over the years due to projected payroll growth assumptions.

Upcoming Police Pension Valuation and Assumption Changes

The Village is preparing to have the actuarial valuation performed as of May 31, 2018. Prior to doing an actuarial valuation it is important to determine if the assumptions that will be made in the valuation are still reasonable and appropriate and if changes should be made. This is especially important since with the implementation of GASB 68 the unfunded liabilities are recorded on the Village's financial statements and the underlying assumptions need to be consistent with past either past experience or predicted future results. Several changes to the annual valuation have been made over the last three years as previo0usly discussed with the Board and can be summarized as follows:

May 31, 2015 Valuation Assumption Changes

- Rate of Return on Investments Assumption was decreased from 7.5% to 7.0%
- Salary increase assumption was decreased from 5.5% to 5.0%
- Mortality rates, disability rates, turnover rates and retirement rates updated to the recently published rates by the Illinois Department of Insurance

May 31, 2016 Valuation Assumption Changes

- Mortality assumptions from the RP-2000 table were updated to present to account for incremental annual improvements

May 31, 2017 Valuation Assumption Changes

- Salary increase assumption was changed from 5.0% to a table based on the DOI's experience study ranging from 11% at start to 4% over time
- Payroll growth rate assumption was changed from 5% to 3%

Our actuary from Foster & Foster has identified three assumptions that merit discussion for the May 31, 2018 valuation.

1. Adopt the new retirement, disability and termination rates based on the outside study done by the Illinois Department of Insurance (DOI) by GRS Retirement Consulting in October 2017 (incorporates delayed retirement and lower withdrawal assumptions than previously used).

2. Adopt the new salary increase tables based on the outside study done by the Illinois Department of Insurance (DOI) by GRS Retirement Consulting in October 2017 which would incorporate a new range of 11% for new officers to 3.5% for senior officers (previous range was 11% to 4.0%)

3. Lower the Interest/Investment assumption rate from the Current 7.0% to 6.5% over a one or two-year period.

Based on an analysis of police pension plans actual investment returns by GRS, and projected returns over the long-term based on discussions with the North Aurora Police Pension investment managers, it is recommended that the Village lower its interest/investment return ultimately to 6.5%. Attached is a history of money-weighted rates of return for the Police Pension plan, along with the updated projections provided by MB Financial, the investment manager for the Pension Fund, who support a move in the assumption to 6.5%.

While the adoption of the first two assumptions would actually slightly reduce the total required contribution for next year, lowering the interest rate will have the effect of raising the contribution more than what would normally be calculated. Although the exact financial impact of the assumption changes has not been calculated, the Village most likely will have some additional budgetary flexibility beginning in FY 2019-20, the year this valuation's contribution calculation would go into effect, and additional flexibility in FY 2020-21 in order to assist in absorbing the increase, which will long-term help the plan achieve a healthy funding status. Additional information regarding amore precise financial impact and other related issues will be presented at the meeting.

North Aurora Police Pension Fund

Fund ID: **xxxx1880**
Report Period: **01/31/2007 to 06/30/2018**
Fiscal Year Ends: **December**

Time and Dollar Weighted Returns for Selected Fiscal Periods

Total Fund	YE 05/31/11	YE 05/31/12	YE 05/31/13	YE 05/31/14	YE 05/31/15	YE 05/31/16	YE 05/31/17	YE 05/31/18
Time Weighted	12.34	1.67	12.13	10.10	6.09	-0.09	9.40	6.10
Dollar Weighted	12.32	1.68	12.12	10.12	6.10	-0.05	9.46	6.10
Blended Index	12.15	3.12	11.20	10.16	5.95	1.35	9.31	6.46
Balanced IO Idx	16.15	-3.40	12.71	9.55	3.90	-1.44	9.19	5.62

Fund data is on a trade date basis and income is included in the fund returns on an accrual basis

07/11/18

Fund returns are net of management fees
All returns include the effects of all principal change and income, and returns for longer than one year are annualized
Total Fund Balanced IO Idx: 50% MSCI ACWI-Net, 45% BB Aggregate, 5% Lipper Money Mkt
Indexes are unmanaged and are not available for direct investment; therefore, no management fee is reflected in Index returns.
Total Fund Blended Index: The "blended index" provides a comparison with a dynamic allocation based on your average investment asset class weightings over the designated time periods. This comparison helps to illustrate the benefit derived by security selection (actual stocks, bonds, mutual funds) in your portfolio.

Total Fund IO Index: Investment Objective "IO" Index provides a comparison with a static allocation based on your investment objective. This comparison helps to illustrate the benefit derived by your portfolio’s asset allocation.

GMI IO Index: Growth Moderate Income Investment Objective   IMG IO Index: Income Moderate Growth Investment Objective mb wealth management

Prepared for

North Aurora Police Pension Fund

Asset Class Projections per GASB 68 [as of May 31, 2018]

Projected 10 year rate of return using MB's Multi-Asset Class expectations:	Gross 5.88%	Real 3.38%
Projected 10 year rate of return using Historical data (*) only: * Allocation to alternatives included in U.S. Large Cap Stocks	Gross 7.59%	Real 5.09%

July 2018

Presented by Robert K. Thompson, CFP, CRSP, AIF

Sr. Managing Director

rthompson@mbfinancial.com, 847-653-2390

prosperity ■ personalized

Process and Methodology

Your current Investment Policy Statement (IPS) may include the Long Term Expected Rates of Return for each asset class available for investment in your pension fund. These Long Term Expected Rates of Return were provided by MB Financial Bank. These figures are average annual rates of return expected over the next ten years. Industry practice among money managers is to update these figures annually, so that every year there may be modest changes to new annual expectation for the next ten years based on the ever evolving global business cycle.

Our process to develop these figures follows the Black-Litterman (BL) approach; a portfolio construction process that considers historical averages, but places different emphasis on more recent results compared to more distant ones. For this model to be robust, all asset classes must have return data for the same period, thus one limitation is that the asset class with the shortest history determines the data set for all. Another limitation is that it ignores current macro-economic conditions, global monetary and fiscal policies as well as geo-political matters – all of which can impact the markets and returns.

MB's expected returns as shown in your IPS considers these limitations of the BL approach and adjusts them accordingly. Both of these approaches to setting asset class return expectations may differ from the complete markets history favored by academic economists. Each of the three approaches defines asset classes in their own ways, resulting in overlap and omissions. Presented below are the three sets of return expectations.

The B-L approach is data from Zephyr Analytics. Each asset class covers the period January 1998 through December 2014 except Global Infrastructure, which is from August 2008 through December 2014. Academic History covers the period 1926-2013 as presented through Morningstar Ibbotson SBBI. Pension boards, actuaries and village officials may use these figures to assist their efforts to establish an actuarial rate of return.

We have provided these different sources and calculations of expected rates of return and historical performance for your benefit. As you can see there is a wide variance in the data which may affect what is determined to be the most prudent actuarial rate of return.

Data

Asset Class	Portfolio Holdings as of 05/31/2018	MB	B-L	History
U.S. Treasuries	3.29%	4.30%		
U.S. Agencies	22.57%	4.50%		
Taxable IL Municipal Bonds	4.13%	4.50%		
U.S. Corporate Bonds	17.91%	5.00%		
U.S. High Yield Bonds	1.75%	6.00%	7.10%	
Emerging Markets Bonds		6.50%	10.20%	
Government Bonds				5.50%
U.S. Intermediate Bonds			5.00%	
U.S. Large Cap	25.29%	7.50%	7.5	10.10%
U.S. Mid Cap	5.22%	7.80%	11.7	
U.S. Small Cap	2.94%	7.50%	9.5	12.30%
International Stocks	10.15%	7.80%	8.6	6.60%
Emerging Mkts Stocks	3.68%		10.70%	8.70%
Real Estate	1.55%	6.80%	11.90%	
Global Infrastructure	1.52%	7.30%	5.90%	
Natural Resources		3.80%		
Commodities			3.10%	

*Source of historical performance for period available of 1969 to 2014 is from Bloomberg L.L.P

** Source of historical performance for period available of 1987 to 2014 is from Bloomberg L.L.P

Disclaimer

Although this information has been obtained from sources which we believe to be reliable, we do not guarantee its accuracy, and it may be incomplete or condensed. This report is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security by MB Financial Bank, N.A. Past performance is no guarantee of future results. Stated performance may not be representative of actual client returns due to transaction costs and the timing of trades.

VILLAGE OF NORTH AURORA
POLICE PENSION FUND

ACTUARIAL VALUATION
AS OF JUNE 1, 2017

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING MAY 31, 2019

GASB 67/68 DISCLOSURE INFORMATION
AS OF MAY 31, 2017

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

August 16, 2017

Village of North Aurora
c/o Bill Hannah, Finance Director
25 E. State St.
North Aurora, IL 60542

Re: Actuarial Valuation Report (including GASB Statements No. 67 and No. 68) – Village of North Aurora Police Pension Fund

Dear Mr. Hannah:

We are pleased to present to the Village this report of the annual actuarial valuation of the Village of North Aurora Police Pension Fund. Included are the related results for GASB Statements No. 67 and No. 68. The funding valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. The calculation of the liability for GASB results was performed for the purpose of satisfying the requirements of GASB Statements No. 67 and No. 68. Use of the results for other purposes may not be applicable and produce significantly different results.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Article 4, Illinois Pension Code, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as approved by the City, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations.

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

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

Certain schedules should include a 10-year history of information. As provided for in GASB Statements No. 67 and No. 68, this historical information is only presented for the years in which the information was measured. This conforms to the requirements of GASB Statements No. 67 and No. 68.

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

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

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

Respectfully submitted,

Foster & Foster, Inc.

By: Jason L. Franken

Jason L. Franken
Enrolled Actuary #17-6888

JLF/lke
Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the Village of North Aurora Police Pension Fund, performed as of June 1, 2017, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ended May 31, 2019.

The contribution requirements, compared with those set forth in the June 1, 2016 actuarial report, are as follows:

Valuation Date	6/1/2017	6/1/2016
Applicable to Fiscal Year Ending	5/31/2019	5/31/2018
Total Required Contribution	$1,290,169	$1,208,097
% of Projected Annual Payroll	52.7%	47.4%
Member Contributions (Est.)	243,201	252,275
% of Projected Annual Payroll	9.9%	9.9%
Village Required Contribution	1,046,968	955,822
% of Projected Annual Payroll	42.8%	37.5%

As you can see, the Total Required Contribution shows an increase when compared to the results determined in the June 1, 2016 actuarial valuation report. Reasons for the increase include a change of actuarial assumptions, an increase in the UAAL amortization payment due to the prior year's payroll growth assumption of 5.00% per year, and unfavorable experience realized by the plan during the year. A detailed breakdown of the reason for the increase in contribution requirement since the prior report can be found on page 16.

Unfavorable plan experience resulted from more retirement activity than expected, unfavorable turnover experience, no inactive deaths, and a 6.66% investment return (Actuarial Asset basis) which fell short of the 7.00% assumption. These losses were partially offset by the sole significant source of favorable experience, which was an average salary increase that was lower than assumed.

The balance of this Report presents additional details of the actuarial valuation and the general operation of the Fund. The undersigned would be pleased to meet with the Board of Trustees in order to discuss the Report and answer any pending questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.

By:______________________________

Jason L. Franken, FSA, EA, MAAA

Plan Changes Since Prior Valuation

No plan changes have occurred since the prior valuation.

Actuarial Assumption/Method Changes Since Prior Valuation

The following assumption changes were made since the prior valuation:

1. The payroll growth rate assumption was reduced from 5.00% to 3.00%.
2. The salary increase assumption was changed from a flat rate of 5.00% per year to a table of rates varying by service.

There were no method changes since the prior valuation.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump 6/1/2017	Old Assump 6/1/2017	6/1/2016
A. Participant Data			
Number Included			
Actives	28	28	29
Service Retirees	12	12	11
Beneficiaries	1	1	1
Disability Retirees	0	0	0
Terminated Vested	3	3	3
Total	44	44	44
Total Annual Payroll	$2,454,099	$2,454,099	$2,545,665
Payroll Under Assumed Ret. Age	2,454,099	2,454,099	2,545,665
Annual Rate of Payments to:			
Service Retirees	785,200	785,200	655,794
Beneficiaries	42,508	42,508	42,508
Disability Retirees	0	0	0
Terminated Vested	60,775	60,775	60,775
B. Assets			
Actuarial Value	16,216,475	16,216,475	14,761,153
Market Value	15,908,889	15,908,889	14,084,700
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	14,627,575	15,368,002	15,988,167
Disability Benefits	1,502,116	1,534,655	1,586,127
Death Benefits	291,487	299,780	313,695
Vested Benefits	1,845,099	1,872,468	1,894,990
Service Retirees	11,870,115	11,870,115	9,702,968
Beneficiaries	369,980	369,980	378,965
Disability Retirees	0	0	0
Terminated Vested	776,717	776,717	724,927
Total	31,283,089	32,091,717	30,589,839

C. Liabilities - (Continued)	New Assump 6/1/2017	Old Assump 6/1/2017	6/1/2016
Present Value of Future Salaries	24,936,629	24,892,237	25,970,117
Present Value of Future Member Contributions	2,471,220	2,466,821	2,573,639
Normal Cost (Retirement)	429,519	434,863	453,199
Normal Cost (Disability)	84,125	83,160	85,733
Normal Cost (Death)	12,564	12,331	12,894
Normal Cost (Vesting)	85,049	83,237	85,284
Total Normal Cost	611,257	613,591	637,110
Present Value of Future Normal Costs	5,666,565	5,752,308	6,090,267
Accrued Liability (Retirement)	10,455,570	11,088,145	11,470,127
Accrued Liability (Disability)	680,691	718,766	730,327
Accrued Liability (Death)	189,481	198,444	204,986
Accrued Liability (Vesting)	1,273,970	1,317,242	1,287,272
Accrued Liability (Inactives)	13,016,812	13,016,812	10,806,860
Total Actuarial Accrued Liability	25,616,524	26,339,409	24,499,572
Unfunded Actuarial Accrued Liability (UAAL)	9,400,049	10,122,934	9,738,419
Funded Ratio (AVA / AL)	63.3%	61.6%	60.3%

	New Assump 6/1/2017	Old Assump 6/1/2017	6/1/2016
D. Actuarial Present Value of Accrued Benefits			
Vested Accrued Benefits			
Inactives	13,016,812	13,016,812	10,806,860
Actives	2,292,633	2,292,633	2,901,820
Member Contributions	2,453,705	2,453,705	2,396,635
Total	17,763,150	17,763,150	16,105,315
Non-vested Accrued Benefits	1,039,397	1,039,397	929,536
Total Present Value Accrued Benefits	18,802,547	18,802,547	17,034,851
Funded Ratio (MVA / PVAB)	84.6%	84.6%	82.7%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	0	0	
New Accrued Benefits	0	1,314,296	
Benefits Paid	0	(714,048)	
Interest	0	1,167,448	
Other	0	0	
Total	0	1,767,696	

	New Assump	Old Assump	
Valuation Date	6/1/2017	6/1/2017	6/1/2016
Applicable to Fiscal Year Ending	5/31/2019	5/31/2019	5/31/2018
E. Pension Cost			
Normal Cost (with interest)	$654,045	$656,542	$681,708
% of Total Annual Payroll [1]	26.7	26.8	26.8
Administrative Expenses (with interest)	8,661	8,661	8,480
% of Total Annual Payroll [1]	0.4	0.4	0.3
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 24 years (as of 6/1/2017, with interest)	627,463	555,926	517,909
% of Total Annual Payroll [1]	25.6	22.7	20.3
Total Required Contribution	1,290,169	1,221,129	1,208,097
% of Total Annual Payroll [1]	52.7	49.9	47.4
Expected Member Contributions	243,201	243,201	252,275
% of Total Annual Payroll [1]	9.9	9.9	9.9
Expected Village Contribution	1,046,968	977,928	955,822
% of Total Annual Payroll [1]	42.8	40.0	37.5

F. Past Contributions

Plan Years Ending:	5/31/2017
Total Required Contribution	1,052,799
Village Requirement	799,095
Actual Contributions Made:	
Members (excluding buyback)	253,704
Village	925,000
Total	1,178,704

G. Net Actuarial (Gain)/Loss	240,225

[1] Contributions developed as of 6/1/2017 are expressed as a percentage of total annual payroll at 6/1/2017 of $2,454,099.

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

Year	Projected Unfunded Accrued Liability
2017	9,400,049
2018	9,430,589
2019	9,444,444
2025	9,069,866
2030	7,886,725
2036	4,771,139
2041	0

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

		Actual	Assumed
Year Ended	5/31/2017	2.05%	5.00%
Year Ended	5/31/2016	7.61%	5.00%
Year Ended	5/31/2015	3.70%	5.50%

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

		Actual	Assumed
Year Ended	5/31/2017	6.66%	7.00%
Year Ended	5/31/2016	5.77%	7.00%
Year Ended	5/31/2015	N/A	N/A

STATEMENT BY ENROLLED ACTUARY

This actuarial valuation was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of the Illinois Pension Code and adhere to the Actuarial Standards of Practice. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

Jason L. Franken, FSA, EA, MAAA
Enrolled Actuary #17-6888

DEVELOPMENT OF JUNE 1, 2017 AMORTIZATION PAYMENT

(1)	Unfunded Actuarial Accrued Liability as of June 1, 2016	$9,738,419
(2)	Sponsor Normal Cost developed as of June 1, 2016	384,835
(3)	Expected administrative expenses for the year ended May 31, 2017	7,925
(4)	Expected interest on (1), (2) and (3)	708,905
(5)	Sponsor contributions to the System during the year ended May 31, 2017	925,000
(6)	Expected interest on (5)	32,375
(7)	Expected Unfunded Actuarial Accrued Liability as of May 31, 2017, (1)+(2)+(3)+(4)-(5)-(6)	9,882,709
(8)	Change to UAAL due to Assumption Change	(722,885)
(9)	Change to UAAL due to Actuarial (Gain)/Loss	240,225
(10)	Unfunded Accrued Liability as of June 1, 2017	9,400,049
(11)	UAAL Subject to Amortization (100% AAL less Actuarial Assets)	9,400,049

Date Established	Years Remaining	6/1/2017 Amount	Amortization Amount
6/1/2017	24	9,400,049	586,414

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1)	Unfunded Actuarial Accrued Liability (UAAL) as of June 1, 2016	$9,738,419
(2)	Expected UAAL as of June 1, 2017	9,882,709
(3)	Summary of Actuarial (Gain)/Loss, by component:	
	Investment Return (Actuarial Asset Basis)	50,500
	Salary Increases	(438,103)
	Active Decrements	551,959
	Inactive Mortality	83,744
	Other	(7,875)
	Increase in UAAL due to (Gain)/Loss	240,225
	Assumption Changes	(722,885)
(4)	Actual UAAL as of June 1, 2017	$9,400,049

RECONCILIATION OF CHANGES IN CONTRIBUTION REQUIREMENT

(1)	Contribution Determined as of June 1, 2016	$955,822
(2)	Summary of Contribution Impact by component:	
	Change in Normal Cost	(25,166)
	Change in Assumed Administrative Expense	181
	Investment Return (Actuarial Asset Basis)	3,371
	Salary Increases	(29,244)
	Active Decrements	36,844
	Inactive Mortality	5,590
	Contributions (More) or Less than Required	(8,129)
	Increase in Amortization Payment Due to Payroll Growth Assumption	24,201
	Change in Expected Member Contributions	9,074
	Assumption Change	69,040
	Funding Lag	10,120
	Other	(4,736)
	Total Change in Contribution	91,146
(3)	Contribution Determined as of June 1, 2017	$1,046,968

STATUTORY MINIMUM REQUIRED CONTRIBUTION

Contribution requirements shown on this page are calculated according to statutory minimum funding requirements of the Illinois Pension Code. We do not believe this method is sufficient to fund future benefits; as such, we recommend funding according to the contributions developed in Section E of this report.

	New Assump	Old Assump	
Valuation Date	6/1/2017	6/1/2017	6/1/2016
Applicable to Fiscal Year Ending	5/31/2019	5/31/2019	5/31/2018
Actuarial Accrued Liability (PUC)	24,212,657	24,670,203	22,822,824
Actuarial Value of Assets	16,216,475	16,216,475	14,761,153
Unfunded Actuarial Accrued Liability (UAAL)	7,996,182	8,453,728	8,061,671
UAAL Subject to Amortization	5,574,916	5,986,708	5,779,389
Normal Cost (with interest)	$761,976	$790,773	803,045
% of Total Annual Payroll [1]	31.0	32.2	31.6
Administrative Expenses (with interest)	8,661	8,661	8,480
% of Total Annual Payroll [1]	0.4	0.4	0.3
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 23 years (as of 6/1/2017, with interest)	382,054	340,085	307,360
% of Total Annual Payroll [1]	15.6	13.9	12.1
Total Required Contribution	1,152,691	1,139,519	1,118,885
% of Total Annual Payroll [1]	47.0	46.5	44.0
Expected Member Contributions	243,201	243,201	252,275
% of Total Annual Payroll [1]	9.9	9.9	9.9
Expected Village Contribution	909,490	896,318	866,610
% of Total Annual Payroll [1]	37.1	36.6	34.1

Assumptions and Methods:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	90% Funding by 2040

All other assumptions and methods are as described in the Actuarial Assumptions and Methods section.

[1] Contributions developed as of 6/1/2017 are expressed as a percentage of total annual payroll at 6/1/2017 of $2,454,099.

PROJECTION OF BENEFIT PAYMENTS

Year	Payments for Current Actives	Payments for Current Inactives	Total Payments
2017	12,298	820,947	833,245
2018	22,869	843,902	866,771
2019	50,916	890,019	940,935
2020	97,599	906,847	1,004,446
2021	164,610	928,816	1,093,426
2022	271,284	944,828	1,216,112
2023	373,183	989,649	1,362,832
2024	492,863	1,003,458	1,496,321
2025	620,290	1,015,579	1,635,869
2026	733,131	1,025,877	1,759,008
2027	867,129	1,034,293	1,901,422
2028	1,020,635	1,040,731	2,061,366
2029	1,175,457	1,045,148	2,220,605
2030	1,347,136	1,047,547	2,394,683
2031	1,525,264	1,048,006	2,573,270
2032	1,703,592	1,046,595	2,750,187
2033	1,876,566	1,043,302	2,919,868
2034	2,034,587	1,038,194	3,072,781
2035	2,186,586	1,031,245	3,217,831
2036	2,328,842	1,022,319	3,351,161
2037	2,457,768	1,011,249	3,469,017
2038	2,568,987	997,975	3,566,962
2039	2,692,712	982,433	3,675,145
2040	2,810,551	964,459	3,775,010
2041	2,920,843	943,929	3,864,772
2042	3,028,199	920,827	3,949,026
2043	3,117,668	895,124	4,012,792
2044	3,219,083	866,803	4,085,886
2045	3,303,300	835,955	4,139,255
2046	3,385,428	802,667	4,188,095
2047	3,456,625	766,945	4,223,570
2048	3,508,940	728,837	4,237,777
2049	3,553,376	688,364	4,241,740
2050	3,590,238	645,521	4,235,759
2051	3,619,213	600,620	4,219,833
2052	3,639,819	553,897	4,193,716
2053	3,650,797	505,594	4,156,391
2054	3,650,875	456,306	4,107,181
2055	3,639,181	406,768	4,045,949
2056	3,614,632	357,638	3,972,270

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate	RP-2000 Combined Healthy Mortality with a blue collar adjustment, projected to the valuation date with Scale BB.
Disabled Mortality Rate	RP-2000 Disabled Retiree Mortality, projected to the valuation date with Scale BB. Based on studies of public safety pension plans, we believe this assumption sufficiently accommodates expected future mortality improvements.
Interest Rate	7.00% per year compounded annually, net of investment related expenses.
Retirement Age	See table on following page. This is based on an experience study performed in 2012.
Disability Rate	See table on following page. 70% of the disabilities are assumed to be in the line of duty. This is based on an experience study performed in 2012.
Termination Rate	See table on following page. This is based on an experience study performed in 2012.
Salary Increases	Graded schedule based on service. This is based on an experience study performed in 2012.

Service	Increase
0	11.00%
1	10.00%
2	9.00%
3	8.00%
4	8.00%
5	7.00%
6	6.00%
7	5.50%
8 - 14	5.00%
15 - 29	4.50%
30	4.00%

Payroll Growth	3.00% per year.
Inflation	2.50%.
Cost-of-Living Adjustment	<u>Tier 1</u>: 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55.

	Tier 2: 1.25% per year after the later of attainment of age 60 or first anniversary of retirement.
Administrative Expenses	Expenses paid out of the fund other than investment-related expenses are assumed to be equal to those paid in the previous year.
Marital Status	80% of Members are assumed to be married.
Spouse's Age	Males are assumed to be three years older than females.
Funding Method	Entry Age Normal Cost Method.
Actuarial Asset Method	Investment gains and losses are smoothed over a 5-year period.
Funding Policy Amortization Method	The UAAL is amortized according to a Level Percentage of Payroll method over a period ending in 2041.

Decrement Tables

% Terminating During the Year		% Becoming Disabled During the Year		% Retiring During the Year	
Age	Rate	Age	Rate	Age	Rate
15 - 24	10.00%	20	0.05%	<=49	0%
25	7.50%	25	0.05%	50 - 54	20%
26 - 27	6.25%	30	0.22%	55 - 59	25%
28 - 31	5.00%	35	0.26%	60 - 62	33%
32 - 34	4.00%	40	0.40%	63 - 69	50%
35 - 37	3.00%	45	0.65%	>=70	100%
38 - 49	2.00%	50	0.95%		
>=50	3.50%	55	1.30%		
		60	1.65%		
		65	2.00%		

GLOSSARY

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

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

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

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

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

(a) The normal cost accrual rate equals:

(i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by

(ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

(b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

(c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

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

STATEMENT OF FIDUCIARY NET POSITION
May 31, 2017

ASSETS	MARKET VALUE
Cash and Cash Equivalents:	
Money Market	261,872
Cash	5,952
Total Cash and Equivalents	267,824
Receivables:	
Accrued Past Due Interest	85,790
Total Receivable	85,790
Investments:	
U.S. Gov't and Agency Obligations	3,191,295
Stocks	1,803,992
Corporate Bonds	2,942,897
Municipal Obligations	625,401
Mutual Funds	6,991,975
Total Investments	15,555,560
Total Assets	15,909,174
LIABILITIES	
Liabilities:	
Payable:	
Accounts Payable	285
Total Liabilities	285
Net Assets:	
Active and Retired Members' Equity	15,908,889
NET POSITION RESTRICTED FOR PENSIONS	15,908,889
TOTAL LIABILITIES AND NET ASSETS	15,909,174

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED May 31, 2017
Market Value Basis

ADDITIONS		
Contributions:		
Member	253,704	
Village	925,000	
Total Contributions		1,178,704
Investment Income:		
Net Increase in Fair Value of Investments		928,417
Interest & Dividends		462,663
Less Investment Expense [1]		(23,453)
Net Investment Income		1,367,627
Total Additions		2,546,331
DEDUCTIONS		
Total Distributions		714,048
Administrative Expenses		8,094
Total Deductions		722,142
Net Increase in Net Position		1,824,189
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of the Year		14,084,700
End of the Year		15,908,889

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

ACTUARIAL ASSET VALUATION
May 31, 2017

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a five year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of the Market Value of Assets.

Gains/(Losses) Not Yet Recognized

Plan Year		Amounts Not Yet Recognized by Valuation Year				
Ending	Gain/(Loss)	2017	2018	2019	2020	2021
5/31/2014	310,162	62,032	0	0	0	0
5/31/2015	(181,629)	(72,652)	(36,326)	0	0	0
5/31/2016	(982,566)	(589,540)	(393,026)	(196,513)	0	0
5/31/2017	365,718	292,574	219,431	146,287	73,144	0
Total		(307,586)	(209,921)	(50,226)	73,144	0

Development of Investment Gain/Loss

Market Value of Assets, 5/31/2016	14,084,700
Contributions Less Benefit Payments & Administrative Expenses	456,562
Expected Investment Earnings[1]	1,001,909
Actual Net Investment Earnings	1,367,627
2017 Actuarial Investment Gain/(Loss)	365,718

[1] Expected Investment Earnings = 7.00% x (14,084,700 + 0.5 x 456,562)

Development of Actuarial Value of Assets

Market Value of Assets, 5/31/2017	15,908,889
(Gains)/Losses Not Yet Recognized	307,586
Actuarial Value of Assets, 5/31/2017	16,216,475
(A) 5/31/2016 Actuarial Assets:	14,761,153
(I) Net Investment Income:	
1. Interest and Dividends	462,663
2. Realized Gains (Losses)	928,417
3. Change in Actuarial Value	(368,867)
4. Investment Expenses	(23,453)
Total	998,760
(B) 5/31/2017 Actuarial Assets:	16,216,475
Actuarial Asset Rate of Return = (2 x I) / (A + B - I):	6.66%
Market Value of Assets Rate of Return:	9.56%
5/31/2017 Limited Actuarial Assets:	16,216,475
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	(50,500)

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
May 31, 2017
Actuarial Asset Basis

INCOME		
Contributions:		
Member	253,704	
Village	925,000	
Total Contributions		1,178,704
Earnings from Investments		
Interest & Dividends	462,663	
Net Realized Gain (Loss)	928,417	
Change in Actuarial Value	(368,867)	
Total Earnings and Investment Gains		1,022,213
EXPENSES		
Administrative Expenses:		
Investment Related[1]	23,453	
Other	8,094	
Total Administrative Expenses		31,547
Total Distributions		714,048
Change in Net Assets for the Year		1,455,322
Net Assets Beginning of the Year		14,761,153
Net Assets End of the Year[2]		16,216,475

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

STATISTICAL DATA [1]

	6/1/2014	6/1/2015	6/1/2016	6/1/2017
Actives - Tier 1				
Number	N/A	26	24	23
Average Current Age	N/A	N/A	41.4	41.9
Average Age at Employment	N/A	N/A	26.3	26.4
Average Past Service	N/A	N/A	15.1	15.5
Average Annual Salary	N/A	N/A	$92,976	$92,365
Actives - Tier 2				
Number	N/A	2	5	5
Average Current Age	N/A	N/A	29.1	29.5
Average Age at Employment	N/A	N/A	28.1	27.7
Average Past Service	N/A	N/A	1.0	1.8
Average Annual Salary	N/A	N/A	$62,847	$65,939
Service Retirees				
Number	N/A	9	11	12
Average Current Age	N/A	66.8	65.1	65.1
Average Annual Benefit	N/A	$59,130	$59,618	$65,433
Beneficiaries				
Number	N/A	1	1	1
Average Current Age	N/A	71.5	72.5	73.5
Average Annual Benefit	N/A	$42,508	$42,508	$42,508
Disability Retirees				
Number	N/A	0	0	0
Average Current Age	N/A	N/A	N/A	N/A
Average Annual Benefit	N/A	N/A	N/A	N/A
Terminated Vested				
Number	N/A	3	3	3
Average Current Age	N/A	53.4	54.4	55.4
Average Annual Benefit	N/A	$20,258	$20,258	$20,258

[1] Foster & Foster does not have enough historical data to include complete data prior to 6/1/2016. We will add historical data going forward.

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	0	0	0	0	0	0	0	0	0	0	0	0
25 - 29	1	2	0	1	0	0	0	0	0	0	0	4
30 - 34	0	0	0	0	0	1	0	0	0	0	0	1
35 - 39	0	0	0	0	0	0	7	1	0	0	0	8
40 - 44	0	0	0	0	1	0	1	4	1	0	0	7
45 - 49	0	0	0	0	0	0	0	4	2	1	0	7
50 - 54	0	0	0	0	0	0	0	0	0	0	0	0
55 - 59	0	0	0	0	0	0	0	1	0	0	0	1
60 - 64	0	0	0	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	1	2	0	1	1	1	8	10	3	1	0	28

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 6/1/2016	29
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	(1)
iii. Transferred service to other fund	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(1)
f. Continuing participants	27
g. New entrants	1
h. Total active life participants in valuation	28

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

	Service Retirees, Vested Receiving Benefits	Receiving Death Benefits	Receiving Disability Benefits	Vested Deferred	Total
a. Number prior valuation	11	1	0	3	15
Retired	1	0	0	0	1
Vested Deferred	0	0	0	0	0
Death, With Survivor	0	0	0	0	0
Death, No Survivor	0	0	0	0	0
Disabled	0	0	0	0	0
Refund of Contributions	0	0	0	0	0
Rehires	0	0	0	0	0
Expired Annuities	0	0	0	0	0
Data Corrections	0	0	0	0	0
Hired/Termed in Same Year	0	0	0	0	0
b. Number current valuation	12	1	0	3	16

SUMMARY OF CURRENT PLAN

Article 3 Pension Fund	The Plan is established and administered as prescribed by "Article 3. Police Pension Fund – Municipalities 500,000 and Under" of the Illinois Pension Code.
Plan Administration	The Plan is administered by a Board of Trustees comprised of: a) Two members appointed by the Municipality, b) Two active Members of the Police Department elected by the Membership, and c) One retired Member of the Police Department elected by the Membership.
Credited Service	Complete years of service as a sworn police officer employed by the Municipality.
Normal Retirement	
Date	**Tier 1**: Age 50 and 20 years of Credited Service. **Tier 2:** Age 55 with 10 years of Credited Service.
Benefit	**Tier 1:** 50% of annual salary attached to rank on last day of service plus 2.50% of annual salary for each year of service over 20 years, up to a maximum of 75% of salary. The minimum monthly benefit is $1,000 per month. **Tier 2**: 2.50% per year of service times the average salary for the eight consecutive years prior to retirement times the number of years of service, up to a maximum of 75% of average salary. The minimum monthly benefit is $1,000 per month.
Form of Benefit	**Tier 1:** For married retirees, an annuity payable for the life of the Member; upon the death of the member, 100% of the Member's benefit payable to the spouse until death. For unmarried retirees, the normal form is a Single Life Annuity. **Tier 2**: Same as above, but with 66 2/3% of benefit continued to spouse.
Early Retirement	
Date	**Tier 1**: Age 60 and 8 years of Credited Service. **Tier 2:** Age 50 with 10 years of Credited Service.
Benefit	**Tier 1:** Normal Retirement benefit with no minimum. **Tier 2**: Normal Retirement benefit, reduced 6% each year before age 55, with no minimum benefit.

Form of Benefit — Same as Normal Retirement.

Disability Benefit

Eligibility — Total and permanent as determined by the Board of Trustees.

Benefit Amount — A maximum of:

a.) 65% of salary attached to the rank held by Member on last day of service, and;
b.) The monthly retirement pension that the Member is entitled to receive if he or she retired immediately.

For non-service connected disabilities, a benefit of 50% of salary attached to rank held by Member on last day of service.

Cost-of-Living Adjustment — **Tier 1:**

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

Disabled Retirees: An annual increase equal to 3.00% per year of the original benefit amount beginning at age 60. Those that become disabled prior to age 60 receive an increase of 3.00% of the original benefit amount for each year since benefit commencement upon reaching age 60.

Tier 2: An annual increase each January 1 equal to 3.00% per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension start date whichever is later.

Pre-Retirement Death Benefit

Service Incurred — 100% of salary attached to rank held by Member on last day of service.

Non-Service Incurred — A maximum of:

a.) 50% of salary attached to the rank held by Member on last day of service, and;
b.) The monthly retirement pension earned by the deceased Member at the time of death, regardless of whether death occurs before or after age 50.

For non-service deaths with less than 10 years of service, a refund of member contributions is provided.

Vesting (Termination)

Vesting Service Requirement	**Tier 1:** 8 years.
	Tier 2: 10 years.
Non-Vested Benefit	Refund of Member Contributions.
Vested Benefit	Either the termination benefit, payable upon reaching age 60 (55 for Tier 2), provided contributions are not withdrawn, or a refund of member contributions. The termination benefit is 2.50% of annual salary held in the year prior to termination (8-year final average salary for Tier 2) times creditable service.

Contributions

Employee	9.91% of Salary.
Municipality	Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability.

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended May 31, 2017)

Plan Description

Plan Administration

The Plan is a single employer defined benefit pension plan administered by a Board of Trustees comprised of:
a.) Two members appointed by the Village,
b.) Two active Members of the Police Department elected by the Membership, and
c.) One retired Member of the Police Department elected by the Membership.

Plan Membership as of June 1, 2017:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	13
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	3
Active Plan Members	28
	44

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Date Tier 1: Age 50 and 20 years of Credited Service.
Date Tier 2: Age 55 with 10 years of Credited Service.
Benefit Tier 1: 50% of annual salary attached to rank on last day of service plus 2.50% of annual salary for each year of service over 20 years, up to a maximum of 75% of salary. The minimum monthly benefit is $1,000 per month.
Benefit Tier 2: 2.50% per year of service times the average salary for the eight consecutive years prior to retirement times the number of years of service, up to a maximum of 75% of average salary. The minimum monthly benefit is $1,000 per month.

Early Retirement:

Date Tier 1: Age 60 and 8 years of Credited Service.
Date Tier 2: Age 50 with 10 years of Credited Service.
Benefit Tier 1: Normal Retirement benefit with no minimum.
Benefit Tier 2: Normal Retirement benefit, reduced 6% each year before age 55, with no minimum benefit.

Disability:

Eligibility: Total and permanent as determined by the Board of Trustees.
Benefit Amount: A maximum of:
a.) 65% of salary attached to the rank held by Member on last day of service, and;
b.) The monthly retirement pension that the Member is entitled to receive if he or she retired immediately.
For non-service connected disabilities, a benefit of 50% of salary attached to rank held by Member on last day of service.

Cost-of-Living Adjustments:

Tier 1: Retirees - An annual increase equal to 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55.
Tier 1: Disabled Retirees - An annual increase equal to 3.00% per year of the original benefit amount beginning at age 60. Those that become disabled prior to age 60 receive an increase of 3.00% of the original benefit amount for each year since benefit commencement upon reaching age 60.
Tier 2: An annual increase each January 1 equal to 3.00% per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension start date whichever is later.

Pre-Retirement Death Benefit:

Service Incurred: 100% of salary attached to rank held by Member on last day of service.
Non-Service Incurred: A maximum of:
a.) 50% of salary attached to the rank held by Member on last day of service, and;
b.) The monthly retirement pension earned by the deceased Member at the time of death, regardless of whether death occurs before or after age 50.
For non-service deaths with less than 10 years of service, a refund of member contributions is provided.

Vesting (Termination):
Vesting Service Requirement: Tier 1: 8 years.
Vesting Service Requirement: Tier 2: 10 years.
Non-Vested Benefit: Refund of Member Contributions.
Vested Benefit: Either the termination benefit, payable upon reaching age 60, provided contributions are not withdrawn, or a refund of member contributions. The termination benefit is 2.50% of annual salary held in the year prior to termination (8-year final average salary for Tier 2) times creditable service.

Contributions
Employee: 9.91% of Salary.
Village: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability.

Investments
Investment Policy:
The following was the Board's adopted asset allocation policy as of May 31, 2017:

Asset Class	Target Allocation
US Treasuries	1.88%
US Agencies	19.94%
Taxable IL Municipal Bonds	3.95%
US Corporate Bonds	18.61%
US High Yield Bonds	1.72%
US Large Cap	33.83%
US Mid Cap	4.46%
US Small Cap	2.33%
International Stocks	7.15%
Emerging Market Stocks	2.95%
Real Estate	1.64%
Global Infrastructure	1.54%
Total	100.00%

Concentrations:
The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's Fiduciary Net Position.

Rate of Return:
For the year ended May 31, 2017 the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was 9.46 percent.
The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the sponsor on May 31, 2017 were as follows:

Total Pension Liability	$	25,230,524
Plan Fiduciary Net Position	$	(15,908,889)
Sponsor's Net Pension Liability	$	9,321,635
Plan Fiduciary Net Position as a percentage of Total Pension Liability		63.05%

Actuarial Assumptions:
The Total Pension Liability was determined by an actuarial valuation as of June 1, 2017 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate: RP-2000 Combined Healthy Mortality with a blue collar adjustment, projected to the valuation date using Scale BB.
Disability Mortality Rate: RP-2000 Disabled Retiree Mortality, projected to the valuation date using Scale BB.
Based on studies of public safety pension plans, we believe this assumption sufficiently accommodates expected future mortality improvements

The other significant demographic assumptions used in the June 1, 2017 valuation were based on the results of an actuarial experience study performed by the State of Illinois Department of Insurance dated September 26, 2012.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.
For 2017, the inflation rate assumption of the investment advisor was 2.50%.
These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of May 31, 2017 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
US Treasuries	1.80%
US Agencies	2.00%
Taxable IL Municipal Bonds	2.00%
US Corporate Bonds	2.50%
US High Yield Bonds	3.50%
US Large Cap	5.00%
US Mid Cap	5.30%
US Small Cap	5.00%
International Stocks	5.30%
Emerging Market Stocks	8.20%
Real Estate	4.30%
Global Infrastructure	4.80%

Discount Rate:
The Discount Rate used to measure the Total Pension Liability was 7.00 percent.
The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

For purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 3.69 percent (based on the weekly rate closest to but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the The Bond Buyer); and the resulting single discount rate is 7.00 percent.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Sponsor's Net Pension Liability	$ 13,405,323	$ 9,321,635	$ 6,015,596

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

	05/31/2017	05/31/2016	05/31/2015[1]
Total Pension Liability			
Service Cost	649,659	593,355	513,686
Interest	1,706,540	1,575,395	1,280,827
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	209,323	(562,619)	(112,998)
Changes of Assumptions	(707,460)	889,503	2,538,709
Benefit Payments, Including Refunds of Employee Contributions	(714,048)	(642,831)	(568,087)
Net Change in Total Pension Liability	1,144,014	1,852,803	3,652,137
Total Pension Liability - Beginning	24,086,510	22,233,707	18,581,570
Total Pension Liability - Ending (a)	$ 25,230,524	$ 24,086,510	$ 22,233,707
Plan Fiduciary Net Position			
Contributions - Employer	925,000	747,000	830,000
Contributions - Employee	253,704	242,060	232,046
Net Investment Income	1,367,627	(7,923)	773,810
Benefit Payments, Including Refunds of Employee Contributions	(714,048)	(642,831)	(568,087)
Administrative Expense	(8,094)	(7,925)	(11,292)
Net Change in Plan Fiduciary Net Position	1,824,189	330,381	1,256,477
Plan Fiduciary Net Position - Beginning	14,084,700	13,754,319	12,497,842
Plan Fiduciary Net Position - Ending (b)	$ 15,908,889	$ 14,084,700	$ 13,754,319
Net Pension Liability - Ending (a) - (b)	$ 9,321,635	$ 10,001,810	$ 8,479,388
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.05%	58.48%	61.86%
Covered Employee Payroll	$ 2,454,099	$ 2,545,665	$ 2,353,959
Net Pension Liability as a Percentage of covered Employee Payroll	379.84%	392.90%	360.22%

Notes to Schedule:

[1] The 2015 results were provided by the prior actuary, Timothy W. Sharpe, Actuary, Geneva (IL).

Changes of Assumptions:

For measurement date 05/31/2017, amounts reported as changes of assumptions resulted from the following change:

- The salary increase assumption was changed from a flat rate of 5.00% per year to a table of rates varying by service.

For measurement date 05/31/2016, amounts reported as changes of assumptions resulted from updating the mortality assumptions to include a projection to the valuation date using Scale BB.

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

	05/31/2017	05/31/2016	05/31/2015[1]
Actuarially Determined Contribution	799,095	596,578	579,311
Contributions in Relation to the Actuarially Determined Contribution	925,000	747,000	830,000
Contribution Deficiency (Excess)	$ (125,905)	$ (150,422)	$ (250,689)
Covered Employee Payroll	$ 2,454,099	$ 2,545,665	$ 2,353,959
Contributions as a Percentage of Covered Employee Payroll	37.69%	29.34%	35.26%

[1] The 2015 results were provided by the prior actuary, Timothy W. Sharpe, Actuary, Geneva (IL).

Notes to Schedule:

Valuation Date: 06/01/2015

Actuarially Determined Contribution is calculated as of June 1, two years prior year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method:	Entry Age Normal Cost Method.
Amortization Method:	Level percentage of pay, closed.
Remaining Amortization Period:	26 years (as of valuation 05/01/2015).
Actuarial Asset Method:	5-year Average Market Value (PA 096-1495).
Investment Return:	7.00% net of investment expenses.
Salary Scale:	5.00%.
Mortality:	RP 2000 Mortality Table (CHBCA). There is no margin for future mortality improvement beyond the valuation date.
Withdrawal:	Based on studies of the Fund and the Department of Insurance, Sample Rates below.
Disability:	Based on studies of the Fund and the Department of Insurance, Sample Rates below.
Retirement:	Based on studies of the Fund and the Department of Insurance, Sample Rates below (100% by age 70).
Marital Status:	80% Married, Female spouses 3 years younger.

Sample Annual Rates per 100

Age	Mortality	Withdrawal	Disability	Retirement
20	0.03	10.00	0.05	
25	0.04	7.50	0.05	
30	0.07	5.00	0.22	
35	0.11	3.00	0.26	
40	0.14	2.00	0.40	
45	0.18	2.00	0.65	
50	0.24	3.50	0.95	20.00
55	0.42	3.50	1.30	25.00
60	0.83	3.50	1.65	33.00
65	1.55	3.50	2.00	50.00
70	2.68			100.00

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

	05/31/2017	05/31/2016	05/31/2015
Annual Money-Weighted Rate of Return Net of Investment Expense	9.46%	-0.05%	6.10%

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended May 31, 2017)

General Information about the Pension Plan

Plan Administration

The Plan is a single employer defined benefit pension plan administered by a Board of Trustees comprised of:
a.) Two members appointed by the Village,
b.) Two active Members of the Police Department elected by the Membership, and
c.) One retired Member of the Police Department elected by the Membership.

Plan Membership as of June 1, 2017:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	13
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	3
Active Plan Members	28
	44

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Date Tier 1: Age 50 and 20 years of Credited Service.

Date Tier 2: Age 55 with 10 years of Credited Service.

Benefit Tier 1: 50% of annual salary attached to rank on last day of service plus 2.50% of annual salary for each year of service over 20 years, up to a maximum of 75% of salary. The minimum monthly benefit is $1,000 per month.

Benefit Tier 2: 2.50% per year of service times the average salary for the eight consecutive years prior to retirement times the number of years of service, up to a maximum of 75% of average salary. The minimum monthly benefit is $1,000 per month.

Early Retirement:

Date Tier 1: Age 60 and 8 years of Credited Service.

Date Tier 2: Age 50 with 10 years of Credited Service.

Benefit Tier 1: Normal Retirement benefit with no minimum.

Benefit Tier 2: Normal Retirement benefit, reduced 6% each year before age 55, with no minimum benefit.

Disability:

Eligibility: Total and permanent as determined by the Board of Trustees.

Benefit Amount: A maximum of:
a.) 65% of salary attached to the rank held by Member on last day of service, and;
b.) The monthly retirement pension that the Member is entitled to receive if he or she retired immediately.

For non-service connected disabilities, a benefit of 50% of salary attached to rank held by Member on last day of service.

Cost-of-Living Adjustments:

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

Tier 1: Disabled Retirees - An annual increase equal to 3.00% per year of the original benefit amount beginning at age 60. Those that become disabled prior to age 60 receive an increase of 3.00% of the original benefit amount for each year since benefit commencement upon reaching age 60.

Tier 2: An annual increase each January 1 equal to 3.00% per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension start date whichever is later.

Pre-Retirement Death Benefit:

Service Incurred: 100% of salary attached to rank held by Member on last day of service.

Non-Service Incurred: A maximum of:
a.) 50% of salary attached to the rank held by Member on last day of service, and;
b.) The monthly retirement pension earned by the deceased Member at the time of death, regardless of whether death occurs before or after age 50.

For non-service deaths with less than 10 years of service, a refund of member contributions is provided.

<u>Vesting (Termination):</u>
Vesting Service Requirement: Tier 1: 8 years.
Vesting Service Requirement: Tier 2: 10 years.
Non-Vested Benefit: Refund of Member Contributions.
Vested Benefit: Either the termination benefit, payable upon reaching age 60, provided contributions are not withdrawn, or a refund of member contributions. The termination benefit is 2.50% of annual salary held in the year prior to termination (8-year final average salary for Tier 2) times creditable service.

Contributions
Employee: 9.91% of Salary.
Village: Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability.

Net Pension Liability

The measurement date is May 31, 2017.
The measurement period for the pension expense was June 1, 2016 to May 31, 2017.
The reporting period is June 1, 2016 through May 31, 2017.

The Sponsor's Net Pension Liability was measured as of May 31, 2017.
The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Actuarial Assumptions:
The Total Pension Liability was determined by an actuarial valuation as of June 1, 2017 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Service based
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate: RP-2000 Combined Healthy Mortality with a blue collar adjustment, projected to the valuation date using Scale BB.
Disability Mortality Rate: RP-2000 Disabled Retiree Mortality, projected to the valuation date using Scale BB.
Based on studies of public safety pension plans, we believe this assumption sufficiently accommodates expected future mortality improvements

The other significant demographic assumptions used in the June 1, 2017 valuation were based on the results of an actuarial experience study performed by the State of Illinois Department of Insurance dated September 26, 2012.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.
For 2017, the inflation rate assumption of the investment advisor was 2.50%.
These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Pension Plan's target asset allocation as of May 31, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
US Treasuries	1.88%	1.80%
US Agencies	19.94%	2.00%
Taxable IL Municipal Bonds	3.95%	2.00%
US Corporate Bonds	18.61%	2.50%
US High Yield Bonds	1.72%	3.50%
US Large Cap	33.83%	5.00%
US Mid Cap	4.46%	5.30%
US Small Cap	2.33%	5.00%
International Stocks	7.15%	5.30%
Emerging Market Stocks	2.95%	8.20%
Real Estate	1.64%	4.30%
Global Infrastructure	1.54%	4.80%
Total	100.00%	

Discount Rate:
The Discount Rate used to measure the Total Pension Liability was 7.00 percent.
The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.
For purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 3.69 percent (based on the weekly rate closest to but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the The Bond Buyer); and the resulting single discount rate is 7.00 percent.

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at May 31, 2016	$ 24,086,510	$ 14,084,700	$ 10,001,810
Changes for a Year:			
Service Cost	649,659	-	649,659
Interest	1,706,540	-	1,706,540
Differences Between Expected and Actual Experience	209,323	-	209,323
Changes of Assumptions	(707,460)	-	(707,460)
Changes of Benefit Terms	-	-	-
Contributions - Employer	-	925,000	(925,000)
Contributions - Employee	-	253,704	(253,704)
Net Investment Income	-	1,367,627	(1,367,627)
Benefit Payments, Including Refunds of Employee Contributions	(714,048)	(714,048)	-
Administrative Expense	-	(8,094)	8,094
New Changes	1,144,014	1,824,189	(680,175)
Balances at May 31, 2017	$ 25,230,524	$ 15,908,889	$ 9,321,635

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Sponsor's Net Pension Liability	$ 13,405,323	$ 9,321,635	$ 6,015,596

Pension Plan Fiduciary Net Position.

Detailed information about the Pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended May 31, 2017, the Sponsor will recognize a pension expense of $1,201,752.
On May 31, 2017, the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	179,418	421,963
Changes of Assumptions	667,128	606,396
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	296,963	-
Total	$ 1,143,509	$ 1,028,359

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended May 31:	
2018	$ 93,066
2019	$ 93,067
2020	$ 93,067
2021	$ (103,446)
2022	$ (30,302)
Thereafter	$ (30,302)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

	05/31/2017	05/31/2016	05/31/2015[1]
Total Pension Liability			
Service Cost	649,659	593,355	513,686
Interest	1,706,540	1,575,395	1,280,827
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	209,323	(562,619)	(112,998)
Changes of Assumptions	(707,460)	889,503	2,538,709
Benefit Payments, Including Refunds of Employee Contributions	(714,048)	(642,831)	(568,087)
Net Change in Total Pension Liability	1,144,014	1,852,803	3,652,137
Total Pension Liability - Beginning	24,086,510	22,233,707	18,581,570
Total Pension Liability - Ending (a)	$ 25,230,524	$ 24,086,510	$ 22,233,707
Plan Fiduciary Net Position			
Contributions - Employer	925,000	747,000	830,000
Contributions - Employee	253,704	242,060	232,046
Net Investment Income	1,367,627	(7,923)	773,810
Benefit Payments, Including Refunds of Employee Contributions	(714,048)	(642,831)	(568,087)
Administrative Expense	(8,094)	(7,925)	(11,292)
Net Change in Plan Fiduciary Net Position	1,824,189	330,381	1,256,477
Plan Fiduciary Net Position - Beginning	14,084,700	13,754,319	12,497,842
Plan Fiduciary Net Position - Ending (b)	$ 15,908,889	$ 14,084,700	$ 13,754,319
Net Pension Liability - Ending (a) - (b)	$ 9,321,635	$ 10,001,810	$ 8,479,388
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.05%	58.48%	61.86%
Covered Employee Payroll	$ 2,454,099	$ 2,545,665	$ 2,353,959
Net Pension Liability as a Percentage of covered Employee Payroll	379.84%	392.90%	360.22%

Notes to Schedule:

[1] The 2015 results were provided by the prior actuary, Timothy W. Sharpe, Actuary, Geneva (IL).

Changes of Assumptions:

For measurement date 05/31/2017, amounts reported as changes of assumptions resulted from the following change:

- The salary increase assumption was changed from a flat rate of 5.00% per year to a table of rates varying by service.

For measurement date 05/31/2016, amounts reported as changes of assumptions resulted from updating the mortality assumptions to include a projection to the valuation date using Scale BB.

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

	05/31/2017	05/31/2016	05/31/2015[1]
Actuarially Determined Contribution	799,095	596,578	579,311
Contributions in Relation to the Actuarially Determined Contributions	925,000	747,000	830,000
Contribution Deficiency (Excess)	$ (125,905)	$ (150,422)	$ (250,689)
Covered Employee Payroll	$ 2,454,099	$ 2,545,665	$ 2,353,959
Contributions as a Percentage of Covered Employee Payroll	37.69%	29.34%	35.26%

[1] The 2015 results were provided by the prior actuary, Timothy W. Sharpe, Actuary, Geneva (IL).

<u>Notes to Schedule:</u>

Valuation Date: 06/01/2015

Actuarially Determined Contribution is calculated as of June 1, two years prior year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method:	Entry Age Normal Cost Method.
Amortization Method:	Level percentage of pay, closed.
Remaining Amortization Period:	26 years (as of valuation 05/01/2015).
Actuarial Asset Method:	5-year Average Market Value (PA 096-1495).
Investment Return:	7.00% net of investment expenses.
Salary Scale:	5.00%.
Mortality:	RP 2000 Mortality Table (CHBCA). There is no margin for future mortality improvement beyond the valuation date.
Withdrawal:	Based on studies of the Fund and the Department of Insurance, Sample Rates below.
Disability:	Based on studies of the Fund and the Department of Insurance, Sample Rates below.
Retirement:	Based on studies of the Fund and the Department of Insurance, Sample Rates below (100% by age 70).
Marital Status:	80% Married, Female spouses 3 years younger.

Sample Annual Rates per 100 Participants:

Age	Mortality	Withdrawal	Disability	Retirement
20	0.03	10.00	0.05	
25	0.04	7.50	0.05	
30	0.07	5.00	0.22	
35	0.11	3.00	0.26	
40	0.14	2.00	0.40	
45	0.18	2.00	0.65	
50	0.24	3.50	0.95	20.00
55	0.42	3.50	1.30	25.00
60	0.83	3.50	1.65	33.00
65	1.55	3.50	2.00	50.00
70	2.68			100.00

COMPONENTS OF PENSION EXPENSE
FISCAL YEAR MAY 31, 2017

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning Balance	$ 10,001,810	$ 492,291	$ 1,564,368	
Total Pension Liability Factors:				
Service Cost	649,659	-	-	649,659
Interest	1,706,540	-	-	1,706,540
Changes in Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience With Regard to Economic or Demographic Assumptions	209,323	-	209,323	-
Current Year Amortization		(70,328)	(29,905)	(40,423)
Changes in Assumptions About Future Economic or Demographic Factors or Other Inputs	(707,460)	707,460	-	-
Current Year Amortization	-	(101,064)	(111,188)	10,124
Benefit Payments	(714,048)	-	-	(714,048)
Net Change	1,144,014	536,068	68,230	1,611,852
Plan Fiduciary Net Position:				
Contributions - Employer	925,000	-	-	-
Contributions - Employee	253,704	-	-	(253,704)
Projected Net Investment Income	1,001,909	-	-	(1,001,909)
Difference Between Projected and Actual Earnings on Pension Plan Investments	365,718	365,718	-	
Current Year Amortization	-	(73,142)	(196,513)	123,371
Benefit Payments	(714,048)	-	-	714,048
Administrative Expenses	(8,094)	-	-	8,094
Net Change	1,824,189	292,576	(196,513)	(410,100)
Ending Balance	$ 9,321,635	$ 1,320,935	$ 1,436,085	$ 1,201,752

AMORTIZATION SCHEDULE - EXPERIENCE

Year Base Established	Differences Between Expected and Actual Experience	Recognition Period (Years)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
			Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience									
2017	$ 209,323	7	$ 29,905	$ 29,903	$ 29,903	$ 29,903	$ 29,903	$ 29,903	$ 29,903	$ -	$ -	$ -
2016	$ (562,619)	8	$ (70,328)	$ (70,328)	$ (70,327)	$ (70,327)	$ (70,327)	$ (70,327)	$ (70,327)	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ (40,423)	$ (40,425)	$ (40,424)	$ (40,424)	$ (40,424)	$ (40,424)	$ (40,424)	$ -	$ -	$ -

AMORTIZATION SCHEDULE - CHANGES OF ASSUMPTIONS

			Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions										
Year Base Established	Change of Assumptions	Recognition Period (Years)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
2017	$ (707,460)	7	$ (101,064)	$ (101,066)	$ (101,066)	$ (101,066)	$ (101,066)	$ (101,066)	$ (101,066)	$ -	$ -	$ -	$ -
2016	$ 889,503	8	$ 111,188	$ 111,188	$ 111,188	$ 111,188	$ 111,188	$ 111,188	$ 111,188	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ 10,124	$ 10,122	$ 10,122	$ 10,122	$ 10,122	$ 10,122	$ 10,122	$ -	$ -	$ -	$ -

AMORTIZATION SCHEDULE - INVESTMENTS

Year Base Established	Differences Between Projected and Actual Earnings	Recognition Period (Years)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
			Increase (Decrease) in Pension Expense Arising from the Recognition of the of Differences Between Projected and Actual Earnings on Pension Plan Investments										
2017	$ (365,718)	5	$ (73,142)	$ (73,144)	$ (73,144)	$ (73,144)	$ (73,144)	$ -	$ -	$ -	$ -	$ -	$ -
2016	$ 982,566	5	$ 196,513	$ 196,513	$ 196,513	$ 196,513	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Increase (Decrease) in Pension Expense			$ 123,371	$ 123,369	$ 123,369	$ 123,369	$ (73,144)	$ -	$ -	$ -	$ -	$ -	$ -

VILLAGE OF NORTH AURORA
OPERATIONS COMMITTEE REPORT

TO:	OPERATIONS COMMITTEE MEMBERS
	CC: STEVE BOSCO, VILLAGE ADMINISTRATOR
FROM:	MIKE TOTH, COMMUNITY AND ECONOMIC DEVELOPMENT DIRECTOR
SUBJECT:	110 JOHN STREET TAX INCREMENT FINANCING FAÇADE GRANT
DATE:	AUGUST 6, 2018

DISCUSSION

The North Aurora Tax Increment Financing Grant Program (NATIFGP) provides financial assistance to commercial property owners to make building, landscaping and signage improvements within the TIF district. The NATIFGP offers reimbursement up to 50% of the cost of improving storefronts, building facades or landscaping up to $20,000.

The owner of 110 John Street recently converted the former Post Office building into a beauty salon (Hidden Beauty Salon). In 2017, the property owner received $4,987.50 in NATIFGP funding for exterior windows. The property owner is now requesting $2,462.50 in funding to install awnings on the building. After receiving at least two separate quotes for the project, Nuyen Awning Company, Inc, provided the lowest bid of $4,925.

RECEIVED

JUL 17 2018

VILLAGE OF NORTH AURORA

VILLAGE OF NORTH AURORA
TAX INCREMENT FINANCING DISTRICT GRANT PROGRAM
Application Form

1. Application information

Date: 07/17/18

Loan Amount Requested: $ ~~[illegible]~~ 2,462.50 Total Project Cost: $ 4,925.00

Name: LARRY L. LAPP

Home address: 318 LAKE RUN LANE N. AURORA, IL.

Email Address: SAL16842 @ GMAIL. COM

Phone: (312) 907-8882 Fax: N/A

2. Business information (the building or establishment for which the grant is sought)

Name: HIDDEN BEAUTY SALON

Address: 110 JOHN ST. NORTH AURORA, IL.

Email Address: HIDDENBEAUTYSALON110 @ GMAIL. COM

Phone: (630) 486-3555 Fax: N/A

Applicant is: Owner X Tenant _____ If tenant, term of lease: __________

If tenant, name & phone of owner: __________

3. Proposed use of program:

X Canopy/awning

_____ Signage

_____ Windows/doors

_____ Exterior lighting

_____ Painting/tuck pointing

_____ Restoration of architectural feature

_____ Landscaping

_____ Exterior ADA accessibility

_____ Other (please specify) __________

4. Breakdown of Project:

Estimated Amount	Description of Work
A. $ 4,925 00	NUYEN AWNING COMPANY (5) BLACK AWNINGS
B. $ 5,719 15	AURORA TENT & AWNING (5) BLACK AWNINGS
C. $	
D. $	

TO COMPLETE THIS APPLICATION, PLEASE ATTACH THE FOLLOWING INFORMATION TO FURTHER DESCRIBE THE PROPSED PROJECT:

- Preliminary cost estimates (typically a copy of itemized contractor estimates/quotes).
- Site plan and elevation drawn to scale, with scale(s) noted, illustrating the proposed improvements. Proposed materials, colors, finishes and details, including signage (if any).
- Elevations of any façade proposed to be drawn to a scale of a least 1.8": 1'; each elevation drawing should include notations of proposed materials, colors, finishes, and details. The drawing should clearly show proposed signage (if any).
- Clear and identifiable photographs, at least 5"x7" in size, of the building facades and facades of buildings on the same block. If more than one façade is proposed for renovation, photographs of each façade and buildings on the same block should be submitted.

5. Statement of Understanding:

A. The applicant (undersigned) agrees to comply with the guidelines and procedures of the Village of North Aurora Tax Increment Financing District Grant Program and the conceptual design and outline specifications as agreed to by the applicant and the grantor.

B. The applicant understands that the applicant must submit detail cost documentation, copies of building permits, bids contracts and invoices and contractor's final waivers of lien upon completion of the approved improvements.

Applicant's Signature*: ______________ Date: 07/17/18

If the applicant is other than the owner, the following line must be completed:

* WILL GO WITH NUYEN AWNING PROPOSAL.

Return completed application form to:

Michael Toth
Community and Economic Development Director
Village of North Aurora
25 East State Street
North Aurora, IL 60542

Date application received: 7/17/18 Zoning: B-3

Minimum of two cost estimates for each work item: Yes ✓ No ______

Ineligible improvements, if any: ______________________________

Grant Approved Date: ______________

Total estimated project cost: $__________

Percent applied for grant: __________

Total amount of grant: $__________

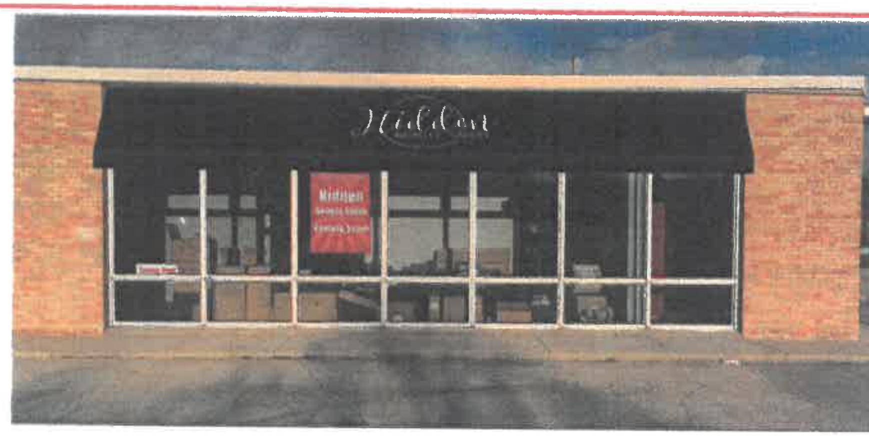
Grant Denied Date: ______________

Reason: ______________________________

____

____

- BLACK FABRIC AWNINGS
- 4 INDIVIDUAL AWNINGS NORTH SIDE OF BUILDING (5' 4" WIDE)
- 1 INDIVIDUAL AWNING WEST SIDE OF BUILDING (31' 6" WIDE)
- LOGOS SIMILAR TO PHOTOS BELOW



NOTE*

CURRENTLY PROPERTY OWNER IS PAINTING EXTERIOR BRICK OF BUILDING A LIGHT GRAY COLOR WHICH WILL COMPLIMENT THE BLACK AWNINGS.

PROPOSAL

NUYEN AWNING COMPANY, INC.
RESIDENTIAL AND COMMERCIAL AWNINGS
850 RIDGEWAY AVENUE, SUITE C
AURORA, IL 60506
PH. (630) 892-3995 FAX (630) 892-2808

6179

PROPOSAL SUBMITTED TO		PHONE	DATE
Larry & Kathy Lagg / Hidden Beauty Salon		312-907-8882	7/10/18
STREET		JOB NAME	
110 John Street			
CITY, STATE AND ZIP CODE		JOB LOCATION	
North Aurora, IL			
ARCHITECT	DATE OF PLANS		JOB PHONE

We hereby submit specifications and estimates for:

Fabricate & Install

One - 31'6" wide four - 5'4" wide
Standard Slope Style awnings

Frame - 1" sq
Fabric - Sunbrella Black
Graphic - Two sets - logo's - white

* Permits not included - cost + 50.00

We Propose hereby to furnish material and labor — complete in accordance with above specifications, for the sum of:
dollars ($ 4,925.00)

Payment to be made as follows:
50% deposit
Balance upon Completion

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Authorized Signature ____________

Note: This proposal may be withdrawn by us if not accepted within ________ days

Acceptance of Proposal — The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature ____________

Date of Acceptance ____________ Signature ____________

AURORA TENT AND AWNING, INC.
10206 CLOW CREEK ROAD • PLAINFIELD, IL 60585
PHONE 630.420.2000/800.371.6889
FAX 815.741.8491
EMAIL: AURORATENTAWNING@AOL.COM

PROPOSAL SUBMITTED TO:	JOB ADDRESS:
HIDDEN BEAUTY SALON **ATTN: LARRY AND KATHY LAPP** **110 JOHN STREET** **NORTH AURORA, ILLINOIS 60505** kathybrown1116@gmail.com sal16842@gmail.com	**SAME**

DATE	PHONE NO.	# LOCATIONS	INSTALLED	INVOICE NO.	OUR P.O. NO.	ORDER NO.
7-12-18	312-907-8882	PHONE	NORM			

BELOW PLEASE FIND PRICING FOR (5) COMPLETE AWNINGS

PRICE INCLUDES:

- WELDED ALUMINUM FRAMEWORK
- MATERIAL: SUNBRELLA, BLACK
- ARTWORK ON (2) AWNINGS
- INSTALLATION

SIZING: QTY = 1		**SIZING: QTY = 4**	
DROP:	4'	DROP:	4'
PROJ:	4'	PROJ:	4'
WIDTH:	31'7"	WIDTH:	5'4"

PRICE: **$5,345.00**
TAX: **$ 374.15**
TOTAL: **$5,719.15**

*****TO BEGIN PROCESSING, PLEASE SIGN AND RETURN CONTRACT WITH YOUR DEPOSIT. IF YOU HAVE ANY QUESTIONS, PLEASE FEEL FREE TO CALL. THANK YOU!!!*****

*** WE PROPOSE *hereby to furnish material and labor-complete in accordance with above specification, for the sum of:*

FIVE THOUSAND SEVEN HUNDRED NINETEEN DOLLARS AND 15/100 Dollar: **($5,719.15)**

Payment to be made as follows:
A 50% NON-REFUNDABLE DEPOSIT IN THE AMOUNT OF $2,859.58 IS REQUIRED TO BEGIN MANUFACTURING

REMAINING BALANCE OF $2,859.57 IS DUE ON INSTALLATION

Materials will be furnished only as stated on contract any deviation or alteration from the above specifications involving extra cost of material or labor will be performed only upon written contact for same and will become an extra charge over the sum mentioned in this contract. All Agreements must be made in writing. All agreements contingent upon strikes, accidents or delays beyond our control. The contractor agrees to carry appropriate insurance as required.

Authorized Signature ______________________

This proposal may be withdrawn by us if not accepted within________ days.

Date of Acceptance ______________________

The appearance of my signature below authorizes the above contractors to complete the above contract. I agree to pay cash when work is completed, or on terms satisfactory to the above contractor until paid in full. If payment is not made as per contract is paid full and all costs, including court cost and reasonable attorney's fees.

Signature ______________________

VILLAGE OF NORTH AURORA
OPERATIONS COMMITTEE REPORT

TO: OPERATIONS COMMITTEE MEMBERS
CC: STEVE BOSCO, VILLAGE ADMINISTRATOR

FROM: MIKE TOTH, COMMUNITY AND ECONOMIC DEVELOPMENT DIRECTOR

SUBJECT: ABANDONED VEHICLE TEXT AMENDMENTS

DATE: AUGUST 6, 2018

DISCUSSION

Chapter 8.04 of the Village of North Aurora Municipal Code "Abandoned Vehicles" declares the abandonment of a motor vehicle, or any part of a motor vehicle, on any highway in the village and the abandonment of a motor vehicle, or any part of a motor vehicle, on private or public property, other than a highway, in view of the general public in the Village to be unlawful and declared a public nuisance.

Certain exemptions are included in Chapter 8.04, which includes motor vehicles kept within a building when not in use, historic vehicles over twenty-five (25) years of age, or motor vehicles on the premises of a place of business engaged in the wrecking of motor vehicles, or on the premises of a place of business for a reasonable period of time in order to perform ordinary service or repair operations for which the business premises is zoned.

The exemptions pertaining to historic vehicles over twenty-five (25) years of age has presented an issue when trying to enforce the abandoned vehicle provisions as it allows vehicles to remain in view of the general public, in any condition, as long as it is historically registered.

Staff is proposing the following amendment to Chapter 8.04:

8.04.020 - Definition.

An "abandoned vehicle" is defined in this chapter as any vehicle in a state of disrepair rendering the vehicle incapable of being driven in its condition, or any vehicle that has not been moved or used for seven consecutive days or more, and is apparently disserted. The definition of abandoned vehicle shall <u>also</u> include any vehicle with no current registration, a vehicle left unattended on a highway or public property for a period in excess of twenty-four (24) hours and a vehicle not removed after its involvement in a collision. For the purposes of this chapter, the definition of an abandoned vehicle does not apply to any motor vehicle that is kept within a building when not in use, ~~to historic vehicles over twenty-five (25) years of age~~, or to a motor vehicle on the premises of a place of business engaged in the wrecking of motor vehicles, or on the premises of a place of business for a reasonable period of time in order to perform ordinary service or repair operations for which the business premises is zoned.

(Ord. 08-07-28-01 § 2A: Ord. 82-2 § 2)

Chapter 8.04 - ABANDONED VEHICLES

Sections:

8.04.010 - Abandonment of motor vehicles—Nuisance.

The abandonment of a motor vehicle, or any part of a motor vehicle, on any highway in the village and the abandonment of a motor vehicle, or any part of a motor vehicle, on private or public property, other than a highway, in view of the general public in the village is unlawful and is declared to be a public nuisance which may be abated in accordance with the provisions of this chapter.

(Ord. 82-2 § 1)

8.04.020 - Definition.

An "abandoned vehicle" is defined in this chapter as any vehicle in a state of disrepair rendering the vehicle incapable of being driven in its condition, or any vehicle that has not been moved or used for seven consecutive days or more, and is apparently disserted. The definition of abandoned vehicle shall include any vehicle with no current registration, a vehicle left unattended on a highway or public property for a period in excess of twenty-four (24) hours and a vehicle not removed after its involvement in a collision. For the purposes of this chapter, the definition of an abandoned vehicle does not apply to any motor vehicle that is kept within a building when not in use, to historic vehicles over twenty-five (25) years of age, or to a motor vehicle on the premises of a place of business engaged in the wrecking of motor vehicles, or on the premises of a place of business for a reasonable period of time in order to perform ordinary service or repair operations for which the business premises is zoned.

(Ord. 08-07-28-01 § 2A: Ord. 82-2 § 2)

8.04.030 - Duty to notify the police department.

When an abandoned, stolen or unclaimed motor vehicle or other vehicle comes into the temporary possession or custody of a person in this state, not the owner of the vehicle, such person shall immediately notify the North Aurora police department when the vehicle is within the corporate limits of the village. Upon receipt of such notification, the chief of police shall authorize a towing service to remove and take possession of the abandoned, stolen or unclaimed motor vehicle. The towing service shall keep the towed vehicles and its contents, maintain a record of the tow until such vehicle is claimed by the owner or other persons legally entitled to possession of the vehicle, or until it is disposed of as provided in this chapter, and shall be subject to all of the regulations regarding commercial relocators as provided for in Chapter 10.32 of this code.

(Ord. 08-07-28-01 § 2B: Ord. 82-2 § 3)

8.04.040 - Removal of motor vehicles.

Abandoned vehicles may be removed by a towing service under the direction of the North Aurora police department as follows:

A. When such a vehicle is located on a public way in an area zoned for business purposes within the village for ten (10) hours or more;

B. When such a vehicle is located on a public way or public property in any portion of the village for a period of twenty-four (24) hours or more;

C. When such a vehicle is creating a traffic hazard because of its position in relation to the public way or its physical appearance is causing the impeding of traffic;

D. When such a vehicle is located on private property and after the notice provision set forth in this chapter.

E. Whenever a vehicle is impounded pursuant to the authority in Section 8.04.200 of this chapter.

(Ord. 08-07-28-01 § 2C; Ord. 82-2 § 4)

8.04.050 - Removal costs.

When an abandoned, stolen, unclaimed or impounded motor vehicle is removed from a highway, public property or private property pursuant to this chapter, the owner or the person having custody of the vehicle shall be responsible for all towing costs. When a vehicle is abandoned, it shall be presumed that the registered owner is responsible for the abandonment and shall be liable for all towing, storage, and processing charges and collection costs, less any amount realized in the disposal of the vehicle. The last registered owner's liability for storage fees may not exceed a maximum of thirty (30) days storage fees. The presumption established under this section may be rebutted by showing that, prior to the time of the tow: (1) a report of vehicle theft was filed with respect to the vehicle; or (2) the vehicle was sold or transferred, and the last registered owner provides the towing service with the correct identity and address of the new owner at the time of the sale or transfer.

If the presumption established under this subsection is rebutted, the person responsible for the theft of the vehicle or to whom the vehicle was sold or transferred is liable for all towing, storage, and processing charges and collection costs.

(Ord. 08-07-28-01 § 2D: Ord. 82-2 § 5)

8.04.060 - Notice for removal.

The North Aurora police department shall give written notice it has found an abandoned vehicle on private property and of its intention to remove the vehicle. The written notice shall be served upon the occupant of the land where the abandoned vehicle is located, or in case there is no such occupant, then upon the owner of the land or the owner's agent. Additionally, written notice of the abandoned vehicle and the village's intent to remove the abandoned vehicle shall be sent to the registered owner if identifiable through the vehicle identification number, or license plate number displayed on the vehicle. The abandoned vehicle shall be removed from the private property within seven days after the mailing of the written notice or delivery of the written notice as provided for in this section.

(Ord. 08-07-28-01 § 2E: Ord. 82-2 § 6)

8.04.070 - Interference with removal.

It is unlawful for any person to interfere with, hinder or prevent the removal of an abandoned vehicle or to interfere with, hinder or refuse to allow a towing service to enter upon private property for the purpose of removing an abandoned vehicle under the provisions of this chapter.

(Ord. 82-2 § 7)

8.04.080 - Towing records.

When a motor vehicle or other vehicle is authorized to be towed away, the police department shall keep and maintain a record of the vehicle towed, listing the color, year of manufacture, manufacturer's trade name, manufacturer's series name, body style, vehicle identification number and license plate year and number displayed on the vehicle. The record shall also include the date and hour of tow, location towed from, location towed to, reason for towing and the name of the officer authorizing the tow.

(Ord. 82-2 § 8)

8.04.090 - Search of records for unknown owners.

A. When a vehicle has been towed as abandoned and the village police department does not know the identity of the registered owner, lien holder, or other legally entitled person, that the village police department will cause the vehicle registration records of the state of Illinois to be searched by the Secretary of State for the purpose of attaining the required ownership information.

B. The village police department will cause a stolen motor vehicle filed with the Illinois State Police to be searched by a directed communication to the Illinois State Police Department for stolen or wanted information on the vehicle. When the Illinois State Police Department files their search with negative results, the information contained in the National Crime Information Center (NCIC) files will be searched by the Illinois State Police Department. The information determined from these record searches will be used by the village police department in sending notification by certified mail to the owner or legally entitled person advising where the vehicle is held, notifying them and requesting a disposition to be made.

(Ord. 08-07-28-01 § 2F: Ord. 82-2 § 9)

8.04.100 - Illinois state police notification.

When the registered owner or other person legally entitled to the possession of a motor vehicle or other vehicle cannot be identified from the registration files of this state or from the registration files of a foreign state, if applicable, the police department shall notify the Illinois State Police Department for the purpose of identifying the vehicle's owner of other person legally entitled to the possession of the vehicle. The information obtained by the Illinois State Police Department will be immediately forwarded to the law enforcement agency having custody of the vehicle for notification of owner.

(Ord. 82-2 § 10)

8.04.110 - Owner's right to reclaim.

Except as to vehicles towed pursuant to Section 9.04.200, all vehicles towed pursuant to this chapter will be towed, held by and subject to the provisions of the code relating to commercial relocators. All owners will be required to reclaim their vehicles from the commercial relocator and pay all authorized towing, storage and processing fees charged by the commercial relocator. No vehicle shall be released to the owner, lien holder, or other person under this section until all towing, storage, and processing charges have been paid.

(Ord. 08-07-28-01 § 2G: Ord. 82-2 § 11)

8.04.120 - Public sale of unclaimed vehicle—Owner known.

A. Whenever an abandoned, lost, stolen or unclaimed motor vehicle or other vehicle, seven years of age or newer, remains unclaimed by the registered owner or other person legally entitled to its possession for a period of thirty (30) days after notice has been given as provided in this chapter, the North Aurora police department shall cause it to be sold at public sale to the highest bidder. Notice of the time and place of the sale shall be posted in a conspicuous place on the premises where the vehicle has been impounded and at the North Aurora Village Hall for at least ten (10) days prior to the sale. At least ten (10) days prior to the sale, the police department shall cause a notice of the time and place of the sale to be sent by certified mail to the registered owner or other person known by the police department or towing service to be legally entitled to the possession of the vehicle. Such notice shall contain a complete description of the vehicle to be sold and what steps must be taken by any legally entitled person to reclaim the vehicle.

B. In those instances where the certified notification specified in subsection A of this section has been returned by the postal authorities to the police department due to the addressee having moved, or being unknown at the address obtained from the registration records of this state, the sending of a second certified notice will not be required.

(Ord. 82-2 § 12)

8.04.130 - Disposition of unclaimed vehicle—Owner unknown.

When the identity of the registered owner or other person legally entitled to the possession of an abandoned, lost or unclaimed vehicle of seven years of age or newer cannot be determined by any means provided for in this chapter, the vehicle may be sold as provided in this chapter or disposed of in the manner authorized by this chapter without notice to the registered owner or other person legally entitled to the possession of the vehicle.

(Ord. 82-2 § 13)

8.04.140 - Vehicle over seven years of age.

When an abandoned vehicle of more than seven years of age is impounded as specified by this chapter, it will be kept in custody for a minimum of ten (10) days for the purpose of determining ownership, the contacting of the registered owner by the U.S. mail, public service or in person for a determination of disposition; and, an examination of the Illinois State Police Department stolen motor vehicle files for theft and wanted information. At the expiration of the ten (10) day period, without the benefit of disposition information being received from the registered owner, the chief of police will authorize the disposal of the vehicle as junk only.

(Ord. 82-2 § 14)

8.04.150 - Police department—Report of transaction.

When a motor vehicle or other vehicle in the custody of the police department is reclaimed by the registered owner or other legally entitled person, or when the vehicle is sold at public sale or otherwise disposed of as provided in this chapter, a report of the transaction will be maintained by the police department for a period of one year from the date of the sale or disposal.

(Ord. 82-2 § 15)

8.04.160 - Proceeds to village treasury.

When a vehicle located within the corporate limits of the village is authorized to be towed away by the chief of police and disposed of as set forth in this chapter, the proceeds of the public sale or disposition after the deduction of towing, storage and processing charges shall be deposited in the village treasury.

(Ord. 82-2 § 16)

8.04.170 - Immunity.

Any police officer, towing service owner, operator or employee shall not be held to answer or be liable for damages in any action brought by the registered owner, former registered owner or his or her legal representative, or any other person legally entitled to the possession of a motor vehicle when the vehicle was processed and sold or disposed of as provided by this chapter.

(Ord. 82-2 § 17)

8.04.180 - Penalty.

Any person violating any provision of this chapter shall be deemed guilty of a misdemeanor and upon conviction of such violation, shall be fined an amount not exceeding five hundred dollars ($500.00). Each day such violation is committed or permitted to continue shall constitute a separate offense and shall be punishable hereunder as such.

(Ord. 82-2 § 18)

8.04.190 - Right to abate nuisances.

The Village of North Aurora retains all other existing legal rights to abate the nuisances prohibited by this chapter.

(Ord. 82-2 § 20)

8.04.200 - Reserved.

Editor's note— Ord. No. 16-02-01-01 , § 2, adopted Feb. 1, 2016, repealed § 8.04.200, which pertained to village police department's authority to impound vehicle, and derived from Ord. No. 08-07-28-01, § 2H.